



銀娛 GEG

銀河娛樂集團有限公司
Galaxy Entertainment Group Limited

Stock Code : 27

2025 ANNUAL REPORT



星際酒店
StarWorld Hotel

GALAXY
MACAU
澳門銀河

澳門百老匯
BROADWAY MACAU

GALAXY™
ARENA
銀河綜藝館

GALAXY™
INTERNATIONAL
CONVENTION CENTER
銀河國際會議中心



OUR VISION

Galaxy's vision is to be:
**Globally recognized as Asia's leading gaming
and entertainment corporation.**

**This vision will be achieved through adhering
to our proven business philosophy.**

GALAXY'S BUSINESS PHILOSOPHY

LOCAL MARKET INSIGHTS

Leveraging Chinese heritage and deep understanding of Asian and Chinese customer preferences

PROVEN EXPERTISE

Focus on ROI (return on investment) with prudent CAPEX (capital expenditure) plan, proven construction and hotel expertise, and controlled development

WELL POSITIONED

Position Galaxy as a leading operator of integrated gaming, leisure and entertainment facilities

DEMAND DRIVEN STRATEGY

Monitor the market's developments and expand prudently in a timely manner



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CORPORATE INFORMATION

CHAIRMAN

Mr. Francis Lui Yiu Tung, *BBS*

EXECUTIVE DIRECTORS

Mr. Joseph Chee Ying Keung

Mrs. Paddy Tang Lui Wai Yu, *BBS, JP*

Ms. Eileen Lui Wai Ling

NON-EXECUTIVE DIRECTOR

Dr. Charles Cheung Wai Bun, *JP*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. James Ross Ancell

Dr. William Yip Shue Lam, *LLD*

Professor Patrick Wong Lung Tak, *BBS, JP*

Mr. Michael Victor Mecca

EXECUTIVE BOARD

Mr. Francis Lui Yiu Tung, *BBS*

Mr. Joseph Chee Ying Keung

Mrs. Paddy Tang Lui Wai Yu, *BBS, JP*

Ms. Eileen Lui Wai Ling

AUDIT COMMITTEE

Mr. James Ross Ancell (*Chairman*)

Dr. William Yip Shue Lam, *LLD*

Professor Patrick Wong Lung Tak, *BBS, JP*

Dr. Charles Cheung Wai Bun, *JP*

REMUNERATION COMMITTEE

Dr. William Yip Shue Lam, *LLD (Chairman)*

Mr. Francis Lui Yiu Tung, *BBS*

Professor Patrick Wong Lung Tak, *BBS, JP*

NOMINATION COMMITTEE

Dr. William Yip Shue Lam, *LLD (Chairman)*

Mr. Francis Lui Yiu Tung, *BBS*

Professor Patrick Wong Lung Tak, *BBS, JP*

CORPORATE GOVERNANCE COMMITTEE

Mr. Francis Lui Yiu Tung, *BBS (Chairman)*

Mr. James Ross Ancell

Professor Patrick Wong Lung Tak, *BBS, JP*

Dr. Charles Cheung Wai Bun, *JP*

COMPANY SECRETARY

Mr. Chong Wai Sang



CORPORATE INFORMATION

INDEPENDENT AUDITOR

PricewaterhouseCoopers
 Certified Public Accountant and
 Registered Public Interest Entity Auditor

REGISTERED OFFICE

22nd Floor
 Wing On Centre
 111 Connaught Road Central
 Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
 Shops 1712-1716
 17th Floor, Hopewell Centre
 183 Queen's Road East
 Wanchai, Hong Kong

PRINCIPAL BANKERS#

Banco Nacional Ultramarino, S.A.
 Bank of China Limited, Macau Branch
 DBS Bank (Hong Kong) Limited
 Industrial and Commercial Bank of China (Macau) Limited
 The Hongkong and Shanghai Banking Corporation Limited

listed in alphabetical order

SOLICITORS*

Jorge Neto Valente, Escritório de Advogados e Notários
 White & Case

* listed in alphabetical order

SHARE LISTING

The Stock Exchange of Hong Kong Limited ("SEHK")

STOCK CODE

SEHK	:	27
Bloomberg	:	27 HK
Reuters	:	0027.HK

INVESTOR RELATIONS CONTACT

Please direct enquiries to:
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WEBSITE ADDRESS

<http://www.galaxyentertainment.com>



Capella at Galaxy Macau Entrance Driveway

CORPORATE PROFILE

Galaxy Entertainment Group Limited (“GEG” or the “Company”) and its subsidiaries (“GEG” or the “Group”) is one of the world’s leading resorts, hospitality and gaming companies. The Group primarily develops and operates a large portfolio of integrated resort, retail, dining, hotel and gaming facilities in Macau. GEG is listed on the Hong Kong Stock Exchange and is a constituent stock of the Hang Seng Index.

GEG through its subsidiary, Galaxy Casino S.A., is one of the three original concessionaires in Macau with a successful track record of delivering innovative, spectacular and award-winning properties, products and services, underpinned by a “World Class, Asian Heart” service philosophy, that has enabled it to consistently outperform and lead the market in Macau.

The Group operates three flagship destinations in Macau: on Cotai, Galaxy Macau™, one of the world’s largest integrated destination resorts, and the adjoining Broadway Macau™, a unique landmark entertainment and food street destination; and on the Peninsula, StarWorld Hotel, an award-winning premium property.

GALAXY MACAU™

- Opened in May 2011; significantly expanded in May 2015 with the opening of Phase 2; and further expanded in 2023 with the opening of Phase 3 including Galaxy International Convention Center (“GICC”), Galaxy Arena, Raffles at Galaxy Macau and Andaz Macau; Capella at Galaxy Macau was soft launched in 2025 and officially opened in February 2026
- Footprint of 1.4 million square meters
- Comprises nine world-class hotels with approximately 5,000 rooms, suites and villas, including:
 - Capella at Galaxy Macau
 - Raffles at Galaxy Macau
 - Banyan Tree Macau
 - The Ritz-Carlton, Macau
 - Galaxy Hotel™
 - JW Marriott Hotel Macau
 - Hotel Okura Macau
 - Andaz Macau
 - Broadway Hotel
- Features an unprecedented range of retail, food & beverage, entertainment, leisure and MICE options, including:
 - Galaxy Promenade is a one-stop shopping destination with many of the world’s finest luxury brands and unrivalled lifestyle experiences
 - As the dining destination in Asia, Galaxy Macau™ offers a wide variety of gastronomic delights, exquisite experiences and ingredients of the finest quality with over 120 dining options from Michelin dining to authentic delicacies
 - Grand Resort Deck is the signature attraction of Galaxy Macau™. Sprawling across 75,000 square meters, it is the world’s largest skytop oasis complete with best-in-class facilities – the world’s longest Skytop Adventure Rapids at 575 meters, the largest Skytop Wave Pool with waves up to 1.5 meters high and a 150-meter pristine white sand beach
 - Macau’s most luxurious 10-screen 3D Cineplex – Galaxy Cinemas is equipped with 3D technology and a groundbreaking 4K laser projection system for an ultimate movie experience
 - GICC – Asia’s most iconic and advanced MICE destination – is a world-class event venue and the latest addition to GEG’s ever-expanding integrated resort precinct, featuring 40,000 sqm of total flexible MICE space that can cater for up to 8,500 banquet guests, or cocktail parties for as many as 16,000 guests. The 10,000-sqm pillar-less exhibition hall located on the ground floor is perfectly suited for banquets of approximately 6,500 guests or cocktail parties for 8,500 guests



CORPORATE PROFILE

- The all-new 16,000-seat Galaxy Arena is the largest indoor arena in Macau, where spectacular events come to life – from world concert tours to thrilling fight nights. Our arena offers center-stage, end-stage or boxing ring set-ups, all of which are customizable for your event. With unobstructed views and high-definition broadcasting enabled by advanced technical infrastructure, every guest will enjoy amazing 360° views and high quality surround sound. The arena also features 8 Hospitality Suites for guests to relax and network in luxuriously private surrounds

STARWORLD HOTEL

- Opened in 2006 as the Group's first 5-star hotel
- Located in the heart of the Macau Peninsula
- Multi award-winning world-class luxury hotel
- Offers approximately 500 luxury rooms and suites
- StarWorld Hotel is the destination to embark on a prestigious star experience of refined luxury



BROADWAY MACAU™

- Opened in May 2015; connected by bridge to Galaxy Macau™, Broadway Macau™ is a popular dining and entertainment destination that offers the best of authentic Macau flavors and vibrant Asian experiences
- Broadway Hotel with approximately 310 rooms and suites, is an exquisitely designed boutique hotel boasting 180-degree river views overlooking the Pearl River Delta
- Broadway Theatre with approximately 2,500 seats features the best in up-close-and-personal entertainment
- An array of popular dining options including authentic local dishes and Asian favorites served in restaurants and roadside hawker stalls and retail



FUTURE DEVELOPMENT OPPORTUNITIES

Phase 4

The Group has the largest development pipeline of any casino operator in Macau. The Group is currently expanding its Cotai footprint by a further 600,000 square meters with the addition of Cotai Phase 4.

Phase 4 is planned to include multiple high-end hotel brands that are new to Macau, together with an approximately 5,000-seat theater, extensive F&B, retail, non-gaming amenities, landscaping, a water resort deck and a casino. On completion our total Macau hotel capacity will be approximately 7,000 rooms and suites. These projects will help GEG develop and support Macau in its vision of becoming a World Centre of Tourism and Leisure.

Greater Bay Area and Overseas

GEG will continue to seek opportunities in the Greater Bay Area and explore attractive overseas development opportunities.

In July 2015, GEG made a strategic investment in Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco ("Monte-Carlo SBM"), a world renowned owner and operator of iconic luxury hotels and resorts in the Principality of Monaco. GEG continues to explore a range of international development opportunities with Monte-Carlo SBM.

GEG is committed to building a sustainable future for Macau and contributing to the local community. In July 2014, it launched the HK\$1.3 billion Galaxy Entertainment Group Foundation, which will focus on educating and empowering the young people of Macau and Mainland China.

FINANCIAL & OPERATIONAL HIGHLIGHTS

GROUP

- Group Net Revenue of HK\$49.2 billion, up 13% year-on-year
- Group Adjusted EBITDA of HK\$14.5 billion, up 19% year-on-year
- Group Net Profit Attributable to Shareholders (“NPAS”) of HK\$10.7 billion, up 22% year-on-year
- Played lucky in gaming operations which increased Adjusted EBITDA by approximately HK\$1,482 million in 2025. Normalized Adjusted EBITDA was HK\$13.0 billion, up 5% year-on-year
- As of 31 December 2025, balance sheet remains liquid and healthy with cash and liquid investments of HK\$36.3 billion and the net position was HK\$35.0 billion after debt of HK\$1.3 billion
- GEG paid two dividends totaled HK\$1.20 per share in 2025 and the Board recommends a final dividend of HK\$0.80 per share payable in June 2026



GALAXY MACAU™

- Net Revenue of HK\$41.0 billion, up 19% year-on-year
- Adjusted EBITDA of HK\$13.4 billion, up 24% year-on-year
- Played lucky in gaming operations which increased Adjusted EBITDA by approximately HK\$1,502 million in 2025. Normalized Adjusted EBITDA was HK\$11.9 billion, up 8% year-on-year
- Hotel occupancy for 2025 across the nine hotels was 98%.
- Non-gaming revenue of HK\$5.9 billion, up 5% year-on-year



STARWORLD MACAU

- Net Revenue of HK\$5.0 billion, down 7% year-on-year
- Adjusted EBITDA of HK\$1.4 billion, down 13% year-on-year
- Played unlucky in gaming operations which decreased Adjusted EBITDA by approximately HK\$20 million in 2025. Normalized Adjusted EBITDA was HK\$1.4 billion, down 9% year-on-year
- Hotel occupancy for 2025 was 100%
- Non-gaming revenue of HK\$486 million, down 9% year-on-year



BROADWAY MACAU™, CITY CLUBS and CONSTRUCTION MATERIALS DIVISION

- Broadway Macau™: Adjusted EBITDA of HK\$11 million, down 54% year-on-year
- City Clubs: Adjusted EBITDA of HK\$(7) million, versus HK\$14 million in 2024
- Construction Materials Division: Adjusted EBITDA of HK\$877 million, up 2% year-on-year

DEVELOPMENT UPDATE

- Cotai Phase 3 – Continue to ramp up Capella at Galaxy Macau, GICC, Galaxy Arena, Raffles at Galaxy Macau and Andaz Macau
- Cotai Phase 4 – Our efforts are firmly focused on the development of Phase 4 which has a strong focus on non-gaming, primarily targeting entertainment, family facilities and also includes a casino
- International – Continuously exploring opportunities in overseas markets

FINANCIAL & OPERATIONAL HIGHLIGHTS

GROUP

Key Financial Data

(HK\$'m)	2024	2025
Revenues:		
Net Gaming	33,826	39,648
Non-gaming	6,425	6,631
Construction Materials	3,181	2,963
Total Net Revenue	43,432	49,242
Adjusted EBITDA	12,188	14,502

Gaming Statistics¹

(HK\$'m)	2024	2025
Rolling Chip Volume ²	180,879	227,631
Win Rate %	2.9%	4.2%
Win	5,329	9,544
Mass Table Drop ³	127,823	137,961
Win Rate %	25.9%	26.5%
Win	33,112	36,512
Electronic Gaming Volume	95,380	110,815
Win Rate %	2.8%	2.8%
Win	2,704	3,082
Total GGR Win ⁴	41,145	49,138

Key Financial Metrics

	2024	2025
Net Profit Attributable To Shareholders (HK\$'m)	8,759	10,674
Earnings Per Share (HK cents)	200.3	244.0
Total Assets (HK\$'m)	94,578	99,844
Cash and Liquid Investments (HK\$'m)	31,333	36,277
Debt (HK\$'m)	4,179	1,294
Share Price on 31 December (HK\$)	33.00	38.32
Market Capitalization (HK\$'m)	144,372	167,813

¹ Gaming statistics are presented before deducting commission and incentives.

² Reflects sum of promoter and inhouse premium direct.

³ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

⁴ Total GGR win includes gaming win from City Clubs. Waldo Casino ceased operations on 31 October 2025.

FINANCIAL & OPERATIONAL HIGHLIGHTS

GALAXY MACAU™

Key Financial Data

(HK\$'m)	2024	2025
Revenues:		
Net Gaming	28,833	35,074
Hotel/F&B/Others	4,279	4,577
Mall	1,392	1,363
Total Net Revenue	34,504	41,014
Adjusted EBITDA	10,794	13,429
Adjusted EBITDA Margin	31%	33%

Gaming Statistics⁵

(HK\$'m)	2024	2025
Rolling Chip Volume ⁶	175,759	223,373
Win Rate %	2.9%	4.2%
Win	5,079	9,446
Mass Table Drop ⁷	99,153	108,653
Win Rate %	28.3%	29.1%
Win	28,041	31,637
Electronic Gaming Volume	62,086	72,891
Win Rate %	3.4%	3.3%
Win	2,112	2,440
Total GGR Win	35,232	43,523

⁵ Gaming statistics are presented before deducting commission and incentives.

⁶ Reflects sum of promoter and inhouse premium direct.

⁷ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

FINANCIAL & OPERATIONAL HIGHLIGHTS

STARWORLD MACAU

Key Financial Data

(HK\$m)	2024	2025
Revenues:		
Net Gaming	4,782	4,465
Hotel/F&B/Others	513	464
Mall	23	22
Total Net Revenue	5,318	4,951
Adjusted EBITDA	1,584	1,378
Adjusted EBITDA Margin	30%	28%

星際酒店
StarWorld Hotel

Gaming Statistics⁸

(HK\$m)	2024	2025
Rolling Chip Volume ⁹	5,120	4,258
Win Rate %	4.9%	2.3%
Win	250	98
Mass Table Drop ¹⁰	27,727	28,842
Win Rate %	17.8%	16.6%
Win	4,936	4,796
Electronic Gaming Volume	28,541	35,797
Win Rate %	1.8%	1.7%
Win	516	612
Total GGR Win	5,702	5,506

⁸ Gaming statistics are presented before deducting commission and incentives.

⁹ Reflects sum of promoter and inhouse premium direct.

¹⁰ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

CHAIRMAN'S STATEMENT



Chairman

Francis Lui Yiu Tung

BBS

DEAR SHAREHOLDERS,

In 2025 Macau continued its post Covid recovery, with Gross Gaming Revenue increasing 9% to HK\$240.2 billion. During the year, the Central Government further increased flexibility for mainland visitors, including the one-trip-per-week visa for Zhuhai residents and the multiple-entry visa for Hengqin residents, which enables more frequent travel to Macau. As a result, total visitation to Macau increased 15% to 40.1 million, setting an all-time record for arrivals. Visitation from Mainland China increased at an even faster pace, rising 18% to 29.0 million. Equally significant, international visitor arrivals increased 14% to 2.8 million, also setting a new record for overseas visitation. GEG has been actively working with Macao Government Tourism Office to position Macau as a destination of choice, particularly across Asia. GEG remains fully committed to advancing this effort through our marketing teams and international offices in Seoul, Tokyo, Bangkok, and Singapore.

Turning to GEG's performance, we continued to drive growth across every segment of the business, with a particular focus in the premium mass and the super-premium mass segment. Capella soft launched in May 2025 and officially opened on 10 February 2026. With its ultra-luxury room product, Capella has allowed us to capture the super-premium mass segment more effectively at scale, further reinforcing our leadership in this high-value market.

CHAIRMAN'S STATEMENT

From a financial perspective, GEG grew Adjusted EBITDA by 19% from HK\$12.2 billion to HK\$14.5 billion in 2025. Full year Net Profit Attributable to Shareholders grew 22% to HK\$10.7 billion.

Our balance sheet remains healthy and liquid, with cash and liquid investments of HK\$36.3 billion. This solid financial foundation, together with healthy cash flow from operations enables us to return capital to shareholders, fund our development pipeline, pursue international expansion opportunities and ensure that we have a strong balance sheet in the event of unforeseeable circumstances such as economic shocks. During 2025, we paid two dividends of HK\$0.50 and HK\$0.70, totaling HK\$1.20 per share. Today the Board recommends a final dividend of HK\$0.80 per share. These dividends demonstrate our continued confidence in the longer-term outlook for Macau and for GEG.

GEG continues to support the Macau Government's goal to develop Macau into a "City of Performing Arts" and "City of Sports" by hosting world-class events across various categories. The Galaxy Arena and Galaxy International Convention Center ("GIICC") have been tremendously successful, with mega events driving a significant increase in customer traffic. In 2025, GEG hosted around 350 concerts, entertainment shows, sporting and major events. Highlights included world-class tenor Andrea Bocelli's concert in March, the ITTF World Cup in April, performances by G-Dragon, Jacky Cheung, and Eason Chan during summer, and the National Games in November which was the first time that they were jointly held in Macau. We also hosted the two-day iQIYI Scream Carnival which is an exclusive multi-year strategic partnership with Galaxy Arena. In addition, the "2025 Greater Bay Area Film and Music Gala – Bay Area Rising Moon", co-organized by the Film Channel Program Centre, the Cultural Affairs Bureau of the Macao SAR Government, Zijing Culture Group and Phoenix Television, was also successfully held at Galaxy Arena. These landmark events drew large audiences from both Mainland China and overseas markets, underscoring the power of entertainment to broaden Macau's appeal well beyond gaming. Each event not only strengthened the Galaxy brand but also generated incremental revenue across our resorts.

Looking ahead, 2026 promises another exciting calendar of entertainment. We will continue our partnerships with leading global entertainment companies to present marquee concerts, while expanding our collaboration with UFC to bring thrilling UFC Fight Nights to the city. We have also renewed a three-year cooperation agreement with Damai Entertainment, a member of Alibaba Group, and Macau Pass to enhance our events ticketing services. Together, these initiatives will deepen customer loyalty, attract new audiences, and firmly establish Macau as Asia's premier destination for leisure and entertainment.

GEG announced that Waldo Casino ceased operations on 31 October 2025. In alignment with Macau Government policies, GEG is committed to safeguarding local employment. In addition to being able to retain the same position, employees have also been offered the opportunity to explore a range of career paths if they wish to do so and they received support for their transition into a new working environment.

Macau's 2025 Policy Address reaffirmed the importance of balancing reliance on gaming with diversified tourism and cultural development. In response, concessionaires continued to invest heavily in non-gaming facilities such as hotels, retail, family entertainment, and event venues, while also expanding international marketing. Together, these initiatives are helping Macau evolve into a globally competitive World Centre of Tourism and Leisure.

CHAIRMAN'S STATEMENT

Looking ahead to 2026, we remain firmly focused on accelerating Phase 4 development, enhancing the appeal of our existing resorts, and further expanding our non-gaming offerings — from mega shows to international events — to diversify Macau's offerings. We remain optimistic about GEG and the broader market landscape. We are confident that the Central Government will continue to support Macau through policies, and that the Macau Government will sustain its focus on stable development and economic diversification.

On a final note, I would like to express my heartfelt appreciation to our team members who deliver “World Class, Asian Heart” service each and every day. Their professionalism and commitment have been instrumental in upholding GEG's reputation and driving the solid financial results we have achieved.

Francis Lui Yiu Tung

BBS

Chairman

Hong Kong, 26 February 2026

FINANCIAL CALENDAR FOR 2026 AGM AND FINAL DIVIDEND

Book close dates for 2026 AGM	:	6 May 2026 (Wednesday) to 12 May 2026 (Tuesday) (both days inclusive)
Record date for 2026 AGM	:	12 May 2026 (Tuesday)
Date and time of 2026 AGM	:	2:30 p.m. on 12 May 2026 (Tuesday)
Latest time to lodge transfer documents with the Company's share registrar to attend and vote at 2026 AGM	:	4:30 p.m. on 5 May 2026 (Tuesday)
Latest time to lodge proxy forms with the Company's registered office at 22nd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong	:	2:30 p.m. on 9 May 2026 (Saturday)
Book close dates for Final Dividend	:	27 May 2026 (Wednesday) to 29 May 2026 (Friday) (both days inclusive)
Record date for Final Dividend	:	29 May 2026 (Friday)
Ex-dividend date	:	22 May 2026 (Friday)
Expected payment date	:	12 June 2026 (Friday)
Latest time to lodge transfer documents with the Company's share registrar to entitle Final Dividend	:	4:30 p.m. on 26 May 2026 (Tuesday)
Name and address of the Company's share registrar	:	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

SELECTED MAJOR AWARDS

AWARD	PRESENTER
GEG	
Global Gaming Awards Asia-Pacific 2025 – Casino Operator of the Year	Gambling Insider
11th Outstanding Corporate Social Responsibility Award Ceremony – Outstanding Corporate Social Responsibility Award	Mirror Post of Hong Kong
2025 Macao International Environmental Co-operation Forum & Exhibition – Green Booth Award	Macao Fair & Trade Association and Macao Low Carbon Development Association
2025 IAG Academy IR Awards – Best Overall CSR Program – “Community at Heart, Empathy in Action”	Inside Asian Gaming
8th Hong Kong ESG Reporting Awards – Excellence in Social Positive Impact – Commendation – GBA Outstanding ESG Disclosure List	Hong Kong ESG Reporting Awards
2025 Greater Bay Area Most Influential Award	GBA Economic and Trade Association
3rd Greater China Most Influential Brands & Entrepreneur Awards Ceremony – 3rd Greater China Most Influential Social Responsibility Award	Phoenix Skyscape Economic and Cultural & Creative Association
2025 5th National Human Resources Innovation Competition – Best Talent Development Brand – Leading Brand – Innovative HR Practice – Leading Brand	Human Resources Management Committee of the China Chamber of International Commerce, HRLead
Best Cohesive Partnership Award	Trip.com
GALAXY MACAU™	
Global Gaming Awards Asia-Pacific 2025 – Integrated Resort of the Year	Gambling Insider
Five-Star Hotel – Banyan Tree Macau – Galaxy Hotel™ – Hotel Okura Macau – Raffles at Galaxy Macau – The Ritz-Carlton, Macau	2025 Forbes Travel Guide
Five-Star Spa – Banyan Tree Spa Macau – The Ritz-Carlton Spa, Macau	
Meituan 2024 Hotel Awards – Influential Hotel Group – Galaxy Macau™ – Popular Resort Hotel – Galaxy Hotel™ – Hotel of Excellent Service – Andaz Macau	Mei Tuan

SELECTED MAJOR AWARDS

AWARD	PRESENTER
2025 IAG Academy IR Awards – Best Integrated Resort – Galaxy Macau™ – Best Overall F&B Offering by an IR – Galaxy Macau™ – Best Hotel in an IR – Capella at Galaxy Macau	Inside Asian Gaming
Travel + Leisure Luxury Awards Asia Pacific 2025 Best Integrated Resort – Galaxy Macau™ (Second Place) Macau's Best Hotels – Galaxy Hotel™ (First Place) – Banyan Tree Macau (Fourth Place) – Andaz Macau (Tenth Place) Macau's Best Hotel Pools – Grand Resort Deck (First Place) – Banyan Tree Macau (Second Place) – Raffles at Galaxy Macau (Tenth Place) Macau's Best Hotel Spa – Banyan Tree Spa Macau (First Place)	Travel and Leisure
2025 World's Travel & Hotel Awards – Best Hotel Spa – Banyan Tree Spa Macau – Best Luxury Hotel – Raffles at Galaxy Macau – Most Anticipated New Hotel Opening – Capella at Galaxy Macau	ULife
Macau's Best Resort Spa 2025 – Banyan Tree Spa Macau Wellness & Spa Awards 2025 – Best Spiritual Treatment of the Year – Banyan Tree Spa Macau – Best Hotel Spa of the Year – The Ritz-Carlton Spa, Macau	World Spa Awards SpaChina
MICHELIN Guide Global Hotels Ceremony 2025 – One MICHELIN Key – Banyan Tree Macau – The Ritz-Carlton, Macau	MICHELIN Guide
2025 Readers' Choice Awards – Best Macau Hotels – Banyan Tree Macau – JW Marriott Macau – Raffles at Galaxy Macau – The Ritz-Carlton, Macau	DestinAsian
Travel + Leisure 2024 China Travel Awards – China's Top 100 Hotels – Andaz Macau – Raffles at Galaxy Macau	China Travel + Leisure
High-quality Development of Annual Summit 2024 – Contribution to a Happy Life Award – Galaxy Macau™	Guangzhou Daily Group

SELECTED MAJOR AWARDS

AWARD	PRESENTER
FAB Gold List 2024 (Asia) – FAB Gold Hotels – Banyan Tree Macau – Galaxy Hotel™ – Raffles at Galaxy Macau – The Ritz-Carlton, Macau	fabhotelsasia100.com
FAB Gold List 2024 (Asia) – FAB Gold Service – Banyan Tree Macau – Raffles at Galaxy Macau – The Ritz-Carlton, Macau	
FAB Gold List 2024 (Asia) – FAB Gold Spa – Banyan Tree Spa Macau – The Ritz-Carlton Spa, Macau	
FAB Gold List 2024 (Asia) – FAB Gold Club Lounge – The Ritz-Carlton, Macau	
FAB Gold List 2024 (Asia) – FAB Gold Bar – The Ritz-Carlton, Macau	
The 10th InJoy Hotel & Travel Charts Award – The Most Anticipated Hotel Opening of 2025 – Capella at Galaxy Macau – Artistic Design Hotel of The Year – Andaz Macau – Jury Prize of The Year – Raffles at Galaxy Macau	HotelShare
New Media Fashion Lifestyle Award – Best Design Hotel – Andaz Macau	Travel Times
Traveller Review Awards 2025 Winner – Andaz Macau – Banyan Tree Macau – Galaxy Hotel™ – Hotel Okura Macau	Booking.com
2025 China Most Worth Experiencing Hotel Restaurant – Tam Chai Yu Chun	KOL Gold List
2025 China Most Worth Experiencing Hotel – Raffles at Galaxy Macau	
2024 Macau Green Hotel Awards – Gold Award – Hotel Okura Macau	Environmental Protection Bureau of the Macao SAR Government

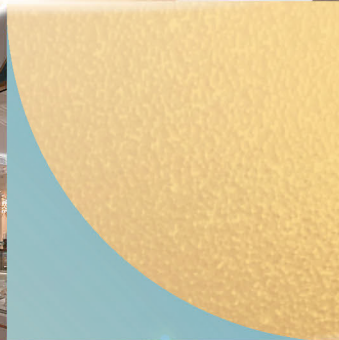
SELECTED MAJOR AWARDS

AWARD	PRESENTER
UTravel Awards 2025 – Favorite Integrated Resorts (Macau) – Galaxy Macau™	U Magazine
Readers' Choice Awards 2025 – Best Hotels – JW Marriott Macau – The Ritz-Carlton, Macau	CNTraveler
The Bund Design Hotel Award – Best Design Hotel – Capella at Galaxy Macau	The Bund Media
Love Awards 2025 – Most Promising Hotel of the Year – Capella at Galaxy Macau	Time Out Shanghai
2025 Annual Award – Newly Opened Hotel of the Year – Capella at Galaxy Macau	Platinum Traveller
BROADWAY MACAU™	
Meituan 2024 Hotel Awards – Popular Hotel – Broadway Hotel	Mei Tuan
2024 Macau Green Hotel Awards – Silver Award – Broadway Hotel	Environmental Protection Bureau of the Macao SAR Government
Overseas Popularity Award 2024 – Broadway Hotel	Trip.com
Traveller Review Awards 2025 Winner – Broadway Hotel	Booking.com
CONSTRUCTION MATERIALS DIVISION	
Carbon Reduction Action – Collaborating Partner – Participation Certificate	Environmental Campaign Committee
Hong Kong Green Organisation Certification – Wastewi\$e – Excellent Level	Environmental Campaign Committee
BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 – EcoPartner	Bank of China (Hong Kong), Federation of Hong Kong Industries
24th Hong Kong Occupational Safety & Health Award – Safety Management System Award – All Industries – Certificate of Attainment – Safety Performance Award – All Industries – Outstanding Award	Labour Department/Occupational Safety and Health Council
Good MPF Employer Award 2024-25 – Good MPF Employer – e-Contribution Award – MPF Support Award	The Mandatory Provident Fund Schemes Authority
ESG Achievement Awards 2024/2025 – Outstanding ESG Awards (Non-Listed Company) Diamond Award	The Institute of ESG & Benchmark, IESGB
Caring Company Scheme – 20 Years Plus Caring Company Logo	The Hong Kong Council of Social Service

SELECTED MAJOR AWARDS

A FOOD LOVERS PARADISE

Across GEG's portfolio of resorts, we offer the largest selection of pan-Asian and international food in Macau, with an excess of 120 food and beverage outlets.



SELECTED MAJOR AWARDS

Below is a selection of food accolades that were awarded in 2025:

AWARD	PRESENTER
GALAXY MACAU™	
MICHELIN One-Star Restaurant – 8½ Otto e Mezzo BOMBANA – Lai Heen – Sushi Kissho by Miyakawa	The MICHELIN Guide Hong Kong Macau 2025
MICHELIN Selected Restaurants – Saffron – Terrazza Italian Restaurant – The Ritz-Carlton Café	
2025 Black Pearl Restaurant Guide One Diamond – 8½ Otto e Mezzo BOMBANA	Mei Tuan
Five-Star Restaurant – 8½ Otto e Mezzo BOMBANA – Yamazato	2025 Forbes Travel Guide
SCMP 100 Top Tables 2025 – 8½ Otto e Mezzo BOMBANA – Lai Heen – Sushi Kissho by Miyakawa – Teppanyaki Shou – Yamazato	South China Morning Post
T+L Tastemakers List 2024 – Best 25 Restaurants in Macau – 8½ Otto e Mezzo BOMBANA – Lai Heen – Saffron – Sushi Kissho by Miyakawa	Travel + Leisure
T+L Tastemakers List 2024 – Best 10 Bars in Macau – The Ritz Carlton Bar & Lounge – Long Bar – The Macallan Whiskey Bar & Lounge	
T+L Tastemakers List 2025 – Best 25 Restaurants in Macau – Saffron – Lai Heen – Sushi Kissho by Miyakawa – 8½ Otto e Mezzo BOMBANA	
T+L Tastemakers List 2025 (Macau) – Best 10 Bars in Macau – The Ritz Carlton Bar & Lounge – Long Bar	

SELECTED MAJOR AWARDS

AWARD	PRESENTER
BAZAAR Taste Elite 2025 (Macau) – Sushi Kissho by Miyakawa	HARPERS BAZAAR
FAB Gold List 2024 (Asia) – FAB Gold Restaurants – 8½ Otto e Mezzo BOMBANA – Sushi Kissho by Miyakawa	fabhotelsasia100.com
Tatler Best Hong Kong and Macau Awards 2025	Tatler Asia
Tatler Best-in-Class (Macau) – Best New Hotel – Raffles at Galaxy Macau – Best Service Bar – The Macallan Whisky Bar & Lounge – Best New Restaurant – Sushi Kissho by Miyakawa – Best Design Restaurant – Teppanyaki Shou – Best Design Bar – Raffles Lounge & Terrace – Best New Bar – Long Bar	
Tatler Best 20 Restaurants (Macau) – 8½ Otto e Mezzo BOMBANA – Sushi Kissho by Miyakawa – Saffron – Teppanyaki Shou	
Tatler Best 20 Bars (Macau) – 8½ Otto e Mezzo BOMBANA – Andaz Bar – Long Bar – The Macallan Whisky Bar & Lounge – Raffles Lounge & Terrace – The Ritz-Carlton Bar & Lounge	
Wine Spectator’s Restaurant Awards 2025	Wine Spectator
Best of Award of Excellence (Two glasses) – 8½ Otto e Mezzo BOMBANA Award of Excellence (One glass) – Sushi Kissho by Miyakawa	
2025 IAG Academy IR Awards – Best Overall F&B Offering by an IR – Galaxy Macau™ – Best Hotel in an IR – Capella at Galaxy Macau	Inside Asian Gaming
Trip.Best Gourmet Award 2025 – 8½ Otto e Mezzo BOMBANA (Platinum Award)	Trip.com

SELECTED MAJOR AWARDS

AWARD	PRESENTER
China's Wine List of the Year Awards 2025 (Three Glasses) – 8½ Otto e Mezzo BOMBANA – Blossom Palaces	Asia Wine Institute
China's Wine List of the Year Awards 2025 (Two Glasses) – Hip Seng Seafood Hot Pot – Sushi Kissho by Miyakawa – Botanica	
China's Wine List of the Year Awards 2025 (One Glass) – The Apron	
Tatler Best Awards 2025	Tatler Asia
100 Best Restaurants (Asia Pacific) – 8½ Otto e Mezzo BOMBANA	
100 Best Bars (Asia Pacific) – Long Bar	
2025 China Best Champagne List – Chinese Restaurant – Hong Kong, Macao, Taiwan – Pak Loh Chiu Chow Restaurant – Western Restaurant – Hong Kong, Macao, Taiwan – 8½ Otto e Mezzo BOMBANA – Best Champagne List – Hong Kong, Macao, Taiwan – Pak Loh Chiu Chow Restaurant	Sparkling
Golden Phoenix Tree China Restaurant Guide 2025	ifeng food festival
Two Stars Restaurant (Macau) – 8½ Otto e Mezzo BOMBANA	
One Star Restaurant (Macau) – Tam Chai Yu Chun – Lai Heen	
China Feast Restaurants Award 2025 – Best Chinese Restaurants – Blossom Palaces	Ganlan Restaurant Review
Top 1000 Restaurants 2026 – 8½ Otto e Mezzo BOMBANA	La Liste
2025 Ganlanhuabao.com The Best Restaurant Awards – The Best Chao Zhou Cuisine Restaurant – Pak Loh Chiu Chow Restaurant	Ganlanhuabao

SELECTED MAJOR AWARDS

AWARD	PRESENTER
Vogue Living Awards 2025 – Best Hotel Bar (Macau) – PONY & PLUME at Capella at Galaxy Macau	Vogue Hong Kong
Star Wine List of the Year 2025 Asia – Best Italian Wine List – Gold star – 8½ Otto e Mezzo BOMBANA – Best Long List – Gold star – 8½ Otto e Mezzo BOMBANA – Best Sparkling Wine List – Silver star – 8½ Otto e Mezzo BOMBANA – Best Newcomer List – Silver Stars – Sushi Kissho by Miyakawa	Star Wine List
STARWORLD MACAU	
MICHELIN Two-Star Restaurant – Feng Wei Ju	The MICHELIN Guide Hong Kong Macau 2025
SCMP 100 Top Tables 2025 – Feng Wei Ju	South China Morning Post
T+L Tastemakers List 2024 – Best 25 Restaurants in Macau – Feng Wei Ju	Travel + Leisure
T+L Tastemakers list 2025 – Best 25 Restaurants in Macau – Feng Wei Ju	
BAZAAR Taste Elite 2025 (Macau) – Feng Wei Ju	HARPERS BAZAAR
FAB Gold List 2024(Asia) – FAB Gold Restaurants – Feng Wei Ju	fabhotelsasia100.com
2025 Black Pearl Restaurant Guide One Diamond – Feng Wei Ju	Mei Tuan
Tatler Best Hong Kong and Macau Awards 2025	Tatler Asia
Tatler Best 20 Restaurants (Macau) – Feng Wei Ju	
Trip.Best Gourmet Award 2025 – Feng Wei Ju (Platinum Award)	Trip.com
Golden Phoenix Tree China Restaurant Guide 2025 – One star restaurant (Macau) – Feng Wei Ju	ifeng food festival
Top 1000 Restaurants 2026 – Feng Wei Ju	La Liste

SELECTED MAJOR AWARDS

AWARD	PRESENTER
BROADWAY MACAU™	
Tatler Best Hong Kong and Macau Awards 2025	Tatler Asia
Tatler Best 20 Bars (Macau) – Goa Nights at Broadway Food Street	
T+L Tastemakers list 2025 – Best 10 Bars in Macau – Goa Nights	Travel + Leisure
T+L Tastemakers list 2024 – Best 10 Bars in Macau – Goa Nights	

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

OVERVIEW OF MACAU GAMING MARKET

Based on DICJ reporting, Macau's GGR for full year 2025 was \$240.2 billion, up 9% year-on-year, and represented 85% of 2019 level. GGR in Q4 2025 was \$64.1 billion, up 15% year-on-year and up 6% quarter-on-quarter.

In 2025, visitor arrivals to Macau were 40.1 million, up 15% year-on-year and exceeding the 2019 level of 39.4 million. Visitors from the Mainland were 29.0 million, up 18% year-on-year, with those traveling under the Individual Visit Scheme increasing by 26% year-on-year. Among the Mainland visitors, over 2.1 million travelled under the "one trip per week measure" and approximately 0.8 million under the "multiple-entry measure". Visitors from the nine Pearl River Delta cities in the Greater Bay Area rose by 24% year-on-year to 14.8 million, driven by an increase of 58% in the number of visitors from Zhuhai.

International visitors increased by 14% year-on-year to 2.8 million. Regarding the Asian markets, visitors from the Republic of Korea, Japan and Thailand grew by 11%, 26% and 38% year-on-year respectively. GEG has been working with the MGTO to actively promote Macau as an international tourist destination. We will continue to advance this effort through our marketing teams and international offices in Tokyo, Seoul, Bangkok and Singapore.

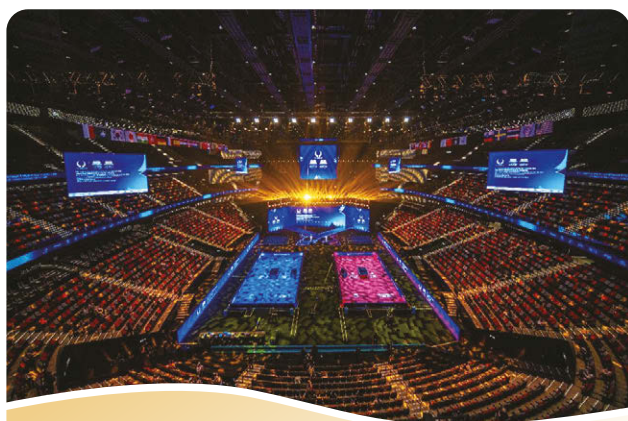
REVIEW OF OPERATIONS

Group Financial Results

The Group posted Net Revenue of \$49.2 billion, up 13% year-on-year. Adjusted EBITDA was \$14.5 billion, up 19% year-on-year. NPAS was \$10.7 billion, up 22% year-on-year. Galaxy Macau™'s Adjusted EBITDA was \$13.4 billion, up 24% year-on-year. StarWorld Macau's Adjusted EBITDA was \$1.4 billion, down 13% year-on-year. Broadway Macau™'s Adjusted EBITDA was \$11 million, down 54% year-on-year.

In 2025, GEG played lucky in its gaming operation which increased its Adjusted EBITDA by approximately \$1.5 billion. Normalized Adjusted EBITDA was \$13.0 billion, up 5% year-on-year.

The Group's total GGR in 2025 was \$49.1 billion, up 19% year-on-year. Mass GGR was \$36.5 billion, up 10% year-on-year. VIP GGR was \$9.5 billion, up 79% year-on-year. Electronic GGR was \$3.1 billion, up 14% year-on-year.



Galaxy Arena



Botanica, Capella at Galaxy Macau

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

Summary table of GEG Q4 and full year 2025 Adjusted EBITDA and adjustments:

in HK\$'m	Q4 2024	Q3 2025	Q4 2025	YoY	QoQ	FY 2024	FY 2025	YoY
Adjusted EBITDA	3,237	3,341	4,296	33%	29%	12,188	14,502	19%
Luck ¹	(35)	14	731	–	–	(157)	1,482	–
Normalized Adjusted EBITDA	3,272	3,327	3,565	9%	7%	12,345	13,020	5%

Balance Sheet and Dividends

The Group's balance sheet remains healthy and liquid. As of 31 December 2025, cash and liquid investments were \$36.3 billion and the net position was \$35.0 billion after debt of \$1.3 billion. Our strong balance sheet combined with substantial cash flow from operations allows us to return capital to shareholders via dividends, fund our development pipeline, pursue our international expansion ambitions and ensure that we have a strong balance sheet in the event of unforeseeable circumstances such as economic shocks.

GEG paid two dividends of \$0.50 and \$0.70 per share in June and October 2025 respectively. Subsequently the GEG Board recommends a final dividend of \$0.80 per share payable in June 2026. This attests to our confidence in Macau, our financial strength and our future earnings potential.

Set out below is the segmental analysis of the Group's operating results for 2025:

Group Key Financial Data

(HK\$'m)	FY2024	FY2025
Revenues:		
Net Gaming	33,826	39,648
Non-gaming	6,425	6,631
Construction Materials	3,181	2,963
Total Net Revenue	43,432	49,242
Adjusted EBITDA	12,188	14,502
Gaming Statistics²		
(HK\$'m)	FY2024	FY2025
Rolling Chip Volume ³	180,879	227,631
Win Rate %	2.9%	4.2%
Win	5,329	9,544
Mass Table Drop ⁴	127,823	137,961
Win Rate %	25.9%	26.5%
Win	33,112	36,512
Electronic Gaming Volume	95,380	110,815
Win Rate %	2.8%	2.8%
Win	2,704	3,082
Total GGR Win ⁵	41,145	49,138

¹ Reflects luck adjustments associated with our rolling chip program.

² Gaming statistics are presented before deducting commission and incentives.

³ Reflects sum of promoter and inhouse premium direct.

⁴ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

⁵ Total GGR win includes gaming win from City Clubs. Waldo Casino ceased operations on 31 October 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

GAMING AND ENTERTAINMENT DIVISION

Galaxy Macau™

Financial and Operational Performance

Galaxy Macau™ is the primary contributor to Group revenue and earnings. In 2025, Net Revenue was \$41.0 billion, up 19% year-on-year. Adjusted EBITDA was \$13.4 billion, up 24% year-on-year. Galaxy Macau™ played lucky in its gaming operations which increased its Adjusted EBITDA by approximately \$1.5 billion. Normalized 2025 Adjusted EBITDA was \$11.9 billion, up 8% year-on-year.

The combined nine hotels occupancy for full year 2025 was 98%.

Galaxy Macau™ Key Financial Data

(HK\$'m)	Q4 2024	Q3 2025	Q4 2025	FY2024	FY2025
Revenues:					
Net Gaming	7,665	8,546	10,199	28,833	35,074
Hotel/F&B/Others	1,127	1,206	1,214	4,279	4,577
Mall	348	340	360	1,392	1,363
Total Net Revenue	9,140	10,092	11,773	34,504	41,014
Adjusted EBITDA	2,842	3,068	4,020	10,794	13,429
Adjusted EBITDA Margin	31%	30%	34%	31%	33%

Gaming Statistics⁶					
(HK\$'m)	Q4 2024	Q3 2025	Q4 2025	FY2024	FY2025
Rolling Chip Volume ⁷	50,862	64,032	60,111	175,759	223,373
Win Rate %	3.0%	3.2%	5.1%	2.9%	4.2%
Win	1,522	2,020	3,094	5,079	9,446
Mass Table Drop ⁸	25,443	27,983	27,984	99,153	108,653
Win Rate %	29.3%	29.3%	31.2%	28.3%	29.1%
Win	7,465	8,205	8,736	28,041	31,637
Electronic Gaming Volume	17,792	17,430	20,693	62,086	72,891
Win Rate %	3.4%	3.3%	3.3%	3.4%	3.3%
Win	611	580	679	2,112	2,440
Total GGR Win	9,598	10,805	12,509	35,232	43,523

⁶ Gaming statistics are presented before deducting commission and incentives.

⁷ Reflects sum of promoter and inhouse premium direct.

⁸ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

StarWorld Macau**Financial and Operational Performance**

In 2025, StarWorld Macau's Net Revenue was \$5.0 billion, down 7% year-on-year. Adjusted EBITDA was \$1.4 billion, down 13% year-on-year. StarWorld Macau played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately \$20 million. Normalized 2025 Adjusted EBITDA was \$1.4 billion, down 9% year-on-year.

Hotel occupancy was 100% for full year 2025.

StarWorld Macau Key Financial Data

(HK\$m)	Q4 2024	Q3 2025	Q4 2025	FY2024	FY2025
Revenues:					
Net Gaming	1,152	1,142	1,158	4,782	4,465
Hotel/F&B/Others	131	115	111	513	464
Mall	6	6	6	23	22
Total Net Revenue	1,289	1,263	1,275	5,318	4,951
Adjusted EBITDA	363	369	356	1,584	1,378
Adjusted EBITDA Margin	28%	29%	28%	30%	28%

Gaming Statistics⁹					
(HK\$m)	Q4 2024	Q3 2025	Q4 2025	FY2024	FY2025
Rolling Chip Volume ¹⁰	946	971	378	5,120	4,258
Win Rate %	1.8%	2.4%	4.2%	4.9%	2.3%
Win	17	24	15	250	98
Mass Table Drop ¹¹	6,620	7,336	7,271	27,727	28,842
Win Rate %	18.4%	16.9%	17.5%	17.8%	16.6%
Win	1,220	1,241	1,269	4,936	4,796
Electronic Gaming Volume	8,660	9,636	8,526	28,541	35,797
Win Rate %	1.8%	1.6%	1.8%	1.8%	1.7%
Win	155	153	151	516	612
Total GGR Win	1,392	1,418	1,435	5,702	5,506

⁹ Gaming statistics are presented before deducting commission and incentives.

¹⁰ Reflects sum of promoter and inhouse premium direct.

¹¹ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

Broadway Macau™

Broadway Macau™ is a unique family friendly, theatre, street entertainment and food resort strongly collaborating with Macau SMEs. In 2025, Net Revenue for Broadway Macau™ was \$205 million, down 7% year-on-year. Adjusted EBITDA was \$11 million, down 54% year-on-year.

City Clubs

In 2025, City Clubs' Net Revenue was \$109 million, down 48% year-on-year. Adjusted EBITDA was \$(7) million, versus \$14 million in 2024.

GEG announced that Waldo Casino ceased operations on 31 October 2025. In alignment with Macau Government policies, GEG is committed to safeguarding local employment. In addition to being able to retain the same position, employees have also been offered the opportunity to explore a range of career paths if they wish to do so and they received support for their transition into a new working environment.

CONSTRUCTION MATERIALS DIVISION (“CMD”)

CMD continued to deliver solid results and contributed Adjusted EBITDA of \$877 million in 2025, up 2% year-on-year, mainly driven by improved performance in Mainland China.

Hong Kong and Macau

The demand for ready-mixed concrete and precast products in Hong Kong softened, after the completion of Hong Kong International Airport's Third Runway in November 2024. The overall market demand will continue to drop due to delay of major infrastructure projects and reduction of private housing developments. In Macau, the demand for ready-mixed concrete in Zone A development works has also reduced as a result of the suspension of subsidized housing projects construction.

Mainland China

The improved business performance in Mainland China was contributed by stricter supply-side control and lower coal costs. However, demand for construction materials remains weak in the absence of solid supportive policies. The market remained competitive which exerted pressure on market prices. It is envisaged that oversupply will persist and CMD's businesses in Mainland China will remain challenging in 2026.



Concrete precast factory located at Shajing, Shenzhen



Cement factory of Baoshan Kungang K. Wah Cement Construction Materials Co., Ltd located at Baoshan, Yunnan

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

DEVELOPMENT UPDATE

Galaxy Macau™ and StarWorld Macau

We continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests including adding new F&B, lifestyle and retail offerings at Galaxy Macau™.

Capella at Galaxy Macau soft launched in May 2025 and officially opened on 10 February 2026. Capella offers 95 ultra-luxury signature suites and Penthouses, which set a new level of luxury, opulence and service levels in Macau and have been extremely well received by our guests since opening, allowing us to capture the super-premium mass segment more effectively at scale.

We also continue to ramp up GICC and Galaxy Arena by bringing a range of mega shows, concerts and events to Galaxy Macau™. In 2025, GEG hosted around 350 concerts, entertainment shows, sporting and major events. Highlights included world-class tenor Andrea Bocelli's concert in March, the ITTF World Cup in April, performances by G-Dragon, Jacky Cheung, and Eason Chan during summer, and the National Games in November which was the first time that they were jointly held in Macau. We also hosted the two-day iQIYI Scream Carnival which is an exclusive multi-year strategic partnership with Galaxy Arena. In addition, the "2025 Greater Bay Area Film and Music Gala – Bay Area Rising Moon", co-organized by the Film Channel Program Centre, the Cultural Affairs Bureau of the Macao SAR Government, Zijing Culture Group and Phoenix Television, was also successfully held at Galaxy Arena. In 2026 we will continue our partnerships with leading global entertainment companies to present marquee concerts, while expanding our collaboration with UFC to bring thrilling UFC Fight Nights to the city. We have also renewed a three-year cooperation agreement with Damai Entertainment, a member of Alibaba Group, and Macau Pass to enhance our events ticketing services.

At StarWorld Macau we are undertaking a comprehensive renovation and upgrade of the resort to ensure it remains competitive and appealing to guests. We have completed the renovation of the gaming floors on level one and three, along with a refit of the food and beverage areas which includes new food and beverage offerings. Recently we commenced the renovation of the hotel rooms and suites. We anticipate to have all hotel rooms fully completed by the first quarter of 2027.

Cotai – The Next Chapter

We are progressing well with the fitting out of the approximately 600,000 sqm Phase 4 development. We continued to research the market and received customer feedback. All the feedback leads us to conclude that customers want premium products – larger, more spacious and luxurious rooms including premium amenities and services. Therefore we have increased the room size of our Phase 4 and the total hotel rooms and suites will be approximately 1,350, together with an approximately 5,000-seat theater, extensive F&B, retail, non-gaming amenities, landscaping, a water resort deck and a casino. Phase 4 is targeted to complete in 2027. We remain highly confident about the future of Macau where Phases 3 & 4 will support Macau's vision of becoming a World Centre of Tourism and Leisure.

SUBSEQUENT EVENT

The GEG Board recommends a final dividend of \$0.80 per share payable in June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

GROUP OUTLOOK

Over the nine-day Chinese New Year holiday from 15 to 23 February, Macau welcomed 1.55 million visitors, with an average of approximately 172,000 per day, setting a new record for single-day visitation. Macau's major resort hotels were fully occupied during the period, underscoring strong demand from Mainland visitors, driven by enhanced tourist attractions and mega entertainment and sporting events.

Macau is poised for another dynamic year of entertainment and leisure growth. GEG's sustained partnerships with leading global entertainment companies will deliver premier concerts that strengthen our international profile. At the same time, our expanded collaboration with UFC will introduce thrilling UFC Fight Nights, and we will host more international sporting tournaments, further strengthening Macau's reputation as the "City of Sports". We have also renewed a three-year cooperation agreement with Damai Entertainment, a member of Alibaba Group, and Macau Pass to reinforce our events ticketing services. Collectively, these strategic initiatives will enhance customer engagement, broaden audience reach, and solidify Macau's position as the World Centre of Tourism and Leisure.

Looking ahead, we recognize the Macau gaming market will remain highly competitive, especially in the premium mass segment. Our strategy is clear: differentiate through quality products and services, operational excellence, customer engagement, and technological innovation. We will also continue to leverage our marketing offices in Tokyo, Seoul, Bangkok, and Singapore to expand our regional customer base.

On the development front, we remain focused on enhancing competitiveness through resort upgrades and the development of Phase 4. Phase 4 will introduce multiple high-end hotel brands that are new to Macau, together with an approximately 5,000-seat theater, extensive F&B, retail, non-gaming amenities, landscaping, a water resort deck and a casino. Completion is targeted for 2027.

We continue to actively pursue international development opportunities, evaluating each on a case-by-case basis. They need to strategically align with GEG's overall master plan and vision, while also being scalable enough to make a meaning contribution to our EBITDA.

While we remain confident in the medium to longer term prospects of both Macau and GEG, we will continue to closely monitor the global economic environment and geopolitical developments. This vigilance will allow us to adapt quickly to changing conditions, ensure our resilience and drive long-term value creation.

LIQUIDITY AND FINANCIAL RESOURCES

The equity attributable to owners of the Company as at 31 December 2025 increased to \$83,143 million, an increase of 9% over that as at 31 December 2024 of \$75,946 million while the Group's total assets employed increased to \$99,844 million as at 31 December 2025 as compared to \$94,578 million as at 31 December 2024.

The Group continues to maintain a strong financial position. To preserve funds for future capital expenditure and new business opportunities, we continue to invest surplus cash in low risk fixed deposits as well as high quality listed debt securities issued by large financial institutions and corporations to generate low risk interest income for the Group. As at 31 December 2025, the listed debt securities were predominantly denominated in U.S. dollar with a weighted average tenor of approximately 2 years (1 year as at 31 December 2024) and a significant portion in investment grade rating. Listed debt securities investments are closely monitored by a designated team with the help of international leading banks. The listed debt securities were classified as financial assets at amortized cost and their carrying amounts as at 31 December 2025 approximated their fair values. These listed debt securities were considered to be of low credit risk and the expected credit loss was immaterial. As at 31 December 2025, none of the listed debt securities in any individual investee company held by the Group equaled or exceeded 5% of the Group's total assets.

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

As at 31 December 2025, the Group held \$17,097 million (\$7,472 million as at 31 December 2024) in listed debt securities and an investment of \$4,869 million (\$3,478 million as at 31 December 2024) in listed shares of Wynn Resorts, Limited (“Wynn Resorts”). As at 31 December 2025, the Group held 5.2 million shares of Wynn Resorts, investment cost was \$7,142 million. The principal businesses of Wynn Resorts are to develop and operate high end hotels and casinos and its shares are listed on the Nasdaq Stock Exchange (stock code: WYNN). This listed investment is denominated in U.S. dollar. The directors of the Group considered that the closing price as at 31 December 2025 was the fair value of this listed investment. As of 31 December 2025, fair value of our investment in Wynn Resorts was \$4,869 million, representing 4.9% of the Group’s total asset of \$99,844 million. The market value of Wynn Resorts as of 31 December 2024 and 31 December 2025, and the performance of the investment during the year ended 31 December 2024 and 2025 are as follows:

(HK\$’m)	2024	2025
Market value as at 31 December	3,478	4,869
Unrealised (loss)/gain for the year ended 31 December	(221)	1,391
Dividend income for the year ended 31 December	41	41

The Group considers this investment a long term asset and will continue to closely monitor the performance of our passive minority equity investment in Wynn Resorts, which is a globally recognized entertainment corporation with exceptionally high quality assets and a significant development pipeline.

The Group’s total cash and bank balances (including fixed deposits) were \$14,310 million as at 31 December 2025 compared to \$20,382 million as at 31 December 2024 while total borrowings were \$1,294 million as at 31 December 2025 as compared to \$4,179 million as at 31 December 2024. The Group was in a net cash position as at 31 December 2025 and 31 December 2024.

The total borrowings of the Group mainly comprised bank loans which were largely denominated in Hong Kong dollar, U.S. dollar, Euro and Renminbi. The Group’s borrowings are closely monitored to ensure a smooth repayment schedule to maturity.

The Group’s liquidity position remains strong and the Group is confident that sufficient resources could be secured to meet its commitments and working capital requirements. The Group has no gearing ratio.

TREASURY POLICY

The Group continues to adopt a conservative treasury policy in liquidity and financial management. Surplus cash is generally placed in fixed deposits and high-quality listed debt securities mostly denominated in Hong Kong dollar, Macau Patacas, U.S. dollar, Renminbi or in the local currencies of the operating subsidiaries. Forward foreign exchange contracts are utilized and borrowings in foreign currencies are arranged when suitable opportunities arise and when considered appropriate, to hedge against foreign exchange exposure, which are considered necessary for the Group’s treasury management activities.

The Group’s borrowings were largely denominated in Hong Kong dollar, U.S. dollar, Euro and Renminbi. Euro bank loan was utilized to fund and hedge the foreign exchange risk on the Euro-denominated Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco investment in August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

(All amounts are expressed in Hong Kong dollars unless otherwise stated)

CHARGES ON GROUP ASSETS

No property, plant and equipment, leasehold land and land use rights was pledged to secure banking facilities (31 December 2024: nil). Bank deposits of \$8 million (31 December 2024: \$4 million) was pledged to secure banking facilities.

GUARANTEES

GEG has executed guarantees in favour of banks in respect of facilities granted to subsidiaries amounting to \$4,000 million (31 December 2024: \$4,000 million). At 31 December 2025, facilities utilized by a subsidiary amounted to \$866 million (31 December 2024: \$1,354 million).

The Group has executed guarantees in favour of banks in respect of facilities granted to joint ventures amounting to \$47 million (31 December 2024: \$45 million). At 31 December 2025, \$16 million (31 December 2024: \$17 million) had been utilized.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group, excluding associated companies and joint ventures, employed approximately 21,200 employees in Hong Kong, Macau, Mainland China and overseas. Employee costs, excluding Directors' emoluments, amounted to \$8,341 million.

Remuneration Policy

The objective of the Group's remuneration policy is to attract, motivate and retain talented employees to achieve the Group's long-term corporate goals and objectives. To this end, the Group is committed to remunerating its employees in a manner that is market competitive, consistent with good industry practices as well as meeting the interests of shareholders.

The Group's remuneration structure for its employees comprises fixed compensation, performance-based variable incentive and long-term incentives. The overall remuneration arrangements are fair and justified, prudent and subject to regular review.

Share Option and Share Award Schemes

The Group operates a share option scheme and a share award scheme for its employees. It serves to attract, motivate and retain employees to work for the Group long term and to better align the interests of the employees with the shareholders' interests. The number of share options/shares granted to the eligible employees is determined with reference to the value of share options/shares, market positioning, job seniority and the individual contribution to the Group.

BIOGRAPHICAL INFORMATION OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Francis Lui Yiu Tung, *BBS*, aged 70, joined the Group in 1979. He has been an executive Director of the Company since June 1987 and is the Chairman and a member of each of the Executive Board, Nomination Committee and Remuneration Committee as well as the Chairman of Corporate Governance Committee of the Company. Mr. Lui is also an executive director and the Chairman of K. Wah International Holdings Limited. He holds a bachelor of science degree in civil engineering and a master of science degree in structural engineering from the University of California at Berkeley, USA. Mr. Lui is a member of the National Committee of the Chinese People's Political Consultative Conference since 11th election in 2008, a member of the Chief Executive Election Committee of the HKSAR and a member of the Chief Executive Election Committee of Macau SAR. He is also the Chair of the Trustees Committee of Macao University of Tourism Development Foundation, a Vice-Chair of the Council of the Macao University of Tourism, a director of the 72nd Term of Macao Chamber of Commerce, an Honorary Chairman of the 22nd Term of Kiang Wu Hospital Charitable Association, a member of the 11th Standing Committee of the All-China Federation of Returned Overseas Chinese, an executive director of the Chamber of Tourism of the All-China Federation of Industry and Commerce, a Forever Honorary President of the Greater Bay Area Finance Development Association; a Forever Honorary Chairman of the Association of Macau Travel Industry Professionals and Counsellor of Our Hong Kong Foundation. Mr. Lui was awarded the Medal of Merit – Tourism by Macau SAR in 2012; as well as the Bronze Bauhinia Star by Hong Kong SAR in 2024 for his meritorious service to the community in various public services over the years with his professional knowledge in construction and property development. In 2021, Mr. Lui received the insignia of Officer of the Order of Arts and Letters from the French Government. He was also named the most influential person in the Asian Gaming Power 50 list for the ninth time in 2025, and “Outstanding CEO” at the 2024 IAG Academy IR Awards. Furthermore, Mr. Lui is the Honorary Citizen of each of Guangzhou City, Shenzhen City and Jiangmen City. Mr. Lui is the younger brother of Mrs. Paddy Tang Lui Wai Yu and the eldest brother of Ms. Eileen Lui Wai Ling.

Mr. Joseph Chee Ying Keung, aged 68, joined the Group in 1982. He has been an executive Director of the Company since April 2004 and is the Managing Director of the Construction Materials Division as well as a member of the Executive Board of the Company. Mr. Chee holds a Master degree in Business Administration from the University of South Australia and a Bachelor degree in Mechanical Engineering from the University of Western Ontario in Canada. He is a Honorary Fellow of The Institute of Quarrying in the UK and has over 35 years of broad experience in the construction materials industry including operations and management, technical and quality assurance, environmental protection, commercial and strategic planning. Mr. Chee was a member of the 11th Yunnan Provincial Committee of the Chinese People's Political Consultative Conference. He was elected as a member of the Standing Committee of the 12th Yunnan Provincial Committee of the Chinese People's Political Consultative Conference and has been re-elected as a member of the Standing Committee of the 13th Yunnan Provincial Committee of the Chinese People's Political Consultative Conference in January 2023. In April 2018 he was appointed as a Council Member of Hong Kong CPPCC (Provincial) Members Association. In 2023 he was elected as President of Association of Hong Kong and Macau Members of CPPCC in Yunnan Province where he also served as Executive Vice Chairman from 2018 to 2022. In addition, he is the Vice President of Macau Ready-Mix Concrete Commerce Association, the Honorary President of Hong Kong Youth Orchestra, Hong Kong (Asia) Youth Association and Yunnan Provincial Federation of Industry and Commerce of Macau. Mr. Chee has been the Chairman of Hong Kong Contract Quarry Association since 2011 where he also served as the Chairman from 2002 to 2008. He was a board member of Pneumoconiosis Compensation Fund Board from 2010 to 2017 and served as an advisor of the board from 2018 to 2021. He served as a member of the Working Group on Construction Waste of the Provisional Construction Industry Co-ordination Board from 2004 to 2006. He was also the Chairman of The Institute of Quarrying in the UK (Hong Kong Branch) and Hong Kong Construction Materials Association from 1998 to 2000 and from 2017 to 2019 respectively.

BIOGRAPHICAL INFORMATION OF DIRECTORS

Mrs. Paddy Tang Lui Wai Yu, *BBS, JP*, aged 71, joined the Group in 1980 and has been an executive Director of the Company since August 1991 as well as a member of the Executive Board of the Company. She is also an executive director and the Co-Managing Director of K. Wah International Holdings Limited. She holds a bachelor of commerce degree from McGill University, Canada and is a member of The Institute of Chartered Accountants in England and Wales. Ms. Lui was elected as a member of the Shanghai Committee of the Chinese People's Political Consultative Conference from December 2012 to December 2022. She was appointed as a member of board of trustees of Shanghai Jiao Tong University on 30 October 2014. Ms. Lui was formerly a member of the Standing Committee on Company Law Reform, the Tourism Strategy Group, the Statistic Advisory Board, the Hong Kong Arts Development Council and the Board of Ocean Park Corporation and a non-executive director of the Mandatory Provident Fund Schemes Authority. Ms. Lui has been elected as a member of the Election Committee of the HKSAR since 1998. She is the Managing Director of Stanford Hotels International. She was appointed as the Chairman of The Federation of Hong Kong Hotel Owners on 1 January 2026. Ms. Lui is the eldest sister of Mr. Francis Lui Yiu Tung and Ms. Eileen Lui Wai Ling.

Ms. Eileen Lui Wai Ling, aged 68, was appointed as an executive Director and a member of the Executive Board of the Company in May 2025. She joined the Group in 1993 and became the Group Director – Human Resources and Administration in 2014. She holds an executive master of business administration degree from Richard Ivey School of Business, The University of Western Ontario and a bachelor of arts degree in economics from University of California, Los Angeles. Ms. Lui was appointed as an advisor of The 38th Women's General Association of Macau in 2025. Ms. Lui was elected as a member of 7th Zhuhai Provincial Committee of the Chinese People's Political Consultative Conference from 2007 to 2011 and as a member of the Standing Committee of the 8th and 9th Zhuhai Provincial Committee of the Chinese People's Political Consultative Conference from 2012 to 2021. She was elected as a member of the Guangdong Provincial Committee of the 11th Chinese People's Political Consultative Conference from 2013 to 2017. She was a member of the Finance Committee of the Hong Kong Arts Centre from May 2006 to December 2016. Ms. Lui is the younger sister of Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu.

NON-EXECUTIVE DIRECTOR

Dr. Charles Cheung Wai Bun, *JP*, aged 89, has been a non-executive Director of the Company since October 2015. Dr. Cheung is a member of each of the Audit Committee and Corporate Governance Committee of the Company. Dr. Cheung holds an honorary doctor's degree from John Dewey University, U.S.A., a master degree in business administration and a bachelor of science degree in accounts and finance from New York University, U.S.A.. He was awarded the Directors of the Year Awards 2002 of Listed Company Non-Executive Director by The Hong Kong Institute of Directors. In December 2010, Dr. Cheung received three awards, namely (1) Outstanding Management Award of The Chartered Management Association; (2) Outstanding Director Award of The Chartered Association of Directors; and (3) Outstanding CEO Award of The Asia Pacific CEO Association. Dr. Cheung is an advisor of The Institute of ESG & Benchmark. Dr. Cheung was formerly a visiting professor of the School of Business of Nanjing University, PRC. He was formerly the group chief executive and executive deputy chairman of Mission Hills Group, Hong Kong, and a former director and advisor of the Tung Wah Group of Hospitals. He has held senior management positions in various companies of different industries and possessed extensive banking, financial and commercial experiences. He is an independent non-executive director of Modern Dental Group Limited and Pioneer Global Group Limited, both are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Dr. Cheung was a director and the vice chairman of executive committee from 2010 to April 2025 and is currently an advisor of the Metropolitan Bank (China) Ltd.. He was formerly an independent non-executive director of Universal Technologies Holdings Limited, a company listed on the main board of the Stock Exchange, from September 2011 to June 2023 and Jiayuan International Group Limited, whose shares were delisted from the main board of the Stock Exchange, from February 2016 to April 2024.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. James Ross Ancell, aged 72, has been an independent non-executive Director of the Company since April 2004. Mr. Ancell is the Chairman of the Audit Committee and a member of the Corporate Governance Committee of the Company. He holds a Bachelor's degree in Management Studies from University of Waikato in New Zealand. He is a Fellow of Chartered Accountants Australia and New Zealand and has over 40 years of broad experience in building materials and construction sectors, waste management and recycling business gained from multinational corporations. He is currently the Chairman of Churngold Ventures Holdings Limited in the UK, a property-owning business. Previously he was Chairman of a leading specialist groundworks subcontractor carrying out groundworks, with a separate remediation business, cleaning up sites contaminated by previous industrial activity.

BIOGRAPHICAL INFORMATION OF DIRECTORS

Dr. William Yip Shue Lam, *LLD*, aged 88, has been an independent non-executive Director of the Company since December 2004. Dr. Yip is a member of the Audit Committee as well as the Chairman of the Nomination Committee and the Remuneration Committee of the Company. Dr. Yip holds a Bachelor of Arts degree and an honorary Doctor of Laws degree from the Concordia University, Canada. He is the founder and the chairman of Canada Land Limited (“Canada Land”) since 1972. Canada Land engaged in real estate development and tourist attraction business, listed in 1994 on the Australian Stock Exchange and was privatized in 2013. Dr. Yip remains as the chairman of the company. Dr. Yip was also the chairman of Cantravel Limited, Guangzhou since 1996 until the joint venture company ended in 2024. Dr. Yip was an independent non-executive director of K. Wah International Holdings Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited, from 2008 to 2023. Dr. Yip has been active in public services and was appointed as an Honorary Standing Committee Member of The Chinese General Chamber of Commerce (2012 – 2022), the President of Concordia University Hong Kong Foundation Limited since 1999. He was the chairman of the Board of Governors (1984 – 2024) and is currently a member of the Board of Governors of Canadian University Association in Hong Kong. He also had been the President (1998 – 2000) and currently a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong, and the Fellow Member of The Hong Kong Institute of Directors. In addition, Dr. Yip has been elected a Guangzhou Municipal Honorable Citizen.

Professor Patrick Wong Lung Tak, *BBS, JP*, aged 77, has been an independent non-executive Director of the Company since August 2008. Professor Wong is a member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. He is a Certified Public Accountant (Practising) in Hong Kong and the Managing Practising Director of Patrick Wong CPA Limited. He has over 50 years experience in the accountancy profession. Professor Wong holds a Doctor of Philosophy in Business degree, was awarded a Badge of Honour by the Queen of England in 1993 and was appointed a Justice of the Peace in 1998. He was also awarded a Bronze Bauhinia Star by the Government of the HKSAR in 2010. Professor Wong is an independent non-executive director of Water Oasis Group Limited, Winox Holdings Limited, The Cross-Harbour (Holdings) Limited and Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd., all are listed on the Hong Kong Stock Exchange. Professor Wong was formerly an independent non-executive director of C C Land Holdings Limited from October 2007 to May 2023, a company listed on the Hong Kong Stock Exchange.

Mr. Michael Victor Mecca, aged 77, was appointed as a non-executive Director of the Company in May 2018 and has been re-designated as an independent non-executive Director of the Company in March 2023. Prior to his appointment as a non-executive Director of the Company, Mr. Mecca served the Group as President and Chief Operating Officer since 2009 and was the President of the Company since September 2015 until his retirement in April 2018. Mr. Mecca holds a Bachelor degree in Foreign Affairs from the University of Oklahoma in the USA. He has held senior executive roles with a number of globally-recognized gaming and hospitality brands in Las Vegas and Melbourne. Mr. Mecca has been licensed by the Gaming Commissions in both Nevada and Michigan in the United States, Victoria in Australia and Macau. Mr. Mecca is also the Honorary President of The Macau Gaming Management Association (“MGMA”), Advisory Board Member of Macau University Institute for the Study of Commercial Gaming (“ISCG”), Member of G2E Asia Executive Non-Gaming Advisory Board, Honorary Advisor of International Film Festival & Awards Macao (“IFFAM”) and Honorary President of Macau Responsible Gaming Association.

SENIOR MANAGEMENT

The businesses of the Group are under the direct responsibilities of the executive Directors of the Company who are regarded as senior management of the Group.

GAMING AND HOSPITALITY EXPERTISE

GEG is committed to recruiting and retaining the very best management and employees and will continue to strengthen our gaming and hospitality executive team as we move forward and continue to build GEG to be a leading Asian gaming and entertainment company.

An indicative profile of the depth of our executive talent in our gaming and hospitality team is detailed below:

Kevin Kelley, Chief Operating Officer, Macau. He has extensive experience in gaming, hospitality and entertainment through his career spanning over the USA and Macau. Previously, he held senior executive positions at various well-known casinos and hotels in the USA and Macau.

Thomas Arasi, Chief Financial Officer. He has over 35 years of experience in the financial services, hospitality, and integrated resort industries. Previously, he held senior executive positions at several renowned integrated resorts and hotels in the Philippines, Singapore, Japan, and North America.

Richard Longhurst, Senior Director – Gaming. He has over 36 years of extensive leadership experience at senior levels gained from the gaming industry. Previously, he held a senior executive position with a gaming company in Australia.

Elmen Lee, Director – Integrated Resort Services. He has over 33 years of experience in international marketing, casino marketing and hotel operations management gained from the gaming and hospitality industries. Previously, he held a senior management position with a gaming and entertainment company in Australia prior to rejoining us.

Roger Lienhard, Executive Vice President – Food & Beverage. He has over 40 years of operations management and project development experience gained from the hospitality industry. Previously, he held senior management positions with a number of prestigious hotels and resorts in Macau, Singapore, Australia, Japan, India and Indonesia.

James Koratzopoulos, Executive Vice President – Hotel and MICE Operations. He has over 34 years of experience in hotel operations and food and beverage services. Previously, he held senior management positions with a number of international hotel companies in Australia, Mainland China and the Middle East.

Nelson Chan, Executive Vice President – Customer Development. He has over 25 years of experience in premium marketing and gaming operations. Previously, he held senior management positions with integrated resorts in Singapore and Vietnam.

Benedict Wan, Executive Vice President – Business Development. He has been with the Group for more than 21 years. Prior to taking his current role, he held senior management positions in international premium marketing development and public relations in the Group.

Joseph Tang, Executive Vice President – Operations, StarWorld Macau. He has over 18 years of experience in gaming operations management and international marketing gained from the gaming industry. Previously, he held executive positions with integrated resorts in Macau and Vietnam.

Stanley Chan, Executive Vice President – Customer Loyalty. He has over 18 years of experience in gaming operations management, casino marketing and gaming optimization gained from the gaming industry. Previously, he held a senior management position with a gaming and hospitality company in Macau.

Simon Lei, Senior Vice President – Table Games. He has over 22 years of experience in gaming operations. Previously, he held a senior management position with a gaming and hospitality company in Macau.

This list is by no means exhaustive. With the continued development of our management competence resulting in highly efficient casino and entertainment operations, we believe that it will drive the growth and success of GEG for the years to come.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining high standards of corporate governance to enhance the performance and long-term sustainability of the Company and its subsidiaries (the “Group”). The Group has established a sound and effective corporate governance framework to support efficient Board oversight, with a focus on risk management and internal control, transparency and accountability, safeguarding shareholders’ interests and enhancing shareholder value. The Company has complied with all the code provisions of the Corporate Governance Code (“Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“HKEX”), except that the roles of chairman and chief executive have not been segregated and the gender diversity requirement for the Nomination Committee has not been met. Explanations for these deviations are set out on pages 38 and 45 of this report.

CORPORATE CULTURE

The Company’s vision is to be “Globally recognized as Asia’s leading gaming and entertainment corporation”. This vision will be achieved through the business philosophy stated on the inside front cover of this annual report. Guided by this vision and its established mission and values, the Group is committed to delivering world-class unique experiences to guests and building sustainable long-term value for shareholders of the Company (the “Shareholders”) and stakeholders. The Company’s Mission, Vision and Values are available on the Company’s website.

For the construction materials division, we continuously search for excellence and our mission is to satisfy market demand and customer needs with quality products and services at competitive prices with vision, perseverance and teamwork, we strive to be a leader in the industries we serve and to provide Shareholders with the best return on their investment.

The Board sets the tone from the top and ensures that the Group’s purpose, values and strategy remain aligned with the desired corporate culture. Directors, management and employees are expected to uphold the highest standards of integrity, responsibility and ethical conduct, supported by a robust governance, risk management and internal control framework.

The Company embeds its culture through clear policies, employee handbooks, onboarding programmes and regular training for senior management. These reinforce expected behaviours and ensure consistent application of the Group’s values across business units.

The Board, with management’s support, monitors culture implementation through both qualitative and quantitative indicators, including financial performance, workforce engagement, whistleblowing data, retention and training, health and safety metrics, compliance metrics and operational performance. Stakeholder feedback, operational practices and annual management evaluations also inform the Board’s ongoing culture assessment.

GEG continues to enhance its integrated resort offerings, strengthen international customer development and collaborate with the government, demonstrating a culture of service excellence, innovation and community commitment. These efforts support the Group’s long-term strategy and reflect its dedication to sustainable development.

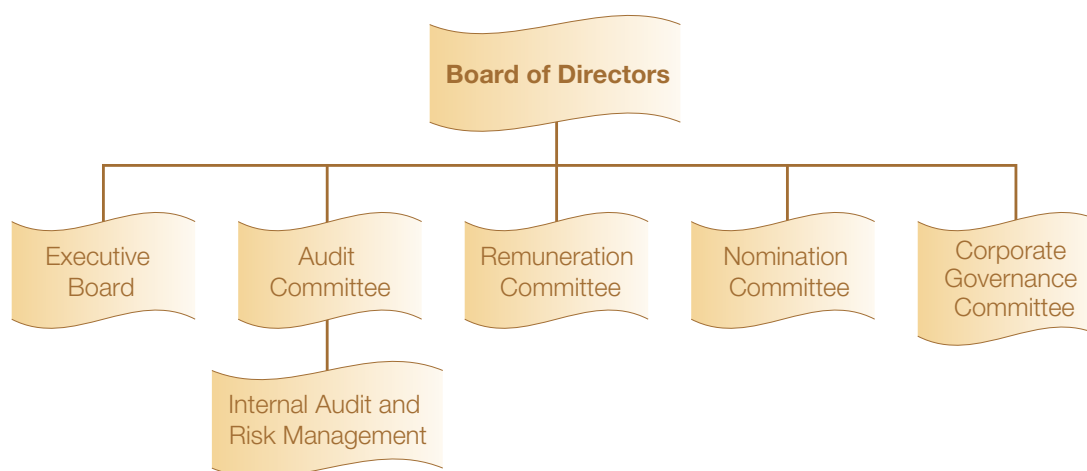
Based on continuous oversight and regular review, the Board is satisfied that the Group’s culture is aligned with its mission, values and strategic direction and remains appropriate to support sustainable growth and stakeholder trust.

CORPORATE GOVERNANCE REPORT

THE BOARD

The Board is responsible for overseeing and approving major corporate matters in the interests of the Company and its Shareholders. Its primary functions include setting strategic direction, reviewing budgets and business plans, and considering significant transactions. The Board monitors strategy implementation, oversees operational and financial performance, establishes risk management policies, and ensures sound corporate governance and effective Shareholder communication.

Day-to-day management is delegated to the Executive Board and management under defined authorities and reporting lines. To strengthen governance oversight, the Board has delegated specific responsibilities to four Board committees. Their respective roles and functions are detailed in the section “Delegation by the Board and Board Committees”, and each committee reports its decisions and recommendations to the Board.



The names and biographical details of the Directors and their relationships are set out on pages 33 to 35 as well as the Company’s website at www.galaxyentertainment.com. The list of Directors with their roles and functions is also disclosed in the websites of the Company and the HKEX.

Chairman and Chief Executive

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has not adopted this provision as Mr. Francis Lui Yiu Tung holds the dual roles of Chairman of the Board and executive Director.

The Board considers that the combination of these roles in the same individual provides the Group with strong and consistent leadership and facilitates the effective formulation and implementation of the Group’s overall strategy. The Board is of the view that power and authority are not unduly concentrated in one individual, as major decisions are made collectively after thorough discussion and in consultation with the Board, which comprises a high proportion of independent non-executive Directors (“INEDs”). The INEDs provide independent oversight and exercise effective scrutiny over the executive Chairman.

The Board believes that the current governance structure provides adequate checks and balances notwithstanding this deviation. The Chairman provides leadership to the Board, ensures that it operates effectively in the discharge of its responsibilities, and that all key issues are discussed in a timely manner with sufficient, accurate and appropriate information made available to Directors.

CORPORATE GOVERNANCE REPORT

Board Composition

The Board comprises four executive Directors, one non-executive Director and four INEDs, representing more than one-third of the Board and complying with Rule 3.10A of the Listing Rules.

During the year, Ms. Eileen Lui Wai Ling was appointed as an executive Director with effect from 9 May 2025. She joined the Group in 1993 and has served as Group Director – Human Resources and Administration since 2014.

The Board composition is reviewed regularly to ensure an appropriate balance of skills, experience and diversity. Collectively, the Directors bring expertise in the Group's core businesses as well as corporate management, strategic planning, investment, finance, treasury and corporate governance. The Directors provide balanced and independent judgement and serve an effective check-and-balance role, particularly in matters involving potential conflicts of interest. The Company considers the current Board composition to be effective and appropriate for the Group's businesses.

Save for the appointment of Ms. Eileen Lui Wai Ling as executive Director as disclosed above, there was no change in the Board during the year and up to the date of this report.

Appointment and Re-election of Directors

The responsibility for nominating new Directors to the Board, reviewing the size, structure and composition of the Board and proposing re-election of retiring Directors is delegated to the Nomination Committee.

Non-executive Directors are appointed for a fixed term of three years. In addition, all Directors are subject to retirement by rotation under the Articles of Association and at least once every three years according to the Listing Rules.

At the forthcoming annual general meeting (the "2026 AGM"), Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying Keung and Professor Patrick Wong Lung Tak will retire by rotation. Ms. Eileen Lui Wai Ling appointed by the Board in May 2025, will also retire at the 2026 AGM pursuant to the Company's Articles of Association. All of them have offered themselves for re-election.

Pursuant to Code Provision B.2.3, the re-appointment of Professor Patrick Wong Lung Tak as an INED, who has served for more than 9 years, shall be proposed as a separate resolution for approval by the Shareholders. The Board believes that his long tenure does not affect his ability to exercise independent and impartial judgement on the Board matters. His extensive experience and knowledge continue to provide valuable contributions and diverse perspectives to the Board, and he has consistently demonstrated his ability to offer independent views on the Company's affairs.

Particulars of all retiring Directors and the recommendations of the Board to the Shareholders to vote in favor of the resolutions to re-elect the retiring Directors are set out in a circular to be dispatched with this annual report to the Shareholders.

Independence of INEDs

All INEDs meet the independence criteria set out in Rule 3.13 of the Listing Rules. The Board has received written confirmations of independence from each INED and, having considered their roles, relationships and the absence of any circumstances that may affect their independent judgment, is of the view that each INED is independent.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES OF DIRECTORS

Each Director has a duty to act in good faith in the interests of the Company. The Company believes that it is essential to keep our Directors updated on their duties and responsibilities as well as the conduct, business activities and development of the Group to enable them to provide their maximum contributions. All Directors (including the INEDs) have access to the management and the Company Secretary for any information relevant to the Group that they require in discharging their duties. The Company Secretary will collect the requested information and distribute it to the Directors. Reports on the Company's performance, annual budget and comparison with budget together with the necessary commentary and explanation on any deviations from budget are provided to our Directors at regular Board meetings. In addition, monthly updates on market trends and information on the Company's development, finance and operations are provided to Directors as soon as practicable.

The Company has in place directors' and officers' liabilities insurance cover to indemnify our Directors against claims and liabilities arising from the Group's businesses and activities.

Directors' Time and Directorship Commitments

Each Director must ensure that he/she has sufficient time and attention allocated to the Company to discharge his/her responsibilities effectively and, where possible, attends all Board/Committee meetings and general meetings, and that his/her other commitments do not affect the effectiveness of his/her contribution or the time available to the Company. The major commitments of non-executive Directors are detailed in their biographies.

Each Director will disclose to the Company at the time of his/her appointment, and in a timely manner for any change, the number, identity and nature of offices held in Hong Kong and overseas listed public companies or organizations and other significant commitments. The Company will provide updates in respect of their biographies and will disclose such information in the annual and interim reports as appropriate. An indication of the time required to be involved by Directors in their directorships and other commitments will be disclosed to the Company on an annual basis.

All INEDs have made disclosures about the time spent on the affairs of the Company and also confirmed that they are able to give sufficient time and attention to the affairs of the Company. All INEDs and the non-executive Director attended the annual general meeting held by the Company during the year. Details of the Directors' attendance at Board/Committee meetings and the annual general meeting of the Company during the year are set out below.

The Nomination Committee regularly reviews the time commitments required from a Director to perform his/her responsibilities to ensure that the Board's effectiveness is not compromised. The Board believes, in principle, that Directors' external commitments will benefit the Company by providing them with a diversity of skills, experience, knowledge and perspectives and are relevant to their role in the Company.

CORPORATE GOVERNANCE REPORT

Directors' Induction and Continuous Professional Development

All Directors participated in continuous professional development ("CPD") during the year to develop and refresh their skills and knowledge. Training activities were provided by the Company and/or external professional advisers and included updates on amendments to the Corporate Governance Code and related Listing Rules, the implementation of the uncertificated securities market regime, and changes in laws, rules and regulations relevant to the Group's businesses. These programmes were designed to enhance Directors' understanding of their roles, functions and duties. In December 2025, site visits were arranged for the independent non-executive Directors to enhance their familiarity with the Company's new facilities, Capella at Galaxy Macau and Horizon Plus.

For a newly appointed Director, he/she will receive a comprehensive induction package covering the statutory and regulatory obligations of directors, policies, procedures and codes of the Company applicable to the Directors. In addition, the Company has ensured that each Director appointed during the year obtained legal advice from a law firm regarding the requirements under the Listing Rules applicable to him or her as a director of a listed issuer and the possible consequences of making a false declaration or providing false information to the HKEX, prior to such appointment becoming effective.

Ms. Eileen Lui Wai Ling, who was appointed as an executive Director of the Company effective from 9 May 2025, attended a training and had obtained a legal advice on 28 April 2025 pursuant to rule 3.09D of the Listing Rules covering the requirements under the Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the HKEX. Ms. Lui has confirmed her understanding of the information provided by the legal adviser and her obligations as a director of the company.

The Company keeps a record of training received by each Director, summarized as follows:

Directors	Corporate Governance/ Updates on Laws, Rules & Regulations	Accounting/Financial/ Management/Other Professional Skills
Executive Directors		
Mr. Francis Lui Yiu Tung	✓	✓
Mr. Joseph Chee Ying Keung	✓	✓
Mrs. Paddy Tang Lui Wai Yu	✓	✓
Ms. Eileen Lui Wai Ling	✓	✓
Non-executive Director		
Dr. Charles Cheung Wai Bun	✓	✓
INEDs		
Mr. James Ross Ancell	✓	✓
Dr. William Yip Shue Lam	✓	✓
Professor Patrick Wong Lung Tak	✓	✓
Mr. Michael Victor Mecca	✓	✓

CORPORATE GOVERNANCE REPORT

Board Evaluation

The Board recognises the importance of regular performance evaluations to ensure its effectiveness. In 2025, the Company formalised a biennial board evaluation framework using a structured questionnaire. An internal evaluation was conducted in December 2025 through an anonymous online questionnaire completed by all Directors, covering the performance of the Board and its committees, composition, skills, meeting effectiveness, information flow, culture and areas for improvement. The results confirmed that the Board and its committees continued to operate effectively, and an action plan was agreed to enhance internal controls, senior executive succession planning or talent management. No material issues were identified.

Board Evaluation Process**Code of Conduct for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix C3 of the Listing Rules as its code of conduct for securities transactions by Directors. The Company, having made specific enquiry of all Directors, confirms that our Directors have complied with the required standard set out in the Model Code throughout the year.

The Board has also established written guidelines on no less exacting terms than the Model Code to be observed by relevant employees of the Group who, because of such offices or employments, are likely to be in possession of Inside Information (which term shall bear the same meaning as in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) in relation to the Group or the securities of the Company in respect of their dealings in the securities of the Company. The list and policies are subject to review by the Company as and when it thinks appropriate.

DELEGATION BY THE BOARD AND BOARD COMMITTEES

To facilitate the effective discharge of its responsibilities and uphold high standards of corporate governance, the Board has delegated specific duties and authorities to a number of Board committees (as set out below), each with clearly defined written terms of reference setting out their roles, powers and responsibilities. These committees oversee particular aspects of the Group’s affairs and report back to the Board on their decisions and recommendations.

Independent non-executive Directors serving on the Board committees exercise independent judgment and provide objective advice. The Board committees are provided with sufficient resources, including access to the external auditor and independent professional advisers, to enable them to perform their duties effectively. The Board committees report their decisions and recommendations to the Board at Board meetings.

The chairmen and members of the Board committees are set out in the section headed “Corporate Information” on page 2 of this annual report.

CORPORATE GOVERNANCE REPORT

Executive Board

The Board has delegated the power, authorities and discretions for the management of the Group's operations and activities to the Executive Board comprising all executive Directors of the Company. Certain matters including annual budgets and financial statements, declaration of dividends and distribution to Shareholders, increase in share capital and allotment of new shares (except those pursuant to exercise of share options or grant of share awards), derivative trading, connected transactions which are subject to disclosure and/or Shareholders' approval requirements, and acquisitions, disposals, investments, financing and charging of assets above certain predetermined thresholds are specifically reserved for approval by the Board.

In respect of the decision making process, the management, pursuant to the levels of authority formally approved by the Executive Board, submits written proposals with detailed analysis and recommendations to the Executive Board for consideration and approval. Where the subject matter exceeds the authority of the Executive Board or relates to any matters specifically reserved to the Board as outlined above, it will be submitted to the Board for approval.

The Executive Board sub-delegates the day-to-day management, administration and operations functions to the executives/committees of the gaming and entertainment division and the construction materials division and where appropriate, to special task forces with specified duties to oversee particular business activities or corporate transactions.

Audit Committee

The Audit Committee of the Company has been in place since 1999. It comprises four members with a majority of INEDs. Mr. James Ross Ancell is the Chairman of the Audit Committee and Dr. William Yip Shue Lam, Professor Patrick Wong Lung Tak and Dr. Charles Cheung Wai Bun are the members thereof.

The Audit Committee is accountable to the Board and assists the Board in overseeing the Company's financial reporting process and internal control and risk management systems and in reviewing the Group's interim and annual consolidated financial statements. The Audit Committee has access to and maintains an independent communication with the external Auditor and management. The role and function of the Audit Committee are set out in its revised written terms of reference which are posted on the websites of the Company and HKEX.

The Audit Committee held two meetings during 2025, at which all members were present. Attendees, by invitation of the Committee, included the Chief Financial Officer, finance executives from the respective business divisions, the Company Secretary, the Internal Auditor, risk management executives, and the external auditor. Following the meetings, the Audit Committee submitted written reports to the Board, highlighting significant issues for the Board's attention, identifying matters requiring action or improvement, and making appropriate recommendations.

The principal work performed by the Audit Committee during the year included:

- Review of interim and annual consolidated financial statements with accounting policies and practices adopted by the Company;
- Review of key audit matters to be disclosed in the Independent Auditor's Report, review of audit engagement letter, auditor's independence and objectivity, audit fee, audit strategy, and significant accounting matters;

CORPORATE GOVERNANCE REPORT

- Review of non-assurance services and other non-audit services provided by the Company's auditor;
- Review of the internal audit reports and annual audit plan, including resource allocation and adequacy of resources, staff qualifications and experience as well as training programmes provided by the Internal Auditor with focus on effectiveness of internal control;
- Review of the presentations from the risk management team summarizing the development of the Group's risk profile, including key risks identified by the business units and the corresponding key controls; and
- Oversight of the Group's whistleblowing system, which encourages reporting of suspected or potential misconduct of behavior. The Group's whistleblowing policy was adopted to help detect and identify improprieties and escalate matters to management, the Audit Committee and the Board.

Remuneration Committee

The Remuneration Committee of the Company has been in place since early 2006. It comprises three members with a majority of INEDs. Dr. William Yip Shue Lam is the Chairman of the Remuneration Committee and Mr. Francis Lui Yiu Tung and Professor Patrick Wong Lung Tak are the members thereof.

The Remuneration Committee is accountable to the Board and regularly reviews, formulates and determines fair and competitive remuneration packages with a view to attracting, retaining and motivating Directors of the calibre required to manage the Company successfully. The roles and functions of the Remuneration Committee are set out in its revised written terms of reference, which are available on the websites of the Company and the HKEX.

The Remuneration Committee met once in 2025 with all its members present and with the attendance of representative from the human resources department and the Company Secretary. The Remuneration Committee submitted its written report and/or recommendations to the Board after the Remuneration Committee meeting. In addition, written resolutions were circulated to the members for approval during the year.

The principal work performed by the Remuneration Committee during the year included:

- Recommending Directors' fees by reference to the remuneration benchmarking in the industry and prevailing market conditions, and participation in Board Committees, subject to approval of Shareholders at the annual general meeting;
- Reviewing and recommending to the Board on the remuneration policy, structure (including options and awards), remuneration packages (including discretionary bonus) for executive Directors; and
- Confirming that the grant of options and awards to Directors during the year were made with reference to market data, Director's duties and responsibilities, the Company's performance and profitability, which form part of their remuneration structure and compensation packages.

The remuneration package of executive Directors (who are senior management) includes salaries and allowances, discretionary bonuses and grants of share options and share awards. These grants were approved by the INEDs of the Company in accordance with Rule 17.04(1) of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Remuneration Committee is satisfied that the terms and conditions of grants of share options and share awards to Directors are fair and reasonable, and provide a motivation and long-term incentive to encourage the Directors to work towards the success of the Company and reinforce their commitment to long term service with the Company. The Remuneration Committee is also satisfied that no performance target or clawback mechanism is necessary nor is a shorter vesting period, if applicable as the grants of share options and share awards were determined after taking into consideration their past performance/contribution to the Company, and are in line with market practice. All grants during the year were in line with the respective objectives of the Share Option Scheme and Share Award Scheme currently in place, being to promote the long term financial success of the Company by aligning the Directors' interest with those of Shareholders; and to attract and retain the best quality personnel for the development of the Company.

Non-executive Directors (including INEDs) do not receive remuneration other than the Directors' fee which does not involve equity-based or performance-related elements. No Director was involved in deciding his own remuneration at the Remuneration Committee meeting. Details of Directors' remuneration are listed out in note 10 to the consolidated financial statements.

Nomination Committee

The Nomination Committee was established in 2012 and comprises three members, the majority of whom are INEDs. Dr. William Yip Shue Lam is the Chairman of the Nomination Committee and Mr. Francis Lui Yiu Tung and Professor Patrick Wong Lung Tak are the members thereof.

Code Provision B.3.5 requires at least one member of the Nomination Committee to be of a different gender. Currently, all members of the Nomination Committee are of the same gender. We recognise that gender diversity on the Nomination Committee can broaden perspectives and widen the pool of potential board candidates. However, due to the current committee structure and role allocation, the Company is not presently able to appoint a director of a different gender to the Nomination Committee. The Board already includes two female directors, demonstrating our commitment to gender diversity. One of them is also responsible for human resources matters, providing relevant insights into senior executive succession and talent planning. To enhance gender representation going forward, the Nomination Committee will:

- consider gender diversity in all future board and committee appointments;
- broaden search channels to reach a more diverse talent pool; and
- review committee composition regularly with a view to appointing a director of a different gender to the Nomination Committee with greater experience and independence as soon as practicable.

We remain committed to improving diversity at both the board and committee levels and will report progress in future disclosures.

Nomination Committee's major responsibilities are to formulate and implement the policy for nominating candidates for election to the Board, assess the independence of INEDs and propose re-election of retiring Directors. The Nomination Committee is empowered to seek any information it requires from the management of the Company in order to perform its duties and to have access to independent professional advice where necessary. The role and function of the Nomination Committee are set out in its revised written terms of reference, details of which are posted on the websites of the Company and HKEX. The Policy for Nomination of Directors and Board Diversity (the "Nomination and Board Diversity Policy") contains the criteria and principles for nomination of Board members.

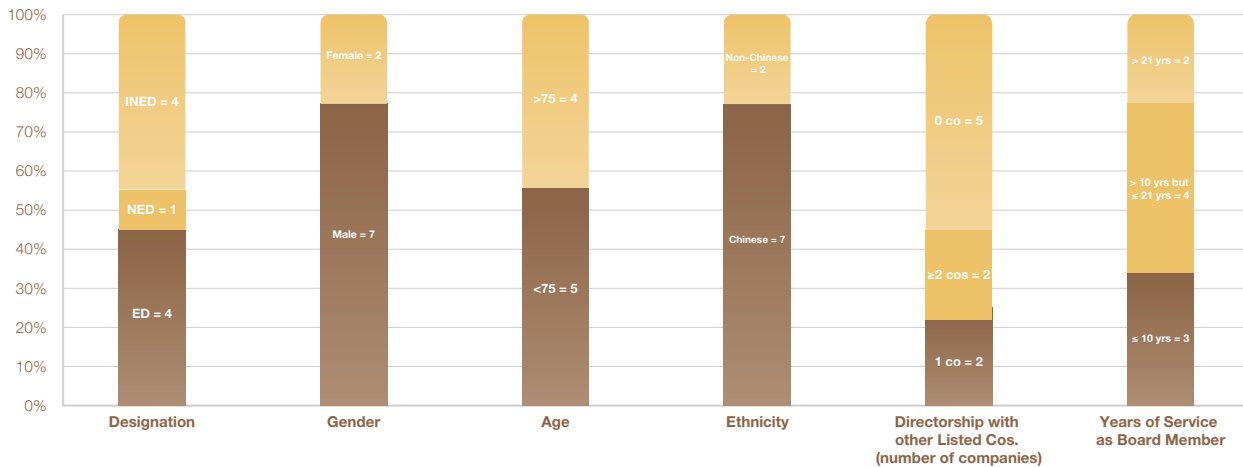
CORPORATE GOVERNANCE REPORT

Recognizing the benefits of having a Board that has a balance of skills, experiences and diversity of perspectives, the Nomination and Board Diversity Policy sets out the approach of the Company to achieve diversity on the Board and to take into consideration Board diversity from a number of aspects, including but not limited to gender, age, ethnicity, reputation for integrity, cultural and educational background, professional experience and qualifications, industry and business-related experience, skills, knowledge, length of service and other qualities relevant to the duties of Directors, and other factors that the Nomination Committee may consider relevant from time to time taking into account the Company's business model and specific needs. The Nomination and Board Diversity Policy formally recognizes our practice of ensuring that independent views and input are made available to the Board and is subject to annual review by the Nomination Committee.

Currently, the Board has two female directors out of nine Directors, which meets the target set by the Board. The Company is committed to improving the diversity of the Board based on its needs as and when suitable candidates are identified. Board appointments will be based on merit measured against objective criteria and perceived contributions that the candidate can bring to the Board, taking into account the corporate strategy and business operations of the Company, and the Company's diversity policy from time to time. The Company will continue to strive to enhance female representation over time. We hold equality and diversity in team member engagement in high regard. Please refer to gender diversity at workforce levels under "Environmental, Social and Governance Report" which is published at the same time as this report on the websites of the Company and HKEX.

Our Directors come from various backgrounds and have a diverse range of business, financial services and professional experience. The Company requests the Directors to disclose annually to the Company the number and nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved.

The following chart shows the diversity profile of the Board as at 31 December 2025:



A formal, considered and transparent procedure is in place for the appointment of new Directors to the Board. Candidates to be recommended and selected are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence to a standard required for the role of a director of listed companies. In addition, the abilities to provide balanced and independent views, exercise independent judgment and devote sufficient time and attention to the Company's affairs are also criteria for selecting non-executive Directors.

CORPORATE GOVERNANCE REPORT

Any Director (after consultation with the Chairman of the Board) may nominate a suitably qualified candidate to serve as a Director of the Company for consideration by the Nomination Committee. The Nomination Committee shall review the candidate profile and then submit a recommendation to the Board for consideration after taking into account all the requirements set out above and all other applicable factors relevant to the Company. The Board then considers the recommendation and forms its opinion as to whether the proposed candidate shall be appointed as a Director.

The Nomination Committee met once in 2025 with all members present and with the attendance of the Company Secretary. The Nomination Committee submitted its written report and/or recommendations to the Board after the Nomination Committee meeting. In addition, written resolutions were circulated to the members for approval during the year.

The principal work performed by the Nomination Committee during the year included:

- Reviewing the Nomination and Board Diversity Policy to ensure its effectiveness and implementation;
- Reviewing the structure, size and composition of the Board and Board Committees to ensure a balanced composition of executive and non-executive directors, balance of skills, experience and diversity of perspectives appropriate for the requirements of the businesses of the Group;
- Reviewing Directors' time commitment to the performance of their responsibilities;
- Assessing the independence of INEDs according to the relevant rules and requirements under the Listing Rules, considering the sufficiency of time devotion by INEDs to perform their duties, recommending the re-appointment of retiring Directors; and
- Considering the nomination of Ms. Eileen Lui Wai Ling as an executive Director of the Company.

No Director will vote in respect of recommending his/her own re-appointment as Director.

Corporate Governance Committee

The Corporate Governance Committee of the Company was set up in 2012. It comprises four members, half of whom are INEDs. Mr. Francis Lui Yiu Tung is the Chairman of the Corporate Governance Committee and Mr. James Ross Ancell, Professor Patrick Wong Lung Tak and Dr. Charles Cheung Wai Bun are the members thereof. The role and function of the Corporate Governance Committee are set out in its revised written terms of reference. Its main responsibilities are to review the Company's policies and practices on corporate governance and sustainability management, compliance with legal and regulatory requirements, training and CPD of Directors and senior management, effectiveness of the Shareholders' communication policy, the Group's environmental, social and governance ("ESG") management approach, strategies and performance, compliance with the Code and disclosure in the Corporate Governance Report and ESG Report in compliance with the Listing Rules.

The review of the Group's ESG management approach and strategies includes the process used to evaluate, prioritize and manage material ESG-related issues (including risks and opportunities to the Group's businesses); review and monitor ESG performance, and evaluate emerging ESG-related issues, trends and best practices that could impact the business operations and performance of the Group. Sustainability is well integrated into the Group's business strategy. The Board, through the Corporate Governance Committee, has the overall responsibility for the Group's ESG reporting and sustainability. The linkage is well articulated in the "ESG Governance and Oversight" which forms part of the ESG Report.

CORPORATE GOVERNANCE REPORT

A policy on corporate governance (the “CG Policy”) was adopted with the aim of enhancing Shareholders’ value and achieving a high level of transparency, integrity and accountability. The CG Policy was updated to place greater emphasis on good corporate governance as required under the Code.

The Corporate Governance Committee met once in 2025 with all its members present and with the attendance of the Company Secretary. The Corporate Governance Committee submitted its written report and/or recommendations to the Board after the Corporate Governance Committee meeting.

The principal work performed by the Corporate Governance Committee during the year included:

- Reviewing the Company’s policies and practices on corporate governance;
- Reviewing the CG Policy and implementation of the Shareholders’ communication policy and its effectiveness;
- Reviewing compliance with the Companies Ordinance (Chapter 622) (“Companies Ordinance”), the Listing Rules and other applicable laws, rules and regulations relevant to the Group’s businesses;
- Reviewing the code of conduct on securities transactions by Directors and employees;
- Reviewing training and CPD of Directors and senior management; and
- Reviewing compliance with the Code, Corporate Governance Report and ESG Report.

BOARD PROCESS AND DIRECTORS’ ATTENDANCE

An open and transparent culture is maintained in the boardroom where Directors are provided with the necessary information before the meeting, and sufficient time is allowed for discussion at the meeting before putting the resolutions to vote. Each Director is given an opportunity to express his or her view. Non-executive Directors can seek independent advice if they need to.

The Board schedules four regular Board meetings in advance to give Directors the opportunity to participate actively. Directors are consulted for matters to be included in the agenda for regular Board meetings. Directors receive written notice of the meeting at least fourteen days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. Throughout the year, Directors also participated in the consideration and approval of any matter requiring the attention of the Board by way of circulation of written resolutions. Supporting written materials were provided with the circulation and verbal briefings were given by the management or the Company Secretary when required. Where necessary, special Board meetings may be convened. Except for those circumstances permitted by the Articles of Association of the Company and the Listing Rules, a Director who has material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board must abstain from voting on the relevant resolution and such Director is not counted in the quorum.

In addition to Board meetings, the Chairman also has regular gatherings with Directors, occasionally with INEDs and without the presence of other Directors, to consider issues in an informal setting. The INEDs are encouraged to freely provide their independent views and recommendations to the Board.

CORPORATE GOVERNANCE REPORT

Details of all Directors' attendance at the Board, Board Committees and general meetings held in the year are set out in the following table:

	Board Tenure (Year)	Board (4)	Audit Committee (2)	Remuneration Committee (1)	Nomination Committee (1)	Corporate Governance Committee (1)	Annual General Meeting (1)
Executive Directors							
Mr. Francis Lui Yiu Tung	38	4/4	–	1/1	1/1	1/1	1/1
Mr. Joseph Chee Ying Keung	21	4/4	–	–	–	–	1/1
Mrs. Paddy Tang Lui Wai Yu	34	4/4	–	–	–	–	1/1
Ms. Eileen Lui Wai Ling ^{Note}	0	2/2	–	–	–	–	–
Non-executive Director							
Dr. Charles Cheung Wai Bun	10	4/4	2/2	–	–	1/1	1/1
INEDs							
Mr. James Ross Ancell	21	4/4	2/2	–	–	1/1	1/1
Dr. William Yip Shue Lam	21	3/4	1/2	1/1	1/1	–	1/1
Professor Patrick Wong Lung Tak	17	4/4	2/2	1/1	1/1	1/1	1/1
Mr. Michael Victor Mecca	7	3/4	–	–	–	–	1/1

Note: Appointed on 9 May 2025.

COMPANY SECRETARY

The Company Secretary of the Company advises the Board on corporate governance and other regulatory compliance matters and assists the Board with the development and maintenance of a sound and effective corporate governance framework and further assists the Board in fostering a strong compliance culture to meet regulatory and Shareholder expectations.

The Company Secretary is responsible for facilitating the Board processes, ensuring the Board procedures are followed and Board activities are efficiently and effectively conducted, as well as ensuring good information flow among Board members and management and Shareholders. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations are followed.

All draft and final minutes of Board meetings and Board Committees meetings with records in sufficient details regarding the matters considered and decisions made, are sent to Directors and Board Committees members for comments and approval. Minutes of the Board, Board Committees and general meetings are kept by the Company Secretary and are made available and circulated to all Directors on a quarterly basis.

The Company Secretary sends updates on legislative, regulatory and corporate governance developments relevant to the Group on a regular basis and arranges in-house seminars for the Directors. The Company Secretary had complied with Rule 3.29 of the Listing Rules during the year under review.

CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING

The Board is accountable to Shareholders and is committed to presenting comprehensive and timely information to Shareholders for the assessment of the Company's performance, financial position and prospects.

Directors' Responsibility

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Company that give a true and fair view thereof and comply with all applicable regulatory requirements and accounting standards. In preparing the consolidated financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern as at 31 December 2025. Accordingly, the Directors have prepared the consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

Throughout the year, the Company devoted sufficient resources and maintained adequately qualified and experienced staff responsible for the accounting and financial reporting function.

Independent Auditor's Responsibility

The external Auditor of the Company is PricewaterhouseCoopers, Certified Public Accountants. A statement by the Independent Auditor about their reporting responsibilities is included in the Independent Auditor's Report on the Company's consolidated financial statements on pages 73 to 77.

In arriving at their opinion, the external Auditor conducted a full scope audit without any restrictions and had access to individual Directors (including Audit Committee members) and management of the Company.

Independent Auditor's Remuneration

Fees for auditing services and non-auditing services provided by the external Auditor for the year ended 31 December 2025 are included in note 9 to the consolidated financial statements.

Fees for non-auditing services include HK\$5,180,000 for services provided in respect of taxation and cyber security advisory services.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for establishing and maintaining the Group's system of risk management and internal controls and it receives timely updates from management representatives designated with risk management responsibilities within the businesses of the Group. The system of enterprise-wide risk management and internal controls is designed to provide reasonable assurance and minimise risk exposures as much as is reasonably practicable.

It focuses on facilitating the effectiveness and efficiency of:

- Operational controls by enabling appropriate responses to significant business, operational, financial, compliance and other risks in achieving the Group's objectives;
- Financial controls to ensure the maintenance of proper accounting records for the provision of reliable financial information used within the businesses and for external reporting;

CORPORATE GOVERNANCE REPORT

- Compliance controls to ensure the compliance with relevant legislation and regulations, and also with the Group's policies and procedures with respect to the conduct of businesses;
- Cybersecurity controls to ensure the systems and data required to conduct critical operations and support key controls not being compromised; and
- Resilience controls to cope with disastrous events so as to ensure the Group's ability to maintain uninterrupted critical operations.

The Risk Management Policy articulates the guiding principles, philosophy, risk categories and risk management processes. The key elements that the Group has established for an effective risk management and internal control framework, that are in line with, if not exceeding, industry standards, include a well-defined management structure with clear roles & responsibilities and limits of authority, clear and written policies, standard operation procedures, periodic self-assessment of risks & controls, and an effective management reporting system for all major operating units of the Group.

The Risk Management Department facilitates the implementation of the risk management practices and procedures with the respective functions and departments and ensures appropriate processes are in place to identify, analyse, evaluate, and treat risks that may impede the achievement of business objectives. A robust accountability structure, such as the "Three Lines Model", highlights the important risk oversight and provides for independent review and challenge. Each of the three lines is responsible for implementing its own procedures according to respective roles and responsibilities.

A Risk Register is put in place whereby key risks by departments are identified for effective risk management, along with the corresponding risk controls and mitigating actions. As part of the continuous improvement process, the progress on implementation is monitored and tracked and reviewed on a periodic basis or as and when required by senior management.

The Risk Management Department, Internal Audit Department and other governance bodies meet periodically to share the output of risk assessments, the assurance work performed and knowledge on risk and governance related matters so as to provide better visibility and understanding of risk management issues.

All department heads are accountable for their daily operations and management of their corresponding operational, financial, compliance, and business risks. The Group's Internal Audit Department is responsible for conducting independent assessment over the Group's risk management and internal control system on a regular basis, in order to provide reasonable assurance to the Board and the executive management on whether the Group's risk management and internal control system is designed and operated efficiently and effectively.

Internal Audit Department conducts risk assessment through (i) the audit universe compiled from various sources, including risk assessment results from the Risk Management Department; and (ii) interview with the Group's senior executives and function heads biannually to understand the Group's objectives and priorities in order to prioritize and rank auditable areas to assemble the risk-based audit plan. The risk-based internal audit plan is prepared on annual basis and would be updated whenever necessary. It will be approved by the Audit Committee before execution. During the year, Internal Audit Department performs audit reviews with objectives to ensure all material controls of financial, operational and compliance are in place and functioning effectively. Significant risk management and internal control weaknesses are brought to the attention of senior executives who take immediate actions for rectification of deficiencies.

CORPORATE GOVERNANCE REPORT

Internal Audit Department reports to the Audit Committee on a biannual basis on whether the Group's risk management and internal control system is designed, maintained and operated effectively in compliance with the Group's policies and procedures, as well as the requirements that are laid down by external regulators.

Policies and procedures including pre-clearance on dealing the Company's securities by notification of regular blackout period and securities dealing restrictions to Directors and relevant employees, handling and dissemination of insider information, handling whistleblowing matters, and anti-corruption laws and regulations have been implemented by the Group to guard against possible mishandling of inside information, improprieties and corruptions within the Group.

For the financial year ended 31 December 2025, Internal Audit Department is not aware of any internal control issues that would have significant adverse impact on the financial position or operations of the Group. The Board, through the review of the Audit Committee, considers that (i) the risk management and internal control system of the Group are effective and adequate and the Group complied with the provisions on risk management and internal controls as set forth in the Code; and that (ii) the resources, qualifications, experience, training programs, budget of the accounting & financial reporting and the internal audit functions of the Group are adequate.

SHAREHOLDERS AND INVESTMENT COMMUNITY ENGAGEMENT

The Company places strong emphasis on timely, accurate and transparent communication with shareholders and the investment community. The Board has adopted a Shareholders' Communication Policy to facilitate effective and ongoing dialogue and ensure the prompt dissemination of relevant information. The policy is reviewed regularly by the Corporate Governance Committee.

During the year, the Board and senior management maintained constructive engagement with Shareholders through the annual general meeting, investor briefings following quarterly and interim results announcements, and media and analyst briefings in connection with the 2025 annual results. The Company will continue to enhance its communication channels to support transparent engagement.

In addition to interim and annual results disclosures, the Company voluntarily publishes unaudited key financial information on a quarterly basis. An Investor Relations team, with contact details available on the Company's website, responds to shareholder enquiries and facilitates ongoing dialogue. The Investor Relations section of the Company's website provides timely access to corporate announcements, financial reports and other relevant information.

The Company promotes electronic dissemination of corporate communications and has sought shareholder consent to receive such communications via the Company's website. Details of the dissemination arrangements are available on the Company's website.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meeting are voted on by poll pursuant to the Listing Rules and the poll voting results will be posted on the HKEX's website and the Company's website after the relevant Shareholders' meeting. Shareholders are encouraged to attend all general meetings of the Company.

Convening General Meetings

Pursuant to Article 67 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene a general meeting, and general meetings shall also be convened on requisition, as provided by the Companies Ordinance, or, in default, may be convened by the requisitionists.

CORPORATE GOVERNANCE REPORT

In accordance with Section 566 of the Companies Ordinance, Shareholders representing at least 5% of the total voting rights of all Shareholders having a right to vote at general meetings may request the Directors to call a general meeting. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request must be signed and sent to the registered office of the Company at 22nd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong for the attention of the Company Secretary in hard copy form, and be properly authenticated by the person or persons making it (including the way of signing by such person(s)).

Putting Forward Proposals at General Meetings

Pursuant to section 580 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all shareholders entitled to vote, or at least 50 shareholders entitled to vote, may request the Company to circulate to shareholders entitled to receive notice of a general meeting a statement of not more than 1,000 words relating to (i) a proposed resolution to be dealt with at that meeting, or (ii) other business to be dealt with at the meeting. Such request must be made in hard copy, specify the statement to be circulated, be authenticated by the requesting shareholder(s), and be received by the Company at its registered office at least seven days before the relevant meeting.

Pursuant to section 615 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all shareholders entitled to vote on the resolution, or at least 50 such shareholders, may request the Company to give notice of a resolution intended to be moved at an annual general meeting. The request must be made in hard copy, identify the proposed resolution, be authenticated by the requesting shareholder(s), and be received by the Company at its registered office not later than six weeks before the annual general meeting or, if later, the date on which notice of the meeting is given.

Details of the procedures for proposing a person other than a retiring Director for election as a Director are available on the Company's website.

Enquiries to the Board

The Company values comments and suggestions from Shareholders. Shareholders may send their enquiries and concerns to the Board at the registered office address or by email for the attention of the Company Secretary or Investor Relations.

DIVIDENDS

The Company has formalised a Dividend Policy to set out the framework governing its dividend payouts to Shareholders. The Dividend Policy is aligned with the Company's business profile and aims to return capital to Shareholders through dividends and, where appropriate, dividend increases, while maintaining a balance between meeting Shareholders' expectations and ensuring prudent capital management with a sustainable dividend policy. Details of the Dividend Policy are disclosed in the Report of the Directors in this annual report.

CONSTITUTIONAL DOCUMENTS

The Company's Articles of Association are published on the websites of the Company and HKEX. There was no change during the year ended 31 December 2025.

REPORT OF THE DIRECTORS

The Directors hereby present to the shareholders of the Company this annual report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal subsidiaries, joint ventures and associated companies of the Company are primarily engaged (i) in the development and operation of integrated resorts, hotels and casino games of chance or games of other forms, provision of hospitality and related services in Macau, and (ii) in the manufacture, sale and distribution of construction materials in Hong Kong, Macau and Mainland China. Their principal activities and other particulars are set out in note 43 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement on page 78 of this annual report.

DIVIDEND POLICY

The Company will evaluate its distribution policy and distributions made in any particular year in light of its financial position, the prevailing economic climate and expectations about the future macroeconomic environment and business performance. The determination to make distributions will be made at the sole discretion of the Board of Directors after consideration of the Company’s operations and earnings, development pipeline, cash flow, financial position, capital and other reserve requirements and surplus and any other conditions or factors which the Board of Directors deems relevant.

DIVIDENDS

On 26 February 2026, the Board of Directors recommended the payment of a final dividend of HK\$0.80 per share of the Company (the “Share”) (2024: HK\$0.50 per Share), amounting to approximately HK\$3,500 million for the year ended 31 December 2025 to shareholders whose names appear on the register of members of the Company on 29 May 2026, being the record date for determining shareholder’s entitlement to the final dividend, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 12 May 2026. Together with the interim dividend of HK\$0.70 per Share paid on 31 October 2025, the total dividends to shareholders of the Company for the year ended 31 December 2025 will be HK\$1.50 per Share (2024: HK\$1.00 per Share). Details of dividends are set out in notes 14 and 40 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company’s reserves available for distribution to its shareholders as at 31 December 2025, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622), amounted to HK\$93,974,067,000 (2024: HK\$88,559,803,000).

REPORT OF THE DIRECTORS

BUSINESS REVIEW

A review of the businesses of the Group during the year, a discussion on the Group's future business developments and principal risks and uncertainties that the Group may be facing, is provided in the Chairman's Statement on pages 10 and 12 and Management Discussion and Analysis on pages 24 to 32 of this annual report.

The financial risk management objectives and policies of the Group can be found in note 5 to the consolidated financial statements. The particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2025, if any, can also be found in the abovementioned sections and the notes to the consolidated financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial & Operational Highlights on pages 6 to 9 of this annual report.

In addition, discussions on the Group's environmental policies and performance, compliance with relevant laws and regulations which have a significant impact on the Group and an account of the Group's key relationships with its employees, customers and suppliers and others which have a significant impact on the Group are contained in the below ESG section. Further details of the ESG are contained in a standalone ESG Report which is available on the websites of both The Hong Kong Exchanges and Clearing Limited and the Company at the same time as this annual report is published.

ESG section

Environmental policies and performance

The Group remains committed to integrating sustainability into its operations and decision-making, with a focus on environmental stewardship, climate resilience and long-term value creation for stakeholders.

In 2025, the Group continued to strengthen its environmental management practices, with particular emphasis on climate change mitigation and adaptation. In alignment with China's "Dual Carbon" targets and Macao's Long-term Decarbonization Strategy, the Group advanced the carbon reduction roadmap and enhanced the disclosure of Scope 1 and Scope 2 greenhouse gas emissions, while further developing its Scope 3 emissions inventory covering key upstream and downstream categories.

The Group also enhanced its climate risk management by refining climate risk identification, scenario analysis and long-term decarbonization planning. These efforts support a more structured understanding of potential physical and transition risks across different time horizons and lay the foundation for future target-setting and more comprehensive climate-related disclosures, in line with evolving international standards.

Beyond climate, the Group continued to improve resource efficiency through targeted initiatives on energy, water and waste management, including energy-saving projects, water conservation measures and plastic reduction programs. These initiatives contributed to reduced environmental impact across the Group's operations.

In 2025, the Board continued to strengthen its oversight of ESG matters by receiving regular updates on climate-related developments, regulatory trends and emerging best practices. The Board also engaged internal and external experts in corporate social responsibility, sustainability and climate-related fields to ensure that its deliberations and decisions are informed by comprehensive and up-to-date insights.

REPORT OF THE DIRECTORS

The Board maintains active oversight of the Group's ESG and climate-related strategies, ensuring robust risk management and the effective integration of sustainability considerations into the Group's corporate governance framework. Oversight of ESG and climate-related matters has been delegated to the Corporate Governance Committee. Supported by the ESG Taskforce, which is chaired by the Chairman and comprises members of senior management, the Taskforce coordinates progress across working groups and business units and reports performance regularly to the Corporate Governance Committee.

Compliance with relevant laws and regulations

During 2025, the Group maintained compliance with laws and regulations that have a significant impact on its operations, including those relating to environmental protection, occupational health and safety, labour standards, business ethics, customer protection and supplier management. Compliance remains a fundamental pillar supporting the Group's sustainable development and risk management.

Double Materiality Assessment

In 2025, the Group enhanced its ESG governance and disclosure framework by conducting a double materiality assessment for the first time. The assessment considered both impact materiality and financial materiality. The results were used to refine the prioritization of ESG issues, strengthen risk management and inform strategic planning, ensuring closer alignment between sustainability priorities, business strategy and stakeholder expectations.

Key Relationships with Stakeholders

The Group recognizes that strong relationships with employees, customers, suppliers and the wider community are essential to its long-term success.

In 2025, the Group continued to invest in employee development, health and safety, and workplace well-being through structured training programs and engagement initiatives. Customer experience remained a priority, supported by robust service management systems and responsible business practices. The Group also worked closely with suppliers to promote responsible procurement and support local small and medium enterprises.

The Group remained actively engaged with the community through initiatives focused on youth development, sports, arts and culture, social inclusion and community care, reinforcing its long-standing commitment to contributing to Macau's sustainable and inclusive development.

Further details of the Group's ESG policies, performance and initiatives are set out in the standalone ESG Report, which is published concurrently with this Annual Report and is available on the websites of The Hong Kong Exchanges and Clearing Limited.

SHARES ISSUED

Details of the Shares issued by the Company during the year are set out in note 27 to the consolidated financial statements.

During the year, 1,462 new ordinary Shares were issued pursuant to the share option scheme adopted by the Company on 22 May 2023 (the "Share Option Scheme 2023") as a result of the exercise of the share options by an option holder, and 4,344,700 new ordinary Shares were issued and allotted for the purpose of satisfying the share awards granted under the share award scheme adopted by the Company on 22 May 2023 (the "Share Award Scheme 2023").

REPORT OF THE DIRECTORS

DEALINGS IN LISTED SECURITIES

During the year, the trustee of the share award scheme adopted by the Company on 13 May 2021 (the “Share Award Scheme 2021”) purchased a total of 416,000 Shares from the market for a total consideration of approximately HK\$16.6 million for satisfying the share awards granted to the connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (“Listing Rules”)), who are also employees of the Group. A total of 415,485 Shares were subsequently transferred to these connected persons upon the vesting of their share awards.

In accordance with the terms of the Share Award Scheme 2023, the trustee at the request of award holders sold a total of 35,000 Shares during the year, generating approximately HK\$1.3 million in sale proceeds. The net proceeds were distributed to the respective award holders upon the vesting of share awards on 30 December 2025, and the remaining surplus of approximately HK\$9,000 was retained by the trustee.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares during the year ended 31 December 2025. The Company did not hold any treasury shares as at 31 December 2025.

DIRECTORS

The list of Directors of the Company during the year and up to date of this report is set out below:

Executive Directors:

Mr. Francis Lui Yiu Tung, Chairman
Mr. Joseph Chee Ying Keung
Mrs. Paddy Tang Lui Wai Yu
Ms. Eileen Lui Wai Ling (*appointed on 9 May 2025*)

Non-executive Director:

Dr. Charles Cheung Wai Bun

Independent Non-executive Directors:

Mr. James Ross Ansell
Dr. William Yip Shue Lam
Professor Patrick Wong Lung Tak
Mr. Michael Victor Mecca

The biographical details of the Directors are set out on pages 33 to 35 of this annual report.

In accordance with Article 106(A) of the Articles of Association of the Company, Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying and Professor Patrick Wong Lung Tak will retire by rotation at the forthcoming 2026 annual general meeting of the Company (the “2026 AGM”). In accordance with Article 97 of the Articles of Association of the Company, Ms. Eileen Lui Wai Ling will retire at the forthcoming 2026 AGM. All of them being eligible, have offered themselves for re-election at the 2026 AGM.

None of the Directors proposed for re-election has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

Subject to the approval of shareholders of the Company at the 2026 AGM, the following directors' fees in respect of the year ended 31 December 2025 will be payable to the Directors:

	Chairman (HK\$)	Member (HK\$)
The Board	430,000	390,000
Audit Committee	210,000	170,000
Corporate Governance Committee	110,000	85,000
Nomination Committee	110,000	85,000
Remuneration Committee	110,000	85,000

A list of directors who have served on the boards of the subsidiaries of the Company included in the annual consolidated financial statements for the financial year ended 31 December 2025 during the year and up to the date of this report is kept at the Company's registered office and made available for inspection by the shareholders of the Company free of charge during business hours.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in this report, no transactions, arrangements and contracts of significance in relation to the Group's business, to which the Company or its subsidiaries was a party and in which a Director or his or her connected entity has or had a material beneficial interest, whether directly or indirectly, subsisted as at 31 December 2025 or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN SECURITIES AND UNDERLYING SHARES

As at 31 December 2025, the interests or short positions of each Director in the Shares, underlying Shares and debentures of the Company, and the details of any right to subscribe for Shares and of the exercise of such rights, as recorded in the register required to be kept under section 352 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, were as follows:

REPORT OF THE DIRECTORS

(a) Shares (including underlying Shares)

Name	Number of Shares (including underlying Shares) held				Total	Percentage of Shares in issue ⁽⁵⁾
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
Francis Lui Yiu Tung	47,690,339	–	761,571,099 ⁽¹⁾	1,570,500,950 ^{(2),(3)&(4)}	2,379,762,388	54.34
Joseph Chee Ying Keung	1,051,631	–	–	–	1,051,631	0.02
Paddy Tang Lui Wai Yu	19,683,023 ⁽⁴⁾	–	–	1,552,753,514 ^{(2)&(3)}	1,572,436,537	35.91
Eileen Lui Wai Ling	10,064,544 ⁽⁴⁾	77,296	–	1,551,971,499 ^{(2)&(3)}	1,562,113,339	35.67
James Ross Ansell	250,000	–	–	–	250,000	0.01
William Yip Shue Lam	250,000	–	–	–	250,000	0.01
Patrick Wong Lung Tak	–	–	–	–	–	–
Charles Cheung Wai Bun	–	–	–	–	–	–
Michael Victor Mecca	–	–	–	–	–	–

Notes:

- (1) These Shares were interests or deemed interests of corporations controlled by Mr. Francis Lui Yiu Tung.
- (2) A discretionary family trust established by the late Dr. Lui Che Woo, as settlor was interested in 1,548,786,708 Shares. Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Ms. Eileen Lui Wai Ling, as discretionary beneficiaries of the discretionary family trust, are deemed to have an interest in those Shares in which the trust has an interest. Interests in 14,225,849 Shares (including underlying shares) are held by Mr. Francis Lui Yiu Tung as executor of the will of the late Dr. Lui Che Woo.
- (3) Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Ms. Eileen Lui Wai Ling are also deemed to be interested in 7,488,393 Shares, 3,966,806 Shares and 3,184,791 Shares respectively by virtue of them being beneficiaries of certain trusts for the purpose of Part XV of the SFO.
- (4) There was duplication of interests of 5,518,156 Shares between Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu and 4,766,496 Shares between Mr. Francis Lui Yiu Tung and Ms. Eileen Lui Wai Ling.
- (5) The approximate percentages were calculated based on 4,379,240,712 Shares in issue as at 31 December 2025 (rounded down to two decimal places).
- (6) All the interests stated above represent long positions.

(b) Underlying Shares – Share Options and Share Awards

Details are set out in the sections headed “Share Option Schemes” and “Share Award Schemes” below.

Save as disclosed above, as at 31 December 2025, none of the Directors of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its specified undertakings or its other associated corporations (within the meaning of Part XV of the SFO and the Hong Kong Companies Ordinance (Cap. 622)).

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31 December 2025, the interests or short positions of every person (not being a Director or chief executive of the Company) in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares/ underlying Shares in long position held	Percentage of Shares in issue ⁽²⁾
City Lion Profits Corp.	Beneficial owner	973,282,206	22.22
CWL Assets (PTC) Limited	Trustee	1,548,786,708	35.37
HSBC International Trustee Limited	Trustee	1,549,073,345 ⁽¹⁾	35.37
Super Focus Company Limited	Beneficial owner	112,010,107	} — 274,494,154
	Interests of controlled corporations	162,484,047	
Lui Che Woo Foundation Limited	Beneficial owner	295,421,000	6.75

Notes:

- (1) HSBC International Trustee Limited, the trustee of the trust established by the late Dr. Lui Che Woo as settlor, was interested in 1,548,786,708 Shares.
- (2) The approximate percentages were calculated based on 4,379,240,712 Shares of the Company in issue as at 31 December 2025 (rounded down to two decimal places).

There was duplication of interests of:

- (i) 1,548,786,708 Shares between Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu, Ms. Eileen Lui Wai Ling, CWL Assets (PTC) Limited and HSBC International Trustee Limited;
- (ii) 973,282,206 Shares between City Lion Profits Corp. and CWL Assets (PTC) Limited;
- (iii) 274,494,154 Shares between CWL Assets (PTC) Limited and Super Focus Company Limited; and
- (iv) 295,421,000 Shares between Lui Che Woo Foundation Limited and Mr. Francis Lui Yiu Tung.

Save as disclosed above, as at 31 December 2025, the Company was not notified by any person who had interests or short positions in the Shares or underlying Shares which were required to be recorded in the register required to be kept under section 336 of Part XV of the SFO.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEMES

The existing Share Option Scheme 2023 was adopted by the Company on 22 May 2023 and the previous share option schemes adopted by the Company on 13 May 2021 and 22 June 2011 were terminated but all the outstanding share options granted prior to the date of termination will continue to be valid and exercisable in accordance with the terms of these respective share option schemes.

The Share Option Scheme 2023, unless otherwise cancelled or amended, will remain in force for 10 years from 22 May 2023. A summary of the Share Option Scheme 2023 is set out below.

(1) Purpose

To attract and retain the best quality personnel for the development of the Company's businesses; to provide additional incentives to eligible participants; and to promote the long term financial success of the Company by aligning the interests of share option holders to shareholders of the Company.

(2) Participants

- (i) any person employed by the Company or by any of its subsidiaries or chief executive officer, executive or non-executive director (including independent non-executive directors) of the Company or any subsidiary of it and any person who has contracted to be employed by the Company or any of its subsidiaries but whose employment has not commenced and any person to whom the Board wishes to offer share options as an inducement to become an executive or director of the Company or any of its subsidiaries; or
- (ii) any director, chief executive of or person employed by any of the holding companies, fellow subsidiaries or associated companies of the Company; or
- (iii) any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to any consultant, independent contractor or adviser ("Service Provider"):
 - (a) where the continuity and frequency of their services are akin to those of employees; or
 - (b) after stepping down from an employment or director position with the Group,excluding (for the avoidance of doubt):
 - (aa) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions,
 - (bb) professional service providers (including but not limited to auditor or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity.

REPORT OF THE DIRECTORS

(3) Total number of Shares available for issue

Mandate Limit – Subject to the paragraph below, the total number of Shares which may be issued upon exercise of all share options and other incentive grants granted or which may be granted under the Share Option Scheme 2023 and any other share scheme adopted or to be adopted by the Company (the “Share Incentive Scheme”), including the Share Award Scheme 2023, must not in aggregate exceed 436,914,130 Shares, being 10% of the Shares in issue as at 22 May 2023, the date of passing the ordinary resolution of the shareholders adopting the scheme.

Service Provider Sublimit – The total number of Shares that may be issued in respect of all share options and other incentive grants granted or which may be granted to the Service Provider under the Share Option Scheme 2023 and any other Share Incentive Scheme (including Share Award Scheme 2023) shall be subject to a sublimit and must not in aggregate exceed 43,691,413 Shares, being 10% of the number of Shares in the above-mentioned mandate limit.

As at the date of this annual report, a total of 2,171,666 Shares may be issued upon exercise of all outstanding share options which had been granted and yet to be exercised under the Share Option Scheme 2023, representing approximately 0.05% of the issued Shares, and a total of 15,122,048 outstanding share awards granted pursuant to the Share Award Scheme 2023, representing approximately 0.35% of the issued Shares. The total number of Shares available for issue under the Share Option Scheme 2023 and Share Award Scheme 2023 is 404,835,273 Shares, representing approximately 9.24% of the issued Shares.

(4) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of share options and other incentive grants, including Share Award Scheme 2023 (whether exercised or outstanding) in any 12-month period granted to each participant must not exceed 1% of the aggregate number of Shares in issue.

If the Company issues a circular to its shareholders seeking a separate approval by the shareholders of the Company in general meeting with the relevant participant and his/her close associates (or associates if the participant is a connected person of the Company) abstaining from voting, the Company may grant share options and other incentive grants to a participant which would exceed the limit.

(5) Share option period

The period within which the Shares must be taken up under a share option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not be more than 10 years from the date of grant of the relevant share option.

(6) Vesting period of share options granted

The minimum period, if any, for which a share option must be held before it can vest shall not be less than 12 months unless (in the case of employee participants) one or more of the short vesting circumstances referred to in the Company’s circular dated 20 April 2023 arises.

REPORT OF THE DIRECTORS

(7) Payment on acceptance of the share options

HK\$1.00 is payable by the participant to the Company on acceptance of the share options offer. An offer must be accepted within 28 days from the date of grant (or such longer period as the Board may specify in writing).

(8) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion at the time of the grant but shall not be less than the higher of:

- (i) the closing price of the Shares on the date of grant; or
- (ii) the average closing prices of the Shares for the five business days immediately preceding the date of grant.

(9) Remaining life

The life of the Share Option Scheme 2023 is 10 years commencing on its adoption date, being 22 May 2023 and will expire on 22 May 2033.

The particulars of the movements in the share options held by a Director of the Company, and the employees of the Group in aggregate granted under the Share Option Scheme 2023 and other share option schemes of the Company during the year ended 31 December 2025 were as follows:

Name	Date of grant	Number of share options				Held at 31 December 2025	Exercise price (HK\$)	Exercise period
		Held at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year			
Paddy Tang Lui Wai Yu	30 Dec 2024	92,000	–	–	–	92,000	34.08	30 Dec 2025 – 29 Dec 2030
	31 Dec 2025	–	84,000	–	–	84,000	38.60	31 Dec 2026 – 30 Dec 2031
Employees and other eligible participant (in aggregate)	30 Dec 2019	56,000	–	–	(56,000)	–	57.70	30 Dec 2020 – 29 Dec 2025
	29 Sep 2020	78,000	–	–	(58,000)	20,000	52.58	29 Sep 2021 – 28 Sep 2026
	17 Jun 2021	46,000	–	–	–	46,000	62.19	17 Jun 2022 – 16 Jun 2027
	07 Oct 2022	4,063,938	–	–	(363,178)	3,700,760	48.65	07 Oct 2023 – 06 Oct 2028
	29 Dec 2023	1,612,000	–	–	(168,000)	1,444,000	43.75	29 Dec 2024 – 28 Dec 2029
	30 Dec 2024	436,000	–	(1,462) ^a	(5,538)	429,000	34.08	30 Dec 2025 – 29 Dec 2030
	31 Dec 2025	–	126,000	–	–	126,000	38.60	31 Dec 2026 – 30 Dec 2031
Total		6,383,938	210,000	(1,462)	(650,716)	5,941,760		

Note:

- a. The weighted average closing price of the Shares immediately before the date on which the share options were vested during the year was HK\$40.90.

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The vesting period of all share options is three years, with one-third of the options vesting on each of the first, second and third anniversaries of the date of grant, save that in respect of the 1,771,760 share options granted on 7 October 2022, 50% of such options vest on each of the first and second anniversaries of the date of grant.

Vesting period may accelerate if triggered by certain events stated in the respective Share Option Scheme 2023 and previous share option schemes. The consideration paid by each grantee for each grant of share options was HK\$1.00.

Details of the share options granted, exercised and lapsed during the year are set out above. No share options were cancelled during the year.

The fair values of the share options granted during the year are estimated based on the Black-Scholes valuation model, and such fair values and significant inputs into the model are as follows:

	Fair value per option (HK\$)	Share price at date of grant (HK\$)	Exercise price (HK\$)	Standard deviation of expected share price return	Expected life of share options	Expected dividend paid out rate	Annual risk-free interest rate
Grant of share options on 31 December 2025							
– 210,000 share options outstanding as at 31 December 2025	10.44	38.32	38.60	35.9% to 38.9%	3.5 years to 4.5 years	2%	2.39% to 2.47%

The volatility measured at the standard deviation of expected share price return is based on the historical share price movement of the Company in the relevant periods matching expected time to exercise prior to the date of grant. Changes in the subjective input assumptions could materially affect the fair value estimate.

The closing price of the Shares immediately before the date on which the share options were granted on 31 December 2025 was HK\$38.02 and there is no performance target or clawback mechanism attached to the share options.

SHARE AWARD SCHEMES

The existing Share Award Scheme 2023 was adopted by the Company on 22 May 2023 and the previous Share Award Scheme 2021 was suspended on 22 May 2023 and all outstanding share awards granted under the Share Award Scheme 2021 shall remain unvested and will continue to be valid until vested or lapsed in accordance with the terms of the scheme. A summary of the Share Award Scheme 2021 is stated in the 2022 Annual Report on pages 105 to 107 thereof.

The Share Award Scheme 2023, unless otherwise cancelled or amended, will remain in force for 10 years from 22 May 2023. A summary of the Share Award Scheme 2023 is set out below:

(1) Purpose

To attract and retain the best quality personnel for the development of the Company's businesses, to provide additional incentives to eligible participants; and to promote the long term financial success of the Company by aligning the interests of award holders to shareholders of the Company.

REPORT OF THE DIRECTORS

(2) Participants

- (i) any person employed by the Company or by any of its subsidiaries or chief executive officer, executive or non-executive director (including independent non-executive directors) of the Company or any subsidiary of it and any person who has contracted to be employed by the Company or any of its subsidiaries but whose employment has not commenced and any person to whom the Board wishes to offer awards as an inducement to become an executive or director of the Company or any of its subsidiaries; or
- (ii) any director, chief executive or person employed by any of the holding companies, fellow subsidiaries or associated companies of the Company; or
- (iii) any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to any consultant, independent contractor or adviser (“Service Provider”):
 - (a) where the continuity and frequency of their services are akin to those of employees; or
 - (b) after stepping down from an employment or director position with the Group,

excluding (for the avoidance of doubt):
 - (aa) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions,
 - (bb) professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity.

(3) Total number of Shares available for issue

Mandate Limit and Service Provider Sublimit

Please refer to the paragraph (3) above under “Share Option Schemes” section.

(4) Maximum entitlement of each participant

Please refer to the paragraph (4) above under “Share Option Schemes” section.

(5) Vesting period of awards granted

When an award holder has satisfied the vesting criteria and conditions specified by the Board and become entitled to the awarded shares, the Board will inform the relevant award holder of the vesting of the awarded shares and the means of effecting the vesting shall be determined by the Board at its sole discretion. The vesting date of share awards shall not be less than 12 months from the date of grant unless (in the case of employee participants) one or more of the short vesting circumstance referred to in the Company’s circular dated 20 April 2023 arises.

(6) Payment on acceptance of the awards

HK\$1.00 is payable by the participant to the Company on acceptance of the award offer. An offer must be accepted within 28 days from the date of grant (or such longer period as the Board may specify in writing).

REPORT OF THE DIRECTORS

(7) Basis of determining the purchase price of the awards

No purchase price is determined. The Board may from time to time determine the terms and conditions of the awards.

(8) Remaining life

The life of the Share Award Scheme 2023 is 10 years commencing on its adoption date, being 22 May 2023 and will expire on 22 May 2033.

The awards granted under Share Award Scheme 2023 will be satisfied by the issuance and allotment of new Shares to a trustee that will hold those Shares on trust for the grantees and will transfer the underlying Shares to the grantees on vesting of the awards, subject to the terms and conditions of the Share Award Scheme 2023.

Under Share Award Scheme 2021, in addition to issue of new Shares to satisfy the grant of awards, the Company will pay to the trustee the purchase price and related purchase expenses from its resources in respect of the awarded shares to be purchased on the market by the trustee.

No award holder shall enjoy any of the rights of a shareholder of the Company unless and until the relevant awarded shares are transferred to the award holder by the trustee after the vesting of the share awards granted. Unless otherwise specified by the Board in the share award agreement, an award holder shall not have any right to the income derived from the awarded shares underlying the award. The trustee shall not exercise the voting rights in respect of any Shares held for the Share Award Scheme 2023 and the Share Award Scheme 2021 (including but not limited to the awarded shares, the returned shares, any bonus shares and scrip shares).

The movement of share awards under the share award schemes and the Shares held by the respective trustees is shown below:

Share Award Scheme 2023

During the year, a total of 4,344,700 Shares were allotted to the trustee of the Share Award Scheme 2023 at a price of HK\$0.01 each, 8,879,200 share awards were granted and 4,340,907 share awards were vested under the scheme. As at 31 December 2025, the trustee held 45,296 Shares for satisfying share awards to be vested in subsequent periods.

Share Award Scheme 2021

During the year, a total of 416,000 Shares were purchased by the trustee from the market for a total consideration of approximately HK\$16.6 million for satisfying the share awards granted to the connected person (as defined under the Listing Rules) in which 415,485 Shares were transferred to these connected persons upon the vesting of their share awards. Total of 1,663,418 share awards were vested under the scheme during the year. As at 31 December 2025, the trustee held 334,301 Shares for the scheme.

REPORT OF THE DIRECTORS

The particulars of the movements in the share awards held by the Directors of the Company and their associates, and the employees of the Group in aggregate granted under the Share Award Scheme 2023 and Share Award Scheme 2021 during the year ended 31 December 2025 were as follows:

Name	Date of grant	Number of share awards				Held at 31 December 2025	Vesting Date
		Held at 1 January 2025	Granted during the year	Vested during the year	Lapsed during the year		
Francis Lui Yiu Tung	07 Oct 2022	192,634	–	(192,634) ^(a)	–	–	07 Oct 2025
	29 Dec 2023	203,400	–	(203,400) ^(a)	–	–	29 Dec 2025
	29 Dec 2023	203,400	–	–	–	203,400	29 Dec 2026
	30 Dec 2024	880,830	–	(880,830) ^(a)	–	–	30 Dec 2025
	30 Dec 2024	880,830	–	–	–	880,830	30 Dec 2026
	30 Dec 2024	497,400	–	–	–	497,400	30 Dec 2027
	31 Dec 2025	–	481,300	–	–	481,300	31 Dec 2026
	31 Dec 2025	–	481,300	–	–	481,300	31 Dec 2027
	31 Dec 2025	–	481,300	–	–	481,300	31 Dec 2028
Joseph Chee Ying Keung	07 Oct 2022	66,487	–	(66,487) ^(b)	–	–	07 Oct 2025
	30 Dec 2024	33,540	–	(33,540) ^(b)	–	–	30 Dec 2025
	30 Dec 2024	33,540	–	–	–	33,540	30 Dec 2026
	11 July 2025	–	25,333	–	–	25,333	11 July 2026
	11 July 2025	–	25,333	–	–	25,333	11 July 2027
	11 July 2025	–	25,334	–	–	25,334	11 July 2028
	31 Dec 2025	–	32,833	–	–	32,833	31 Dec 2026
	31 Dec 2025	–	32,833	–	–	32,833	31 Dec 2027
	31 Dec 2025	–	32,834	–	–	32,834	31 Dec 2028
Paddy Tang Lui Wai Yu	07 Oct 2022	4,300	–	(4,300) ^(c)	–	–	07 Oct 2025
	29 Dec 2023	7,566	–	(7,566) ^(c)	–	–	29 Dec 2025
	29 Dec 2023	7,568	–	–	–	7,568	29 Dec 2026
	30 Dec 2024	25,013	–	(25,013) ^(c)	–	–	30 Dec 2025
	30 Dec 2024	25,013	–	–	–	25,013	30 Dec 2026
	30 Dec 2024	9,234	–	–	–	9,234	30 Dec 2027
	31 Dec 2025	–	8,933	–	–	8,933	31 Dec 2026
	31 Dec 2025	–	8,933	–	–	8,933	31 Dec 2027
	31 Dec 2025	–	8,934	–	–	8,934	31 Dec 2028
Eileen Lui Wai Ling ^(d)	07 Oct 2022	64,860	–	(64,860) ^(e)	–	–	07 Oct 2025
	29 Dec 2023	29,366	–	(29,366) ^(e)	–	–	29 Dec 2025
	29 Dec 2023	29,368	–	–	–	29,368	29 Dec 2026
	30 Dec 2024	131,913	–	(131,913) ^(e)	–	–	30 Dec 2025
	30 Dec 2024	131,913	–	–	–	131,913	30 Dec 2026
	30 Dec 2024	71,834	–	–	–	71,834	30 Dec 2027
	31 Dec 2025	–	111,200	–	–	111,200	31 Dec 2026
	31 Dec 2025	–	111,200	–	–	111,200	31 Dec 2027
	31 Dec 2025	–	111,200	–	–	111,200	31 Dec 2028

REPORT OF THE DIRECTORS

Name	Date of grant	Number of share awards					Vesting Date
		Held at 1 January 2025	Granted during the year	Vested during the year	Lapsed during the year	Held at 31 December 2025	
Employees ⁽ⁱ⁾ (in aggregate)	07 Oct 2022	1,376,174	–	(1,335,137) ⁽ⁱⁱ⁾	(41,037)	–	07 Oct 2025
	29 Dec 2023	594,228	–	(545,405) ⁽ⁱⁱⁱ⁾	(48,823)	–	29 Dec 2025
	29 Dec 2023	594,544	–	–	(53,316)	541,228	29 Dec 2026
	30 Dec 2024	2,581,168	–	(2,409,098) ^(iv)	(172,070)	–	30 Dec 2025
	30 Dec 2024	2,581,168	–	–	(199,310)	2,381,858	30 Dec 2026
	30 Dec 2024	1,614,914	–	–	(136,580)	1,478,334	30 Dec 2027
	11 Jul 2025	–	149,312	(291) ^(v)	(3,408)	145,613	11 Jul 2026
	11 Jul 2025	–	149,312	–	(3,699)	145,613	11 Jul 2027
	11 Jul 2025	–	149,376	–	(3,702)	145,674	11 Jul 2028
	31 Dec 2025	–	2,121,841	–	–	2,121,841	31 Dec 2026
	31 Dec 2025	–	2,121,841	–	–	2,121,841	31 Dec 2027
	31 Dec 2025	–	2,208,718	–	–	2,208,718	31 Dec 2028
Service Providers ^(vi) (in aggregate)	30 Dec 2024	74,485	–	(74,485) ^(vii)	–	–	30 Dec 2025
	30 Dec 2024	74,485	–	–	–	74,485	30 Dec 2026
Total		13,021,175	8,879,200	(6,004,325)	(661,945)	15,234,105	

All the above awards, except those granted on 29 December 2023, 30 December 2024, 11 July 2025 and 31 December 2025, were granted under Share Award Scheme 2021, under which the awards may be satisfied either by issuance of new shares or by purchase of existing shares from the market. In respect of those awards which were granted and will be satisfied by purchase of existing shares from the market, two of the five highest paid individuals were Directors and the particulars of movements in the share awards held by them were disclosed in this section. Share awards granted to the remaining three highest paid individuals will be satisfied by the issuance of new shares. In addition, awards granted to other grantees (excluding the highest paid individuals mentioned above) will be satisfied by the purchase of existing shares from the market and the particulars of movements in the awards held by them during the year were as follows:

Date of grant	Number of share awards					Vesting Date
	Held at 1 January 2025	Granted during the year	Vested during the year	Lapsed during the year	Held at 31 December 2025	
07 Oct 2022	76,357	–	(76,357)	–	–	07 Oct 2025

Notes:

- The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$38.48.
- The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$39.86.
- The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$38.43.

REPORT OF THE DIRECTORS

- d. Ms. Eileen Lui Wai Ling was appointed as an executive Director of the Company on 9 May 2025 and her share awards were reclassified from “Employees” to “Director”.
- e. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$38.86.
- f. The movements in the share awards held by the associates of Directors during the year were as follows:

Name	Date of grant	Number of share awards				Vesting Date
		Held at 1 January 2025	Granted during the year	Vested during the year	Held at 31 December 2025	
Philip Cheng Yee Sing	07 Oct 2022	2,068	–	2,068 ⁽ⁱ⁾	–	07 Oct 2025
	29 Dec 2023	3,600	–	3,600 ⁽ⁱ⁾	–	29 Dec 2025
	29 Dec 2023	3,600	–	–	3,600	29 Dec 2026
	30 Dec 2024	16,373	–	16,373 ⁽ⁱ⁾	–	30 Dec 2025
	30 Dec 2024	16,373	–	–	16,373	30 Dec 2026
	30 Dec 2024	8,834	–	–	8,834	30 Dec 2027
	31 Dec 2025	–	8,533	–	8,533	31 Dec 2026
	31 Dec 2025	–	8,533	–	8,533	31 Dec 2027
Andrew Nicholas Lui	07 Oct 2022	268	–	268 ⁽ⁱⁱ⁾	–	07 Oct 2025
	29 Dec 2023	466	–	466 ⁽ⁱⁱ⁾	–	29 Dec 2025
	29 Dec 2023	468	–	–	468	29 Dec 2026
	30 Dec 2024	3,131	–	3,131 ⁽ⁱⁱ⁾	–	30 Dec 2025
	30 Dec 2024	3,131	–	–	3,131	30 Dec 2026
	30 Dec 2024	2,168	–	–	2,168	30 Dec 2027
	31 Dec 2025	–	26,200	–	26,200	31 Dec 2026
	31 Dec 2025	–	26,200	–	26,200	31 Dec 2027
31 Dec 2025	–	26,200	–	26,200	31 Dec 2028	

- (i) The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$38.31.
- (ii) The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$38.19.
- g. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year (excluding associates of director) was HK\$40.87.
- h. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year (excluding associates of director) was HK\$38.98.
- i. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year (excluding associates of director) was HK\$37.86.
- j. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$42.88.
- k. Service Providers provide consulting and advisory services and include ex-employees of the Group.
- l. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the year was HK\$37.84.

REPORT OF THE DIRECTORS

Details of the share awards granted, vested or lapsed during the year are set out above. No share awards were cancelled during the year.

The closing price of the Shares immediately before the date on which the share awards were granted on 11 July 2025 and 31 December 2025 was HK\$38.95 and HK\$38.02 respectively. The awards were granted at HK\$1.00 in aggregate payable on acceptance with no performance target or clawback mechanism. The weighted average fair value per Share for granted on 11 July 2025 and 31 December 2025 are HK\$37.95 and HK\$37.64 respectively. The fair value of the awarded shares was calculated based on the market price of the Shares at the grant date. The expected dividends during the vesting period have taken into account when assessing the fair value of these awarded shares.

The total number of Shares available for grant under mandate limit and service provider sublimit are as follow:

	Ordinary Shares	
	Mandate limit	Service provider sublimit
1 January 2025	413,015,550	43,542,443
31 December 2025	404,720,796	43,542,443

A total of 9,078,391 Shares, representing approximately 0.21% of the weighted average number of issued ordinary Shares, may be issued pursuant to share options and awards granted during the year, excluding those that have lapsed, under Share Option Scheme 2023 and Share Award Scheme 2023. The grants to the Directors and their associates have been approved by the independent non-executive directors of the Company in accordance with Rule 17.04(1) of the Listing Rules.

Save as disclosed in this report, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

MANAGEMENT CONTRACTS

No substantial contracts concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the financial year.

EQUITY-LINKED AGREEMENTS

Other than the share option schemes and share award schemes as disclosed above, no equity-linked agreement that will or may result in the Company issuing Shares or no agreement that requires the Company to enter into an agreement that will or may result in the Company issuing Shares were entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the financial year.

REPORT OF THE DIRECTORS

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and adjusted as appropriate, is shown on page 72 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover; and the aggregate amount of purchases (not including the purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$4,632,000 (2024: HK\$34,632,000).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company at the date of this annual report, there was a sufficient public float of the Company as required under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Francis Lui Yiu Tung

Chairman

Hong Kong, 26 February 2026

FIVE-YEAR SUMMARY

	Year ended 31 December 2021 HK\$'000	Year ended 31 December 2022 HK\$'000	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2025 HK\$'000
CONSOLIDATED INCOME STATEMENT					
Revenue	19,695,530	11,473,793	35,684,253	43,432,373	49,242,325
Profit/(loss) attributable to equity holders of the Company	1,326,231	(3,433,770)	6,827,956	8,759,247	10,673,765
Dividends	–	1,307,566	873,783	3,496,218	5,247,390
Earnings/(loss) per share (cents)	30.5	(78.7)	156.2	200.3	244.0
Dividend per share (cents)	–	30.0	20.0	80.0	120.0
CONSOLIDATED BALANCE SHEET					
Property, plant and equipment and right-of-use assets	46,667,074	50,330,106	54,130,256	54,912,046	54,846,165
Intangible assets	152,858	32,949	2,500,024	2,231,584	1,961,992
Joint ventures and associated companies	1,996,185	1,398,522	2,236,930	2,163,377	2,236,216
Other non-current assets	12,864,615	11,287,566	9,140,993	10,172,966	20,727,007
Net current assets	8,696,196	2,613,206	6,674,404	10,299,444	7,176,527
Employment of capital	70,376,928	65,662,349	74,682,607	79,779,417	86,947,907
Represented by:					
Share capital and shares held for share award scheme	23,598,057	23,968,153	24,103,725	24,253,709	24,416,489
Reserves	44,826,622	39,945,783	46,655,447	51,691,935	58,727,007
Equity attributable to owners of the Company	68,424,679	63,913,936	70,759,172	75,945,644	83,143,496
Non-controlling interests	651,061	551,429	457,919	445,840	487,988
Long term borrowings	–	–	–	–	–
Other non-current liabilities	1,301,188	1,196,984	3,465,516	3,387,933	3,316,423
Capital employed	70,376,928	65,662,349	74,682,607	79,779,417	86,947,907
Net assets per share (dollars)	15.70	14.63	16.18	17.36	18.99

INDEPENDENT AUDITOR'S REPORT



To the Members of Galaxy Entertainment Group Limited

(incorporated in Hong Kong with limited liability)

OPINION

What we have audited

The consolidated financial statements of Galaxy Entertainment Group Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 78 to 160, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of recoverable amounts of non-current assets relating to gaming and entertainment operations</p> <p>Refer to notes 2, 6(a), 15, 16 and 17 to the consolidated financial statements.</p> <p>The Group's revenue inflow is highly dependent on its gaming operations which are complemented by its hotel and entertainment operations. The gaming operations are operated under the gaming concession and the new gaming concession was granted on 16 December 2022 for a term of 10 years from 1 January 2023 to 31 December 2032.</p> <p>As at 31 December 2025, the aggregate carrying amounts of non-current assets relating to gaming and entertainment operations including related net working capital was HK\$71.2 billion (2024: HK\$61.3 billion).</p> <p>As regards to the non-current assets with definite useful lives, the Group is required to review for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.</p>	<p>We obtained the valuation model (fair value model under the income approach) used by management to determine the recoverable amounts of the relevant assets.</p> <p>We obtained an understanding of the assessment process of recoverable amounts of non-current assets relating to gaming and entertainment operations and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors.</p> <p>We tested the mathematical accuracy of the underlying calculations in the valuation model and agreed them to the financial budget and future forecasts. We compared historical actual results to those budgeted to assess the quality of management's forecast.</p> <p>We also assessed the key quantitative and qualitative assumptions made by management in the valuation model. Quantitative factors comprised forecasted revenue and operating costs, future business trend, gaming mix and discount rate used. When assessing these key assumptions, we discussed with management to understand and evaluate their basis for selecting the assumptions, and compared them to various sources including independent research reports, future economic recovery and growth forecasts and historical data for both the Group and industry performance. We assessed the reasonableness of the discount rate used by checking it to the discount rates of comparable companies within the same industry.</p>

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

The Group performs an assessment of the recoverable amounts for non-current assets relating to gaming and entertainment operations including related net working capital. For the purpose of performing the recoverability assessment, management identifies the gaming and entertainment operations as a single Cash Generating Unit ("CGU"). The recoverable amount of the underlying CGU is determined based on the higher of the fair value less cost of disposal or the value in use. Management concludes that the non-current assets were not impaired as at 31 December 2025.

The assessment contains a number of significant assumptions, both quantitative and qualitative, including revenue trend, cost structure, gaming mix, discount rate, compliance with requirements of gaming concession and successful retention of the gaming concession in future years and timely completion of development projects. Changes in these assumptions may lead to potential impairment charges on the carrying value of non-current assets relating to gaming and entertainment operations. The use of assumptions in the assessment also requires estimates and judgments which may be affected by unexpected future market, economic or political conditions. There is inherent estimation uncertainty in determining the recoverable amount of the underlying CGU as significant judgements are made by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, the discount rate and the long-term growth rate.

We focus on this area as these assets are significant to the Group's operations and the assessment performed by management involves significant estimates and judgements.

How our audit addressed the Key Audit Matter

We obtained and tested management's sensitivity analysis around the quantitative key assumptions, to ascertain that the selected adverse changes to the key assumptions, both individually and in aggregate, would not cause the carrying amount of the CGU to exceed the recoverable amount.

Qualitative factors comprised ongoing compliance with legal and gaming concession requirements, successful retention of the gaming concession in future years and timely completion of development projects. We discussed with management to understand their assessment on each of the qualitative factors and corroborated management's explanation to the underlying documentation, rules and regulations and market information.

For compliance with legal and gaming concession requirements, we obtained the understanding of the procedures performed by management to comply with the rules and regulations of the Gaming Inspection and Coordination Bureau of Macau SAR and the gaming concession requirements. We also inquired and confirmed with management on their ability to comply with requirements of gaming concession, intention and possibility on successful retention of the gaming concession in future years.

For the timely completion of development projects, we discussed with management to understand how they comply with the land development deadlines with the current project status.

We evaluated management's assessment on the expected useful lives of relevant assets which concluded that they remained appropriate as of the balance sheet date by referencing with the Group's historical experience of using those assets and our understanding in the industry.

We assessed the adequacy of the disclosures related to the recoverable amounts of non-current assets relating to gaming and entertainment operations including related net working capital in the context of HKFRS Accounting Standards disclosure requirements.

Based on the audit procedures performed, we found the Group's estimates and judgements used in the recoverability assessment and review of useful lives of the assets to be supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ng Ka Ho (practising certificate number: P05152).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 February 2026

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue (Note)	7	49,242,325	43,432,373
Other income/gains, net	9(a)	1,450,665	1,242,179
Special gaming tax and other related taxes to the Macau Government		(19,650,710)	(16,441,035)
Raw materials		(1,207,358)	(1,351,220)
Amortisation and depreciation	9(b)	(3,794,212)	(3,560,992)
Employee benefit expenses	9(b)	(8,450,908)	(8,014,348)
Other operating expenses	9(c)	(6,569,044)	(6,245,480)
Finance costs	11	(161,049)	(138,660)
Share of profits less losses of:			
Joint ventures	18(a)	70,598	43,250
Associated companies	19(a)	(1,483)	104
Profit before taxation	9(b)	10,928,824	8,966,171
Taxation charge	12	(208,835)	(151,767)
Profit for the year		10,719,989	8,814,404
Attributable to:			
Equity holders of the Company	29	10,673,765	8,759,247
Non-controlling interests		46,224	55,157
		10,719,989	8,814,404
Earnings per share	13	HK cents	HK cents
Basic		244.0	200.3
Diluted		243.6	200.2
Note: Analysis of revenue		HK\$'000	HK\$'000
Gross revenue from gaming operations		49,138,592	41,145,377
Commission and incentives		(9,489,916)	(7,319,032)
Net revenue from gaming operations		39,648,676	33,826,345
Revenue from hotels, mall operations and others		6,630,932	6,425,112
Sales of construction materials		2,962,717	3,180,916
		49,242,325	43,432,373

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	10,719,989	8,814,404
Other comprehensive income/(loss)		
Items that will not be subsequently reclassified to profit or loss		
Change in fair value of financial assets at fair value through other comprehensive income	1,424,616	(221,320)
Items that may be subsequently reclassified to profit or loss		
Translation differences of subsidiaries	113,048	(69,399)
Share of translation differences of joint ventures and an associated company	32,697	(39,812)
Other comprehensive income/(loss) for the year, net of tax	1,570,361	(330,531)
Total comprehensive income for the year	12,290,350	8,483,873
Total comprehensive income attributable to:		
Equity holders of the Company	12,232,378	8,439,459
Non-controlling interests	57,972	44,414
	12,290,350	8,483,873

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	50,258,369	50,254,376
Right-of-use assets	16	4,587,796	4,657,670
Intangible assets	17	1,961,992	2,231,584
Joint ventures	18	2,221,690	2,146,635
Associated companies	19	14,526	16,742
Financial assets at amortised cost	20	14,494,033	5,445,433
Financial assets at fair value through other comprehensive income	21	6,045,176	4,487,801
Other non-current assets	22	187,798	239,732
		79,771,380	69,479,973
Current assets			
Inventories	23	219,095	211,837
Debtors and prepayments	24	2,756,352	2,298,151
Amounts due from joint ventures	25	134,913	134,982
Taxation recoverable		37,838	32,477
Current portion of financial assets at amortised cost	20	2,603,394	2,026,903
Cash and other cash equivalents and bank deposits	26	14,321,520	20,393,568
		20,073,112	25,097,918
Total assets		99,844,492	94,577,891

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
EQUITY			
Share capital and shares held for share award scheme	27	24,416,489	24,253,709
Reserves	29	58,727,007	51,691,935
Equity attributable to owners of the Company		83,143,496	75,945,644
Non-controlling interests		487,988	445,840
Total equity		83,631,484	76,391,484
LIABILITIES			
Non-current liabilities			
Deferred taxation liabilities	31	98,319	94,998
Lease liabilities	16	569,438	519,301
Retention payable	34	400,436	274,717
Macau gaming concession payable		1,980,999	2,235,239
Non-current deposits and other payables	34	267,231	263,678
		3,316,423	3,387,933
Current liabilities			
Creditors and accruals	32	11,404,366	10,430,032
Amounts due to joint ventures	25	45,627	44,606
Current portion of lease liabilities	16	90,107	69,339
Borrowings	30	1,294,122	4,178,906
Provision for tax		62,363	75,591
		12,896,585	14,798,474
Total liabilities		16,213,008	18,186,407
Total equity and liabilities		99,844,492	94,577,891
Net current assets		7,176,527	10,299,444
Total assets less current liabilities		86,947,907	79,779,417

Francis Lui Yiu Tung
Director

Joseph Chee Ying Keung
Director

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash generated from operations	33(a)	14,460,713	11,713,501
Hong Kong profits tax paid		(76,147)	(63,468)
Mainland China tax and Macau complementary tax paid		(131,003)	(99,770)
Net cash generated from operating activities		14,253,563	11,550,263
Cash flows from investing activities			
Purchase of property, plant and equipment	33(b)	(3,430,885)	(4,828,078)
Addition to leasehold land		(8,792)	–
Purchase of intangible assets		(42,449)	(40,120)
Proceeds from disposal of property, plant and equipment		5,224	5,825
Return of capital from investments in an associated company		730	–
Proceeds from disposal of interest in a joint venture		–	32,647
Investment in an associated company		–	(5,191)
Investment in a joint venture		–	(33)
Decrease/(increase) in deferred receivable		4,448	(32,084)
Increase in deposit paid for other non-current assets		–	(13,065)
Purchase of financial assets		(13,732,792)	(4,190,103)
Proceeds from redemption of financial assets		4,173,800	3,534,664
Interest received		1,245,269	978,213
Decrease/(increase) in short-term bank deposits with maturity over three months, short-term pledged bank deposits		1,365,092	(305,528)
Dividends received from joint ventures		26,464	59,127
Dividends received from an associated company		1,502	–
Dividends received from listed investments		59,975	56,727
Net cash used in investing activities		(10,332,414)	(4,746,999)
Cash flows from financing activities			
Issue of new shares		50	–
Sale of shares by the trustee		9	–
Shares purchased by the trustee		(16,649)	(18,142)
Increase in loans from a joint venture		–	6,479
Increase in loans from non-controlling interests		6,143	4,380
New bank loans	33(c)	1,586,893	2,507,288
Repayment of bank loans	33(c)	(4,025,842)	(515,731)
Interest paid	33(c)	(72,212)	(47,232)
Principal and interest elements of lease payments	33(c)	(93,639)	(91,384)
Principal and interest elements of Macau gaming concession payment	33(c)	(269,827)	(268,880)
Dividends paid to non-controlling interests		(15,824)	(56,673)
Dividends paid to shareholders	14	(5,247,390)	(3,496,218)
Net cash used in financing activities		(8,148,288)	(1,976,113)
Net (decrease)/increase in cash and other cash equivalents			
Cash and other cash equivalents at beginning of year		11,417,714	6,599,174
Translation differences		8,314	(8,611)
Cash and other cash equivalents at end of year	26	7,198,889	11,417,714

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital HK\$'000	Shares held for share award scheme HK\$'000	Reserves HK\$'000	Equity attributable to owners of the Company HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2024	24,103,758	(33)	46,655,447	70,759,172	457,919	71,217,091
Comprehensive income						
Profit for the year	-	-	8,759,247	8,759,247	55,157	8,814,404
Other comprehensive loss						
Change in fair value of financial assets at fair value through other comprehensive income	-	-	(221,320)	(221,320)	-	(221,320)
Translation differences of subsidiaries	-	-	(62,288)	(62,288)	(7,111)	(69,399)
Share of translation differences of joint ventures and an associated company	-	-	(36,180)	(36,180)	(3,632)	(39,812)
Total other comprehensive loss, net of tax	-	-	(319,788)	(319,788)	(10,743)	(330,531)
Total comprehensive income for the year	-	-	8,439,459	8,439,459	44,414	8,483,873
Transactions with equity holders						
Dividends paid to non-controlling interests	-	-	-	-	(56,673)	(56,673)
Transactions with non-controlling interests	-	-	-	-	180	180
Share award scheme – shares issued to the trustee	13	(13)	-	-	-	-
Share award scheme – shares purchased by the trustee	-	(18,142)	-	(18,142)	-	(18,142)
Shares vested pursuant to share award scheme	149,962	18,164	(168,126)	-	-	-
Fair value of share options granted	-	-	127,882	127,882	-	127,882
Fair value of share awards granted	-	-	133,491	133,491	-	133,491
Special and interim dividends (note 14)	-	-	(3,496,218)	(3,496,218)	-	(3,496,218)
At 31 December 2024	24,253,733	(24)	51,691,935	75,945,644	445,840	76,391,484
Comprehensive income						
Profit for the year	-	-	10,673,765	10,673,765	46,224	10,719,989
Other comprehensive income						
Change in fair value of financial assets at fair value through other comprehensive income	-	-	1,424,616	1,424,616	-	1,424,616
Translation differences of subsidiaries	-	-	105,706	105,706	7,342	113,048
Share of translation differences of joint ventures and an associated company	-	-	28,291	28,291	4,406	32,697
Total other comprehensive income, net of tax	-	-	1,558,613	1,558,613	11,748	1,570,361
Total comprehensive income for the year	-	-	12,232,378	12,232,378	57,972	12,290,350
Transactions with equity holders						
Dividends paid to non-controlling interests	-	-	-	-	(15,824)	(15,824)
Share award scheme – shares issued to the trustee	43	(43)	-	-	-	-
Share award scheme – shares purchased by the trustee	-	(16,649)	-	(16,649)	-	(16,649)
Share award scheme – sale of shares by the trustee	9	-	-	9	-	9
Shares vested pursuant to share award scheme	162,674	16,682	(179,356)	-	-	-
Issue of shares upon exercise of share options	64	-	(14)	50	-	50
Fair value of share options granted	-	-	51,232	51,232	-	51,232
Fair value of share awards granted	-	-	178,222	178,222	-	178,222
Final dividend for 2024 and 2025 interim dividend (note 14)	-	-	(5,247,390)	(5,247,390)	-	(5,247,390)
At 31 December 2025	24,416,523	(34)	58,727,007	83,143,496	487,988	83,631,484

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Galaxy Entertainment Group Limited (“GEG” or the “Company”) is a limited liability company incorporated in Hong Kong and has its listing on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”). The address of its registered office and principal place of business is 22nd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together the “Group”) are primarily engaged in (i) the development and operation of integrated resorts, hotels and casino games of chance or games of other forms, provision of hospitality and related services in Macau, and (ii) the manufacture, sale and distribution of construction materials in Hong Kong, Macau and Mainland China.

These consolidated financial statements have been approved for issue by the Board of Directors on 26 February 2026.

2. MACAU GAMING CONCESSION

Gaming in Macau is administered by the Government of the Macau Special Administrative Region (the “Macau Government”) through concession awarded, of which the Company’s principal subsidiary, Galaxy Casino, S.A. (“GCSA”) is one of Concessionaires.

On 16 December 2022, the Macau Government and GCSA entered into a new gaming concession contract (the “Gaming Concession Contract”) for a term of 10 years, from 1 January 2023 to 31 December 2032. On 30 December 2022, separate contracts for the reversion of casinos and related assets for gaming business to the Macau Government (the “Reversion of Property Contract”) were signed by the Group. The casino areas of Galaxy Macau, StarWorld and Broadway held by subsidiaries of GEG, together with the revertible gaming assets held by GCSA are to be reverted to the Macau Government without compensation and the Macau Government temporarily handed over to the Group for its continuing use in gaming operations during the 10-year term of the Gaming Concession Contract. As the control and the economic benefits of these casino areas and gaming assets will be continuously retained by the Group and with the assumption of the subsequent successful retention and tendering of the gaming concession, GCSA will continue to recognise these casino areas and gaming assets as right-of-use assets and property, plant and equipment and depreciate their carrying amounts over their estimated remaining useful lives.

On 1 January 2023, GCSA recognised an intangible asset and corresponding financial liability included in “Macau gaming concession payable” and “Creditors and accruals”, representing the right to conduct games of chance in Macau and the unconditional obligation to make payments under the Gaming Concession Contract and the Reversion of Property Contract. As at 31 December 2025, the net book value of intangible asset recorded as HK\$1.90 billion while non-current and current portion of the financial liability recorded as HK\$1.98 billion and HK\$0.41 billion respectively.

GCSA committed to invest MOP33.75 billion (approximately HK\$32.76 billion), which includes MOP32.85 billion (approximately HK\$31.89 billion) in non-gaming facilities and activities and MOP0.90 billion (approximately HK\$0.87 billion) on gaming, primarily investing in the tourism and entertainment sectors that will be spent, over the span of the Gaming Concession Contract, to support the Macau Government’s objectives to further develop and diversify Macau’s economy and attract more overseas visitors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities, which are carried at fair values.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 6 below.

(a) The adoption of amended standard

In 2025, the Group adopted the following amended standard which is relevant to its operations.

HKAS 21 and HKFRS 1 (Amendments) Lack of Exchangeability

The Group has assessed the impact of the adoption of this amended standard and considered that there was no significant impact on the Group's results and financial position.

(b) New standards and amendments to existing standards and interpretation that are not yet effective

New standards and amendments	Effective for accounting periods beginning on or after	
HKAS 7, HKFRS 1, HKFRS 7, HKFRS 9 and HKFRS 10	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKAS 21 (Amendments)	Translation to Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK-Int 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)**(b) New standards and amendments to existing standards and interpretation that are not yet effective (Continued)**

The Group has not early adopted the above new standards and amendments and is in the process of assessing the impact of these new standards and amendments on the Group's accounting policies and consolidated financial statements. For HKFRS 18 "Presentation and Disclosure in Financial Statements" which will be effective for the accounting periods beginning on or after 1 January 2027, the Group is assessing the potential impact of HKFRS 18 and expect that the adoption of the new standard will primarily affect the presentation and disclosures in the consolidated income statements, including the expanded requirements relating to management defined performance measures and disclosure about income and expenses categories. Apart from such presentation and disclosure, the adoption is not expected to have any significant impact to the Group's results and financial position.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December and the share of post-acquisition results and reserves of its joint ventures and associated companies attributable to the Group.

Results attributable to subsidiaries, joint ventures and associated companies acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or to the date of disposal as applicable.

The profit or loss on disposal of subsidiaries, joint ventures or associated companies is calculated by reference to the share of net assets at the date of disposal including the attributable amount of goodwill not yet written off.

4.2 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.2 Subsidiaries (Continued)**

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and income and expenses on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the balance sheet of the Company, investments in subsidiaries are accounted for at cost less impairment losses. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4.3 Non-controlling interests***Change in ownership interests in subsidiaries without change of control***

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.4 Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.5 Associated companies

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence but no control is exercised in its management, generally accompanying a shareholding of between 20% to 50% of the voting rights.

Investments in associated companies are accounted for under the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investments in associated companies of the Group include goodwill, net of any accumulated impairment loss, identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The share of post-acquisition profits or losses of associated companies attributable to the Group is recognised in the consolidated income statement, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses of the Group in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivable, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the interest in the associated companies held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.6 Goodwill**

Goodwill arises on the acquisition of subsidiaries, and represents the excess of the consideration transferred over the Group's interest in fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill on acquisition of subsidiaries is included in intangible assets while goodwill on acquisition of joint ventures and associated companies is included in investments in joint ventures and associated companies.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

No depreciation is provided on assets under construction until it is completed and is ready for use. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and improvements	20 to 50 years
Leasehold improvements	2 to 20 years
Plant and machinery	3 to 20 years
Gaming equipment	3 to 10 years
Other assets	2 to 20 years

The residual values and useful lives of the assets are reviewed and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its recoverable amount, it is written down immediately to its estimated recoverable amount.

Gains and losses on disposal are determined as the difference between the net sales proceed and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.8 Leases**

Leases are initially recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the Group's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date, less any lease incentive received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature.

4.9 Macau gaming concession

Macau gaming concession is carried at cost less accumulated amortisation and impairment losses. It has a finite useful life and is amortised on a straight-line basis over the remaining term of the concession.

4.10 Computer software

Costs incurred to acquire and bring to use the specific computer software licences are capitalised and are amortised over their estimated useful lives of three years on a straight-line basis. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.11 Impairment of investments in subsidiaries, associated companies, joint ventures and non-financial assets**

Assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The Group assesses at the end of reporting period whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. A reversal of an impairment loss shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase. The increased carrying amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation).

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4.12 Financial assets**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.12 Financial assets (Continued)

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated income statement.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.12 Financial assets (Continued)****(iii) Measurement (Continued)***Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

4.13 Derivative financial instruments and hedging activities

Derivative financial instruments, including put option of shares and embedded derivative liability of convertible notes, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of hedging derivative is classified as a non-current asset or liability where the remaining maturity of the hedged item is more than twelve months, and as a current asset or liability, where the remaining maturity of the hedged item is less than twelve months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the consolidated income statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.13 Derivative financial instruments and hedging activities (Continued)**

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

4.14 Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less expected credit loss. The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debtors and contract assets. To measure the expected credit losses, trade debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets. The carrying amount of debtors is reduced through the use of an allowance account and the amount of the loss allowance is recognised in the consolidated income statement within other operating expenses. When a debtor is uncollectible, it is written off against the allowance account for debtors. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement against other operating expenses.

4.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of construction materials is calculated on the weighted average basis, comprising materials, direct labour and an appropriate proportion of production overhead expenditure. Consumables is determined using the first-in, first-out method and food and beverages using the weighted average method. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

4.16 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with banks, financial institutions repayable within three months from the date of placement and cash chips of other casinos less bank overdrafts. Cash chips of other casinos include those that form part of the Group's overall cash management and are readily convertible to known amount of cash and subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

4.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When the Company re-purchases its equity share capital, the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the equity holders and the shares are cancelled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.18 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4.19 Creditors and accruals

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.20 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, before any tax effects, that reflect current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.21 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries, joint ventures and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred taxation arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred taxation is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred taxation asset is realised or the deferred taxation liability is settled.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation liabilities are provided on temporary differences arising on investments in subsidiaries, joint ventures and associated companies, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.22 Special gaming tax and other related taxes to the Macau Government

According to the gaming concession granted by the Macau government and the relevant legislation, the Group is required to pay 35% gaming tax and 5% public development and social related contributions on the net gaming wins from gaming operations. These expenses, after deduction of exemption, are reported in net as “special gaming tax and other related taxes to the Macau Government” in the consolidated income statement and are charged to the consolidated income statement as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.23 Commission and incentives**

Commission and incentives is calculated based on certain percentages of net gaming wins or rolling amount and is recognised when the relevant services have been rendered.

4.24 Employee benefits**(a) Employees entitlement, benefits and bonus**

Contributions to publicly or privately administered defined contribution retirement or pension plans on a mandatory, contractual or voluntary basis are recognised as employee benefit expense in the financial period when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Provisions for bonus plans due wholly within twelve months after the balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(b) Share-based compensation**(i) Share options**

The fair value of the employee services received in exchange for the grant of the options under the equity-settled, share-based compensation plan is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, estimates of the number of options that are expected to become exercisable are revised. The impact of the revision of original estimates, if any, is recognised in the consolidated income statement over the remaining vesting period with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

On lapse of share options according to the plan, corresponding amount recognised in employee's share-based compensation reserve is transferred to retained earnings.

The grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of the share options, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.24 Employee benefits (Continued)****(b) Share-based compensation (Continued)***(ii) Share awards*

The Group also grants shares of the Company to employees under its share award scheme, under which the awarded shares are either newly issued or are purchased from the open market. The cost of share purchased from the open market is recognised in equity as treasury stock. The fair value of the employee services received in exchange for the grant of shares under the scheme is recognised as staff costs in the consolidated income statement with a corresponding increase in a share award reserve under equity. The fair value of the awarded shares is measured by the quoted market price of the shares at grant date and is charged to the consolidated income statement over the respective vesting period. During the vesting period, the number of awarded shares that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited in the consolidated income statement for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognised as staff costs is adjusted to reflect the actual number of awarded shares that vest (with a corresponding adjustment to the employee share-based compensation reserve) and the cost of awarded shares recognised in equity as treasury stock is transferred to the employee share-based compensation reserve.

4.25 Borrowing costs

Interest and related costs on borrowings directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to complete and prepare the assets for its intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the consolidated income statement in the financial period in which they are incurred.

4.26 Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, net of value-added tax, returns, rebates and discounts and allowance for credit.

Revenue is recognised when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Estimates are based on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Gaming operations

Revenue from gaming operations, representing the net gaming wins, is recognised when the relevant services have been rendered and is measured at the entitlement of economic inflows of the Group from the business after deduction of commission and incentives, including the allocation of revenue from gaming operations to revenue from hotel operations for services provided on a complimentary basis.

(b) Hotel operations

Revenue from hotel room rental and food and beverages sales is recognised when the relevant services have been rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.26 Revenue and income recognition (Continued)****(c) Construction materials**

Revenue from sales of construction materials is recognised when or as the control of the goods are transferred to the customer. The timing of revenue recognition for sale of certain construction materials is recognised at a point in time when the underlying construction materials is legally or physically transferred to the customer.

(d) Rental income

Rental income from mall operations, net of any incentives given to the lessee excluding forgiveness of lease payment specified below, is recognised over the periods of the respective leases on a straight-line basis.

On the date the lease payments are forgiven, the Group re-measures the expected credit losses on its operating lease receivables, with any changes being recognised in the consolidated income statement, and derecognises the operating lease receivable, including associated expected credit losses allowance. The forgiven lease payments that the lessor has not recognised as an operating lease receivable is treated as the lease modification, that is, the revised future lease payments under the new lease, including any prepaid or accrued lease payments relating to the original lease, are subsequently recognised as income on a straight-line basis.

(e) Interest income

Interest income is recognised on a time proportion basis using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

4.27 Foreign currency translation

Items included in the consolidated financial statements of each of the entities in the Group are measured using the currency of the primary economic environment in which the Group operates (the “functional currency”). The consolidated financial statements are presented in Hong Kong dollar, which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the balance sheet date are recognised in the consolidated income statement.

Translation differences on non-monetary financial assets held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets held at fair value through other comprehensive income are included in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.27 Foreign currency translation (Continued)**

The results and financial position of all the entities in the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the exchange rate ruling at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rates ruling at the balance sheet date. Exchange differences arising are recognised in equity.

4.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

4.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

4.30 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**4.31 Financial guarantee contract**

A financial guarantee contract is a contract that requires the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries, associates, joint ventures and related companies to secure loans, overdrafts and other banking facilities.

The Group regards its financial guarantees provided to its subsidiaries, joint ventures and associated companies as insurance contracts. The Group assesses at each balance sheet date the liabilities under its insurance contracts using current estimates of future cash flows. Changes in carrying amount of these insurance liabilities are recognised in the consolidated income statement.

5. FINANCIAL RISK MANAGEMENT

The major financial instruments of the Group include trade and other receivables, amounts due from related parties, cash and bank balances, restricted bank deposits, cash chips of other casinos, non-current and other investments, trade and other creditors, amounts due to related parties and borrowings. Details of these financial instruments are disclosed in respective notes. The activities of the Group expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and other price risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group seeks to minimise the effects of certain risks by using derivative financial instruments to manage the risk exposures. It does not enter into or trade derivative financial instruments for speculative purpose. The management of the Group identifies, evaluates and manages significant financial risks in the individual operating units of the Group.

5.1 Financial risk factors**(a) Market risk****(i) Foreign exchange risk**

The Group operates principally in Hong Kong, Macau and Mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar, Renminbi, Macau Patacas and other non-Hong Kong dollar currencies. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of different group companies.

Foreign currency exposures are covered by forward foreign exchange contracts and arrangement of foreign currency borrowings whenever considered appropriate.

The foreign exchange risk mainly arises on the debt securities denominated in United States dollar and cash and bank balances denominated in United States dollar and Renminbi. As at 31 December 2025, if United States dollar weakened/strengthened against Hong Kong dollar by 0.5%, profit after tax for the year would have been HK\$116,200,000 (2024: HK\$93,734,000) lower/higher as a result of foreign exchange loss/gain on translation of that balance. As at 31 December 2025, if Renminbi weakened/strengthened against Hong Kong dollar by 2%, profit after tax for the year would have been HK\$7,728,000 (2024: HK\$1,044,000) lower/higher as a result of foreign exchange loss/gain on translation of that balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)**5.1 Financial risk factors (Continued)****(a) Market risk (Continued)***(i) Foreign exchange risk (Continued)*

The Group is not exposed to material foreign exchange risk in respect of Hong Kong dollar against Macau Patacas as long as these currencies are pegged.

The foreign exchange risk arisen from assets denominated in other foreign currencies are not significant.

(ii) Price risk

The Group is exposed to price changes arising from investments held by the Group classified on the consolidated balance sheet as FVOCI (see note 21). Other than unquoted securities held for strategic purposes, all of these investments are listed. The Group is not exposed to commodity price risk.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed at least bi-annually, based on the information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

At 31 December 2025, if the market values of the Group's FVOCI at that date had been 10% higher/lower with all other variables held constant, total comprehensive income for the year would have been HK\$604,518,000 (2024: HK\$448,780,000) higher/lower.

(iii) Interest rate risk

The Group is exposed to interest rate risk through the impact of changes in the rates on interest bearing assets and liabilities. The Group follows a policy of developing banking facilities as considered appropriate to match its investments in Hong Kong, Macau, Mainland China and other countries. The policy also involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise.

Interest rate exposures are covered by interest rate swap contracts whenever appropriate.

As the Group has no significant interest bearing assets, other than bank deposits, debt securities and loan receivables, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The interest rate risk of the Group mainly arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. At 31 December 2025, if interest rates on borrowings at variable rates at that date had been 0.5% higher/lower with all other variables held constant, profit after tax for the year would have been HK\$6,471,000 (2024: HK\$20,895,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31 December 2025, if interest rates on bank deposits and debt securities which bear interest at floating rate at that date had been 0.5% higher/lower with all other variables held constant, profit after tax for the year would have been HK\$1,092,000 (2024: HK\$1,116,000) higher/lower.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)**5.1 Financial risk factors (Continued)****(b) Credit risk**

Credit risk arises from contractual cash flow of debt instruments carried at amortised cost, FVOCI, deposits with banks and financial institutions, cash chips of other casinos and loan receivables, as well as credit exposures to customers, including outstanding receivables and committed transactions, and the gaming counterparties. For bank deposits, only banks and financial institutions with sound credit ratings are selected to mitigate the risk. Investment in debt securities are limited to financial institutions and corporations with high quality, and are regularly monitored. The issuance and redemption of cash chips are heavily regulated by the rules and regulation of the Macau Government. Cash chips of other casinos can be redeemed for cash at casinos with sound credit quality to mitigate the risk. Management assesses the credit quality of the casinos taking into account their financial position, past experience and other factors.

The Group has policies and guidelines in place to assess the credit worthiness of eligible customers and gaming counterparties to ensure that credits are made to parties with an appropriate credit history and a good history of performance records as well as compliance with legal requirements. Due to the credit driven nature of the VIP business in the gaming industry and also latest situation of Macau VIP gaming market, the Group is exposed to heightened risk in respect of the recoverability of concentration risk arising from customers and VIP gaming operators. The Group monitors the issuance of credit on an ongoing basis to minimise the exposure to credit risk. The activities of individual credit account are monitored regularly for management to decide if the credit facility should be continued, changed or cancelled. Management regularly evaluates the expected credit losses, trade debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due. See note 24 for details of debtors and further disclosure on credit risks.

The maximum exposure to credit risk at 31 December 2025 is the unimpaired carrying amounts of respective financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements (for example, currency restrictions).

Group Treasury invests surplus cash in interest bearing bank deposits and high quality debt securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The contractual maturity of the Group for its financial liabilities, drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay and include both interest and principal, is set out below.

	Within one year HK\$'000	Between one to two years HK\$'000	Between two to five years HK\$'000	Over five years HK\$'000	Total HK\$'000
At 31 December 2025					
Bank loans	1,295,468	–	–	–	1,295,468
Creditors and accruals (including non-current Macau gaming concession payable, non-current retention payable, non-current deposits and other payables)	11,396,156	876,120	1,398,916	920,699	14,591,891
Lease liabilities	98,346	105,118	144,105	621,863	969,431
Amounts due to joint ventures	45,627	–	–	–	45,627
At 31 December 2024					
Bank loans	4,188,211	–	–	–	4,188,211
Creditors and accruals (including non-current Macau gaming concession payable, non-current retention payable, non-current deposits and other payables)	10,416,834	527,364	1,607,779	1,341,502	13,893,479
Lease liabilities	77,779	69,337	149,204	615,469	911,789
Amounts due to joint ventures	44,606	–	–	–	44,606

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group will consider the macro economic conditions, prevailing borrowing rate in the market and adequacy of cash flows generating from operations and may raise funding through capital market or bank borrowings as necessary. The Group may also adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total assets less cash and bank balances. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and bank balances. The Group intends to make use of excess funds to improve its capital structure through early repayment of borrowings to achieve finance cost saving in the future.

The Group also monitors the capital in accordance with external regulatory requirements. According to the provisions of the amended Law No. 16/2001, amended by Law No. 7/2022, GCSA is required to have not less than MOP5.0 billion (approximately HK\$4.85 billion) paid-up capital and, during the term of Gaming Concession Contract, maintain not less than MOP5.0 billion (approximately HK\$4.85 billion) of net asset value. As at 31 December 2025 and 2024, the paid-up capital and net asset value of GCSA were both not less than the required amount.

The gearing ratios at 31 December 2025 and 2024 were as follows:

	2025	2024
	HK\$'000	HK\$'000
Total borrowings (note 30)	(1,294,122)	(4,178,906)
Less: cash and bank balances (note 26)	14,309,798	20,381,876
Net cash	13,015,676	16,202,970
Total assets less cash and bank balances	85,534,694	74,196,015
Gearing ratio (note)	n/a	n/a

Note: The Group was in a net cash position as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation

The table below analyses financial instruments that are measured in the consolidated balance sheet at fair value, by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025 and 2024:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 December 2025				
Assets				
Financial assets at fair value through other comprehensive income				
– Unlisted investment	–	–	190	190
– Listed investment	6,044,986	–	–	6,044,986
Total	6,044,986	–	190	6,045,176

At 31 December 2024

Assets

Financial assets at fair value through other

comprehensive income

– Unlisted investment

– Listed investment

Total

– Unlisted investment	–	–	190	190
– Listed investment	4,487,611	–	–	4,487,611
Total	4,487,611	–	190	4,487,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)**5.3 Fair value estimation (Continued)**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current price within the bid-ask spread which is the most representative of the fair value in the given circumstances. These instruments are included in level 1. Instruments included in level 1 comprise financial assets at fair value through other comprehensive income.

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves.
- For investments in unlisted debt instruments without recent transactions, management has established fair values of these instruments by using appropriate valuation techniques. Such valuation techniques may consider original transaction price and take into account relevant developments since the acquisition of the investments and other factor pertinent to the valuation of the investments such as preferential rights of the shares held, market volatility and initial public offering probability, with reference to recent third party transactions of comparable type of instruments and reliable indicative offers from potential buyers. The higher the discount, the lower the fair values of unquoted direct investment. Independent external valuer has been involved in determining the fair value, when appropriate.
- Other techniques, such as discounted cash flow analysis or prices in recent transactions, are used to determine fair value for the remaining financial instruments.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments (note 21) for the year ended 31 December 2025 and 2024.

	Financial assets at fair value through other comprehensive income	
	2025 HK\$'000	2024 HK\$'000
At beginning of the year	190	3,113
Loss recognised in other comprehensive income	-	(50)
Return of capital	-	(2,873)
At end of the year	190	190

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Carrying amount of non-financial assets other than goodwill

The Group tests for possible impairment or reversal of impairment for non-financial assets other than goodwill. The Group performs an assessment of the recoverable amounts of all non-current assets relating to gaming and entertainment operations including related net working capital with a total carrying amount of HK\$71.2 billion. The Group considers these assets are grouped together as one cash-generating unit as it is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount has been determined based on the higher of fair value less cost of disposal and value-in-use. The methodologies are based upon number of significant assumptions, both quantitative and qualitative, including revenue trend, cost structure, gaming mix, discount rate, compliance with requirements of gaming concession, successful retention of the gaming concessions in future years and timely completion of development projects. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in impairment charge or reversal of impairment in future periods. In addition, a reversal of an impairment loss is only recognised where there is an increase in the estimated service potential of an asset since the date when an entity last recognised an impairment loss for that asset. The determination of whether there is an increase/decrease in services potential of an asset requires significant judgment. Details of accounting policies and accumulated impairment made are set out in note 4.9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**(b) Depreciation of right-of-use assets, property, plant and equipment**

The management determines the estimated useful lives and residual values for its right-of-use assets, property, plant and equipment. Management will revise the depreciation charge using the straight-line method where useful lives or lease terms are different from previous estimates, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold.

The Group believes that it will be successful in subsequent retention and tendering of the gaming concession in the future upon the expiry of the new Gaming Concession Contract. Such factor has been taken into consideration in determining and estimating the useful lives of the right-of-use assets and property, plant and equipment by management.

(c) Fair value of financial assets at fair value through other comprehensive income

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The fair value also reflects the discounted cash flows that could be expected from the ultimate sale after deducting the estimated expenses directly associated with the sale.

(d) Share-based payments

The fair value of share options granted is estimated by independent professional valuers based on the various assumptions on volatility, life of options, dividend paid out rate and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair value of the share options or share awards at the date of granting.

(e) Taxation

The Group is subject to taxation in Hong Kong, Macau and Mainland China. Significant judgment is required in determining the provision for taxation for each entity in the Group. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred taxation provisions in the financial period in which such determination is made.

(f) Loss allowance for debtors

The policy of loss allowance of the Group is based on the evaluation of collectability and ageing analysis of trade and other debtors and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the risk of default and expected loss rates. The cumulative provision for loss allowance as at 31 December 2025 was HK\$1,447,572,000 (2024: HK\$1,184,593,000). If the financial conditions of counterparties were to deteriorate, resulting in an impairment of their ability to make payments, additional loss allowance might be required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. REVENUE

Revenue recognised during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Gross revenue from gaming operations	49,138,592	41,145,377
Less: Commission and incentives	(9,489,916)	(7,319,032)
Net revenue from gaming operations	39,648,676	33,826,345
Revenue from hotels, mall operations and others (note)	6,630,932	6,425,112
Sales of construction materials	2,962,717	3,180,916
	49,242,325	43,432,373

Note:

Revenue from hotels, mall operations and others includes rental income amounted to approximately HK\$1,423 million (2024: HK\$1,448 million).

8. SEGMENT INFORMATION

The Board of Directors is responsible for allocating resources, assessing performance of the operating segment and making strategic decisions, based on a measurement of adjusted earnings before interest, tax, depreciation, amortisation and certain items (the "Adjusted EBITDA"). This measurement basis of Adjusted EBITDA excludes the effects of non-recurring income and expenditure from the operating segments, such as taxation of joint ventures and associated companies, pre-opening expenses, share option expenses and share award expenses, foreign exchange gain or loss and others which mainly include donation and sponsorship, gain or loss on disposal and write-off of property, plant and equipment, intangible assets and subsidiaries, and other expenses which are non-recurring in nature.

In accordance with the internal financial reporting and operating activities of the Group, the reportable segments are the gaming and entertainment segment and the construction materials segment. Corporate and treasury management represents corporate level activities including central treasury management and administrative function.

The reportable segments derive their revenue from the operations in casino games of chance or games of other forms, provision of hospitality and related services in Macau, and the manufacture, sale and distribution of construction materials in Hong Kong, Macau and Mainland China.

There are no sales or trading transaction between the operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. SEGMENT INFORMATION (Continued)

	Gaming and entertainment HK\$'000	Construction materials HK\$'000	Corporate and treasury management HK\$'000	Total HK\$'000
Year ended 31 December 2025				
Revenue recognised under HKFRS Accounting Standards	46,279,608	2,962,717	-	49,242,325
Adjusted EBITDA including share of results of joint ventures and associated companies	13,758,043	877,195	(133,187)	14,502,051
Interest income and dividend income from listed investments				1,270,225
Amortisation and depreciation				(3,794,212)
Finance costs				(161,049)
Taxation charge				(208,835)
Adjusted items:				
Taxation of joint ventures and associated companies				(12,944)
Pre-opening expenses				(165,876)
Share option and award expenses				(229,454)
Foreign exchange gain				54,143
Other expenses				(534,060)
Profit for the year				10,719,989
Share of results of joint ventures and associated companies	21,761	47,354	-	69,115

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. SEGMENT INFORMATION (Continued)

	Gaming and entertainment HK\$'000	Construction materials HK\$'000	Corporate and treasury management HK\$'000	Total HK\$'000
Year ended 31 December 2024				
Revenue recognised under HKFRS Accounting Standards	40,251,457	3,180,916	–	43,432,373
Adjusted EBITDA including share of results of joint ventures and associated companies	11,462,329	856,776	(131,550)	12,187,555
Interest income and dividend income from listed investments				1,203,522
Amortisation and depreciation				(3,560,992)
Finance costs				(138,660)
Taxation charge				(151,767)
Adjusted items:				
Taxation of joint ventures and associated companies				(12,854)
Pre-opening expenses				(101,763)
Share option and share award expenses				(261,373)
Foreign exchange loss				(117,766)
Other expenses				(231,498)
Profit for the year				8,814,404
Share of results of joint ventures and associated companies	24,972	18,382	–	43,354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. SEGMENT INFORMATION (Continued)

	Gaming and entertainment HK\$'000	Construction materials HK\$'000	Corporate and treasury management HK\$'000	Total HK\$'000
As at 31 December 2025				
Total assets	94,148,903	5,624,230	71,359	99,844,492
Total assets include:				
Joint ventures	107,828	2,113,862	–	2,221,690
Associated companies	–	14,526	–	14,526
Total liabilities	14,467,215	1,163,095	582,698	16,213,008

As at 31 December 2024

Total assets	78,319,241	5,515,896	10,742,754	94,577,891
Total assets include:				
Joint ventures	93,640	2,052,995	–	2,146,635
Associated companies	–	16,742	–	16,742

Total liabilities	13,996,854	1,194,000	2,995,553	18,186,407
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Year ended 31 December 2025				
Additions to non-current assets	3,203,326	91,759	12,172	3,307,257

Year ended 31 December 2024

Additions to non-current assets	4,082,641	168,873	6,191	4,257,705
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. SEGMENT INFORMATION (Continued)

Geographical analysis

Year ended 31 December	2025 HK\$'000	2024 HK\$'000
Revenue		
Macau	46,852,346	40,943,186
Hong Kong	2,088,952	2,250,613
Mainland China	301,027	238,574
	49,242,325	43,432,373
	As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000
Non-current assets		
Macau	75,994,471	65,759,159
Hong Kong	910,758	750,567
Mainland China	2,866,151	2,970,247
	79,771,380	69,479,973

As at 31 December 2025, the total of non-current assets, other than financial instruments, located in Macau was HK\$55,455 million (2024: HK\$55,826 million), Hong Kong was HK\$911 million (2024: HK\$751 million) and Mainland China was HK\$2,866 million (2024: HK\$2,970 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER INCOME/GAINS, NET, PROFIT BEFORE TAXATION AND OTHER OPERATING EXPENSES

	2025 HK\$'000	2024 HK\$'000
(a) Other income/gains, net		
Interest income		
Bank deposits	613,212	779,672
Financial assets at amortised cost (note 20)	593,342	363,890
Loans to joint ventures (note 25(a))	–	161
Deferred receivables and others	3,696	3,072
Dividend income from listed investments	59,975	56,727
Net (loss)/gain on disposal and write-off of property, plant and equipment	(11,005)	23,864
Foreign exchange gain/(loss)	54,143	(117,766)
Consultancy fee and other non-recurring income	52,544	55,403
Others	84,758	77,156
	1,450,665	1,242,179
(b) Profit before taxation is stated after charging		
Depreciation		
Property, plant and equipment	3,262,238	3,064,232
Right-of-use assets	218,276	186,534
Amortisation		
Macau gaming concession	270,911	270,910
Computer software and others	41,131	37,647
Quarry site development	1,656	1,669
Short term and low-value asset lease expenses	6,070	11,634
Staff costs, including Directors' remuneration (notes i & ii)	8,450,908	8,014,348
Auditor's remuneration		
Audit services		
Provision for the year	13,015	12,429
Under/(over) provision in prior years	398	(75)
Non-audit services		
Provision for the year	5,180	2,786
Over-provision in prior years	(19)	(123)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER INCOME/GAINS, NET, PROFIT BEFORE TAXATION AND OTHER OPERATING EXPENSES (Continued)

(b) Profit before taxation is stated after charging (Continued)

Notes:

(i) Staff costs, including Directors' remuneration
Staff costs are stated after amount capitalised in assets under construction in the aggregate of HK\$495,271,000 (2024: HK\$418,132,000), and include share option expenses and share award expenses of HK\$51,232,000 (2024: HK\$127,882,000) and HK\$178,222,000 (2024: HK\$133,491,000) respectively.

(ii) Retirement benefit schemes
In Hong Kong, the Group makes monthly contributions to the Mandatory Provident Fund (MPF) Scheme equal to 5% of the relevant income of the employees in compliance with the legislative requirement. In addition, the Group also makes defined top-up contributions to the same scheme or the Occupational Retirement Scheme Ordinance (ORSO) Scheme for employees depending on circumstance. For the top-up schemes, the Group's contributions to the schemes may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the Schemes are held separately from those of the Group in independently administered funds.

The Group also operates a defined contribution scheme which is a unitised scheme, for eligible employees in Macau. This Pension Fund Scheme is established and managed by an independent management company appointed by the Group. Both the Group and the employees make equal share of monthly contributions to the scheme.

Employees in Mainland China participate in various pension plans organised by the relevant municipal and provincial governments under which the Group is required to make monthly defined contributions to these plans at rates ranging from 14% to 16%, dependent upon the applicable local regulations. The Group has no other obligations for the payment of pension and other post-retirement benefits of employees other than the above payments.

The costs of the retirement benefit schemes charged to the consolidated income statement during the year comprise contributions to the schemes of HK\$270,797,000 (2024: HK\$256,900,000), after deducting forfeitures of HK\$11,132,000 (2024: HK\$14,147,000), leaving HK\$45,000 (2024: HK\$254,000) available to reduce future contributions.

	2025 HK\$'000	2024 HK\$'000
(c) Other operating expenses		
Utilities and rentals	772,251	790,117
Advertising and promotion	2,224,834	2,221,383
Repair and maintenance	503,122	531,981
Operating supplies and consumables	832,362	779,603
Food and beverage costs	535,168	476,956
Other support services	408,095	365,241
Distribution costs	294,904	357,348
Subcontracting charges	113,680	97,504
Provision for loss allowance, net	286,646	57,522
Other expenses	597,982	567,825
	6,569,044	6,245,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

	(note iii)					2025 Total HK\$'000
	Directors' fees (note i) HK\$'000	Salary, allowance and benefit in kind HK\$'000	Discretionary bonuses (note iv) HK\$'000	Retirement benefit scheme contributions HK\$'000	Estimated	
					money value of other benefits (note ii) HK\$'000	
Executive Directors						
Dr. Lui Che Woo (note v)	367	-	-	-	-	367
Mr. Francis Lui Yiu Tung	672	16,917	15,258	846	48,495	82,188
Mr. Joseph Chee Ying Keung	390	4,967	1,756	461	2,696	10,270
Mrs. Paddy Tang Lui Wai Yu	390	2,532	-	127	1,799	4,848
Ms. Eileen Lui Wai Ling (note vi)	-	4,072	-	204	4,778	9,054
	1,819	28,488	17,014	1,638	57,768	106,727
Non-executive Directors						
Mr. James Ross Ancell	685	-	-	-	-	685
Dr. William Yip Shue Lam	780	-	-	-	-	780
Professor Patrick Wong Lung Tak	815	-	-	-	-	815
Dr. Charles Cheung Wai Bun	645	-	-	-	-	645
Mr. Michael Victor Mecca	390	-	-	-	-	390
	3,315	-	-	-	-	3,315
Total 2025	5,134	28,488	17,014	1,638	57,768	110,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)
(a) Directors' emoluments (Continued)

	(note iii)					2024 Total HK\$'000
	Directors' fees HK\$'000	Salary, allowance and benefit in kind HK\$'000	Discretionary bonuses (note vii) HK\$'000	Retirement benefit scheme contributions HK\$'000	Estimated money value of other benefits (note ii) HK\$'000	
Executive Directors						
Dr. Lui Che Woo (note v)	430	10,280	10,785	488	33,349	55,332
Mr. Francis Lui Yiu Tung	670	16,585	15,258	829	47,052	80,394
Mr. Joseph Chee Ying Keung	390	4,843	1,587	448	4,080	11,348
Mrs. Paddy Tang Lui Wai Yu	390	2,482	–	124	1,756	4,752
	1,880	34,190	27,630	1,889	86,237	151,826
Non-executive Directors						
Mr. James Ross Ancell	685	–	–	–	–	685
Dr. William Yip Shue Lam	780	–	–	–	–	780
Professor Patrick Wong Lung Tak	815	–	–	–	–	815
Dr. Charles Cheung Wai Bun	645	–	–	–	–	645
Mr. Michael Victor Mecca	390	–	–	–	–	390
	3,315	–	–	–	–	3,315
Total 2024	5,195	34,190	27,630	1,889	86,237	155,141

Notes:

- (i) The amounts represented emoluments paid or payable in respect of a person's services as a director of the Company undertaking for 2024.
- (ii) Other benefits represent share options and share awards. The value of the share options and share awards granted to the Directors under the share option schemes and share award schemes of the Company represents the fair value of these options and awards charged to the consolidated income statement for the year according to their vesting periods.
- (iii) The amounts represented emoluments paid or payable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.
- (iv) The discretionary bonuses paid in 2025 were in relation to performance and services for 2024.
- (v) Dr. Lui Che Woo passed away on 7 November 2024.
- (vi) Ms. Eileen Lui Wai Ling was appointed as Executive Director on 9 May 2025, with her emolument calculated on a pro-rata basis for the period from 9 May 2025 to 31 December 2025.
- (vii) There were arrangements and which Dr. Lui Che Woo and Mr. Francis Lui Yiu Tung agreed to waive 50% of their bonuses, which were paid in 2024.

Save as disclosed above, there was no other arrangement under which a Director waived or agreed to waive any emoluments during the current and prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Directors material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2024: two) Directors whose emoluments are reflected in note (a) above. The emoluments of the remaining three individuals (2024: three) are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	28,096	27,925
Discretionary bonuses	9,421	20,348
Retirement benefits	735	732
Share options and share awards (note 28)	29,787	36,243
	68,039	85,248

The emoluments of these individuals fell within the following bands:

	Number of individuals	
	2025	2024
HK\$12,500,001 – HK\$13,000,000	1	–
HK\$17,500,001 – HK\$18,000,000	1	–
HK\$19,000,001 – HK\$19,500,000	–	1
HK\$20,000,001 – HK\$20,500,000	–	1
HK\$37,500,001 – HK\$38,000,000	1	–
HK\$45,000,001 – HK\$45,500,000	–	1
	3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses		
Bank loans and overdrafts	63,271	52,488
Lease liabilities	24,953	24,657
Liability – Macau gaming concession	155,942	163,080
Other borrowing costs	1,628	1,498
	245,794	241,723
Amount capitalised in assets under construction (note 15)	(84,745)	(103,063)
	161,049	138,660

12. TAXATION CHARGE

	2025 HK\$'000	2024 HK\$'000
Current taxation		
Hong Kong profits tax	71,043	74,757
Mainland China income tax	1,413	2,094
Macau complementary tax	24,025	26,516
Overseas and Mainland China withholding tax	13,223	15,490
Net under/(over)-provision in prior years	12,358	(21,678)
Lump sum in lieu of Macau complementary tax on dividend	83,452	69,965
Deferred taxation (note 31)	3,321	(15,377)
Taxation charge	208,835	151,767

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year after setting off available taxation losses brought forward. Taxation assessable on profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the areas in which those profits arose, these rates range from 12% to 30% (2024: 12% to 30%). The weighted average applicable tax rate was 12% (2024: 12%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. TAXATION CHARGE (Continued)

The taxation on the profit before taxation of the Group differs from the theoretical amount that would arise using the applicable taxation rate being the weighted average of rates prevailing in the countries in which the Group operates, is as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	10,928,824	8,966,171
Share of profits less losses of		
Joint ventures	(70,598)	(43,250)
Associated companies	1,483	(104)
	10,859,709	8,922,817
Tax calculated at applicable tax rate	1,317,761	1,087,036
Income not subject to tax	(44,014)	(64,865)
Profit exempted from Macau Complementary Tax (note a)	(1,582,775)	(1,330,582)
Expenses not deductible for tax purpose	50,770	60,988
Utilisation of previously unrecognised tax losses	(2,302)	(2,148)
Tax losses not recognised	351,191	344,978
Net under/(over)-provision in prior years	12,358	(21,678)
Provision of overseas and Mainland China withholding tax	22,394	8,073
Lump sum in lieu of Macau complementary tax on dividend (note a)	83,452	69,965
Taxation charge	208,835	151,767

Notes:

- (a) Pursuant to the Despatch No. 19/2024 issued by the Chief Executive of the Macau Government on 29 January 2024, the Group is exempted from Macau Complementary Tax on its gaming activities for five years effective from the 2023 year of assessment till year 2027.

In February 2024, GCSA entered into a Shareholder Dividend Tax Agreement with the Macau Government. The agreement provided for an annual payment, which is calculated on a percentage of the net gaming wins, in lieu of Macau Complementary Tax otherwise due by the GCSA's shareholders on dividend distributions to them from gaming profits, effective from 1 January 2023 through 31 December 2025. In February 2026, GCSA applied to the Macau Government for an extension of the Shareholder Dividend Tax Agreement.

- (b) The Group is within the scope of the Organisation for Economic Co-operation and Development ('OECD') Pillar Two model rules. As Hong Kong has implemented Pillar Two legislations (i.e. Hong Kong Minimum Top-up Tax and Income Inclusion Rules) with effect 1 January 2025, the entire Group will be subject to Pillar Two. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate.

The Group has assessed its exposure to the Pillar Two model rules in all the jurisdictions where the Group operates. Based on management's assessment, no top-up tax provision is required for the Group.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and share awards. For the share options, a calculation was done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The calculation of number of shares was compared with the number of shares that would have been issued from the share options and the share awards, the dilutive effect of the share award scheme was assumed if the awarded shares were issued by new shares, unless restricted under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). For the year ended 31 December 2025, the Company had outstanding share options and share awards that would potentially dilute the earnings per share. For the year ended 31 December 2024, the Company had outstanding share awards that would potentially dilute the earnings per share.

The calculation of basic and diluted earnings per share for the year is based on the following:

	2025	2024
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	10,673,765	8,759,247
Number of shares		
	2025	2024
Weighted average number of shares for calculating basic earnings per share	4,374,990,277	4,373,708,432
Effect of dilutive potential ordinary shares		
Share options	50	–
Share awards	6,343,108	1,572,176
Weighted average number of shares for calculating diluted earnings per share	4,381,333,435	4,375,280,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Special dividend paid of HK\$nil (2024: HK\$0.30) per ordinary share	–	1,311,091
Final dividend paid for 2024 of HK\$0.50 (2024:HK\$nil) per ordinary share	2,186,379	–
Interim dividend paid of HK\$0.70 (2024: HK\$0.50) per ordinary share	3,061,011	2,185,127
	5,247,390	3,496,218

Details of the final dividend declared subsequent to the year-end are given in note 40.

15. PROPERTY, PLANT AND EQUIPMENT

	Gaming equipment and other assets					Assets under construction	Total HK\$'000
	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	(note a) HK\$'000	HK\$'000		
Cost							
At 31 December 2024	33,195,827	838,696	12,640,392	15,844,016	17,331,259		79,850,190
Exchange differences	13,174	47	28,871	897	502		43,491
Additions	130,851	14,789	365,328	738,480	2,011,443		3,260,891
Transfer/reclassification	1,678,739	22,382	304,378	861,126	(2,866,625)		–
Disposals/write-off	(18,384)	(518)	(211,951)	(389,881)	–		(620,734)
At 31 December 2025	35,000,207	875,396	13,127,018	17,054,638	16,476,579		82,533,838
Accumulated depreciation and impairment							
At 31 December 2024	8,883,068	711,299	7,810,836	12,190,611	–		29,595,814
Exchange differences	3,275	49	24,289	679	–		28,292
Charge for the year	1,063,438	57,579	804,567	1,336,654	–		3,262,238
Disposals/write-off	(18,126)	(494)	(214,892)	(377,363)	–		(610,875)
At 31 December 2025	9,931,655	768,433	8,424,800	13,150,581	–		32,275,469
Net book value							
At 31 December 2025	25,068,552	106,963	4,702,218	3,904,057	16,476,579		50,258,369

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Gaming equipment and other assets (note a) HK\$'000	Assets under construction HK\$'000	Total HK\$'000
Cost						
At 31 December 2023	33,365,036	880,037	12,314,652	15,220,438	14,448,725	76,228,888
Exchange differences	(11,502)	(48)	(17,405)	(615)	(369)	(29,939)
Additions	25,170	741	380,615	673,487	3,110,252	4,190,265
Transfer/reclassification	(31,800)	200	128,454	130,495	(227,349)	-
Disposals/write-off	(151,077)	(42,234)	(165,924)	(179,789)	-	(539,024)
At 31 December 2024	33,195,827	838,696	12,640,392	15,844,016	17,331,259	79,850,190
Accumulated depreciation and impairment						
At 31 December 2023	7,880,194	707,973	7,197,969	11,129,684	-	26,915,820
Exchange differences	(2,637)	(48)	(8,496)	(397)	-	(11,578)
Charge for the year	1,030,188	45,577	772,204	1,216,263	-	3,064,232
Disposals/write-off	(24,677)	(42,203)	(150,841)	(154,939)	-	(372,660)
At 31 December 2024	8,883,068	711,299	7,810,836	12,190,611	-	29,595,814
Net book value						
At 31 December 2024	24,312,759	127,397	4,829,556	3,653,405	17,331,259	50,254,376

Notes:

- (a) Other assets comprise barges, furniture and equipment, operating equipment, vessel, aircraft, and motor vehicles.
- (b) During the year, borrowing costs of HK\$84,745,000 (2024: HK\$103,063,000) were capitalised and included in assets under construction. In 2025, a capitalisation rate of 5.3% (2024: 6.0%) was used representing the effective finance costs of the loans used to finance the assets under construction.
- (c) During the year, staff costs of HK\$495,271,000 (2024: HK\$418,132,000) were capitalised and recorded under assets under construction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets		
Leasehold land and land use rights (note)	4,432,487	4,591,852
Other property, plant and equipment	155,309	65,818
	4,587,796	4,657,670
Lease liabilities		
Current	90,107	69,339
Non-current	569,438	519,301
	659,545	588,640

The Group leases various land, properties and equipment. Rental contracts are typically made for fixed periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Additions to the right-of-use assets during the 2025 financial year were HK\$32,677,000 (2024: HK\$4,467,000).

Note: The Group received land concessions from Macau Government which have initial terms of 25 years and are renewable at the Group's option, in accordance with Macau law, grants the Group exclusive use of the land. Right-of-use assets for leasehold land and land use right in Macau include a piece of land in Cotai, Macau amounting to HK\$2,666 million (2024: HK\$2,737 million), of which HK\$2,666 million (2024: HK\$1,827 million) is held for use. The amount of HK\$910 million classified as under development in 2024 was transferred to held for use in 2025. No land is held for development for specific uses (2024: nil).

(b) Amounts recognised in the consolidated income statement

During the year ended 31 December 2025, the depreciation charges of right-of-use assets for leasehold land and land use rights are HK\$174,597,000 (2024: HK\$144,742,000) and the depreciation charges of right-of-use assets for other property, plant and equipment are HK\$43,679,000 (2024: HK\$41,792,000) (note 9(b)).

During the year ended 31 December 2025, the interest expense of lease liabilities is HK\$24,953,000 (2024: HK\$24,657,000) (note 11).

During the year ended 31 December 2025, the total expenses relating to short-term leases are HK\$6,070,000 (2024: HK\$11,634,000) and the expenses in relation to low-value asset leases are not material (note 9(b)).

During the year ended 31 December 2025, the total cash outflow for leases is HK\$96,546,000 (2024: HK\$103,018,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. INTANGIBLE ASSETS

	Macau gaming concession (note)	Computer software and others	Total
	HK\$'000	HK\$'000	HK\$'000
Cost			
At 31 December 2023	2,709,103	479,854	3,188,957
Exchange differences	–	(11)	(11)
Additions	–	40,120	40,120
Disposal/write-off	–	(2,713)	(2,713)
At 31 December 2024	2,709,103	517,250	3,226,353
Exchange differences	–	13	13
Additions	–	42,449	42,449
Disposal/write-off	–	(49,090)	(49,090)
At 31 December 2025	2,709,103	510,622	3,219,725
Accumulated amortisation and impairment			
At 31 December 2023	270,910	418,023	688,933
Exchange differences	–	(8)	(8)
Charge for the year	270,910	37,647	308,557
Disposal/write-off	–	(2,713)	(2,713)
At 31 December 2024	541,820	452,949	994,769
Exchange differences	–	12	12
Charge for the year	270,911	41,131	312,042
Disposal/write-off	–	(49,090)	(49,090)
At 31 December 2025	812,731	445,002	1,257,733
Net book value			
At 31 December 2025	1,896,372	65,620	1,961,992
At 31 December 2024	2,167,283	64,301	2,231,584

Note:

The Macau gaming concession valid for the period from 1 January 2023 to 31 December 2032 was recognised as intangible assets (details as set out in note 2) and is to be amortised on a straight-line basis over the 10-year term of the Gaming Concession Contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. JOINT VENTURES

	2025	2024
	HK\$'000	HK\$'000
Share of net assets	2,221,690	2,146,635

- (a) The share of assets, liabilities and results of the joint ventures, which are individually immaterial, attributable to the Group using the equity method is summarised below:

	2025	2024
	HK\$'000	HK\$'000
Non-current assets	2,431,004	2,396,722
Current assets	671,999	780,355
Current liabilities	(589,347)	(719,411)
Non-current liabilities	(291,966)	(311,031)
	2,221,690	2,146,635
Income	1,097,842	854,194
Expenses	(1,027,244)	(810,944)
Share of results for the year	70,598	43,250

- (b) Details of the joint ventures are given in note 43(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. ASSOCIATED COMPANIES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	14,526	16,742

- (a) The share of assets, liabilities and results of the associated companies, which are individually immaterial, attributable to the Group using the equity method is summarised as follows:

	2025 HK\$'000	2024 HK\$'000
Non-current assets	22,952	39,821
Current assets	12,911	6,542
Current liabilities	(12,557)	(29,621)
Non-current liabilities	(8,780)	–
	14,526	16,742
Income	4,605	150
Expenses	(6,088)	(46)
Share of results for the year	(1,483)	104

- (b) Details of the principal associated companies are given in note 43(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. FINANCIAL ASSETS AT AMORTISED COST

	2025 HK\$'000	2024 HK\$'000
Listed debt securities in Hong Kong, at amortised cost (note b)	5,650,210	2,699,679
Listed debt securities in overseas, at amortised cost (note b)	11,447,217	4,772,657
	17,097,427	7,472,336
Less: current portion of financial assets at amortised cost	(2,603,394)	(2,026,903)
	14,494,033	5,445,433

Notes:

- (a) The financial assets at amortised cost represents the Group's investment in listed debt securities issued by large financial institutions and corporations to generate interest income for the Group. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.
- (b) As at 31 December 2025 and 2024, the listed debt securities were predominantly denominated in U.S. dollar with weighted average tenor of approximately 2 years (2024: 1 year) and a significant portion in investment grade rating.
- (c) As at 31 December 2025 and 2024, the carrying amounts of these listed debt securities approximated their fair values. These financial assets were considered to be of low credit risk and the expected credit loss was immaterial.
- (d) As at 31 December 2025 and 2024, none of the listed debt securities in any individual investee company held by the Group equaled or exceeded 5 percent of the Group's total assets.
- (e) The interest income generated from the above financial assets at amortised cost for the year ended 31 December 2025 amounted to HK\$593 million (2024: HK\$364 million) as disclosed in note 9(a).

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Unlisted investments in overseas, at fair value (note a)	190	190
Listed investments in overseas, at fair value (note b)	6,044,986	4,487,611
	6,045,176	4,487,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Notes:

- (a) Unlisted investments are mainly denominated in Macau Patacas.
- (b) As at 31 December 2025, the listed investments in overseas, at fair value included 5.2 million (2024: 5.2 million) listed shares of Wynn Resorts, Limited (“Wynn Resorts”). Investment cost was HK\$7.14 billion. The principal businesses of Wynn Resorts are to develop and operate high end hotels and casinos and its shares are listed on the Nasdaq Stock Exchange (stock code: WYNN). This listed investment is denominated in U.S. dollar. The directors of the Group considered that the closing price as at 31 December 2025 and 2024 was the fair value of this listed investment. As of 31 December 2025, the fair value of our investment in Wynn Resorts was HK\$4.9 billion (2024: HK\$3.5 billion), representing 4.9% (2024: 3.7%) of the Group’s total asset of HK\$99.8 billion (2024: HK\$94.6 billion). During the year ended 31 December 2025, dividend income from Wynn Resorts was HK\$40.5 million (2024: HK\$40.6 million). The market value of Wynn Resorts as of 31 December 2025 and 2024, and the performance of the investment during the year ended 31 December 2025 and 2024 are as follows:

	Market value		Unrealised gain/(loss) for the year ended 31 December	
	31 December 2025 HK\$'000	31 December 2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
	Wynn Resorts, Limited	4,869,322	3,478,296	1,391,026

GEG considers this investment a long term asset and will continue to closely monitor the performance of our passive minority equity investment in Wynn Resorts, which is a globally recognised entertainment corporation with exceptionally high quality assets and significant development pipeline.

22. OTHER NON-CURRENT ASSETS

	2025 HK\$'000	2024 HK\$'000
Deposits paid for property, plant and equipment	30,354	72,178
Deferred receivables	76,934	79,158
Deferred expenditure – quarry site development	22,723	23,804
Others	57,787	64,592
	187,798	239,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. INVENTORIES

	2025	2024
	HK\$'000	HK\$'000
Gaming and entertainment		
Food and beverages	66,204	63,062
Consumables	24,632	23,495
	90,836	86,557
Construction materials		
Aggregates and sand	9,267	17,833
Concrete pipes and piles	16,999	11,815
Slag	485	1,003
Cement	50,641	36,445
Spare parts	19,976	20,942
Consumables	30,891	37,242
	128,259	125,280
	219,095	211,837

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. DEBTORS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade debtors, net of loss allowance (note a)	597,245	599,419
Other debtors and deposit paid, net of loss allowance (note b)	1,889,279	1,437,158
Contract assets (note c)	100,027	109,005
Prepayments	169,801	152,569
	2,756,352	2,298,151

Notes:

- (a) Trade debtors mainly arise from the sales of construction materials and mall operations. The Group has established credit policies which follow local industry standards. The Group normally allows an approved credit period ranging from 30 to 60 days (2024: 30 to 60 days) for customers in Hong Kong, Macau and Mainland China. These are subject to periodic reviews by management. There is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers.

The ageing analysis of trade debtors of the Group based on the invoice dates and net of loss allowance is as follows:

	2025 HK\$'000	2024 HK\$'000
Within one month	260,864	310,313
Two to three months	270,294	265,107
Four to six months	46,863	18,259
Over six months	19,224	5,740
	597,245	599,419

The carrying amounts of trade debtors of the Group are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	380,785	416,721
Macau Patacas	195,769	177,568
Renminbi	20,691	5,130
	597,245	599,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. DEBTORS AND PREPAYMENTS (Continued)

Notes: (Continued)

(a) (Continued)

Included in the Group's trade debtors were debtors with a carrying amount of HK\$431,879,000 (2024: HK\$483,060,000) which were not yet due. Debtors with a carrying amount of HK\$165,366,000 (2024: HK\$116,359,000) were past due over their credit terms. The ageing analysis of these trade debtors based on due dates are as follows:

	2025 HK\$'000	2024 HK\$'000
Overdue:		
Within one month	97,362	92,570
Two to three months	45,338	16,064
Four to six months	11,340	2,205
Over six months	11,326	5,520
	165,366	116,359

As at 31 December 2025, cumulative loss allowance for trade debtors of the Group was HK\$160,000 (2024: HK\$89,000). The factors the Group considered in determining whether the trade debtors were impaired are disclosed in note 4.14.

Movements in the loss allowance of trade debtors are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	89	186
Increase in loss allowance	193	707
Reversal of loss allowance	(122)	(804)
Balance at 31 December	160	89

(b) Other debtors and deposit paid, net of loss allowance mainly include interest receivables and advances to customers and gaming counterparties, which are denominated in Hong Kong dollar and U.S. dollar, and repayable on demand. The advances to customers and gaming counterparties are granted with reference to their credit history and business volumes. Such advances are interest free and the Group has the right, pursuant to the relevant credit agreements, to set off the overdue advances with payables due from the Group to these counterparties.

During the year, loss allowance for other debtors and deposits paid of HK\$715,306,000 (2024: HK\$154,804,000) have been provided and HK\$439,460,000 (2024: HK\$96,715,000) have been reversed. As of 31 December 2025, cumulative loss allowance for other debtors of the Group was HK\$1,447,412,000 (2024: HK\$1,184,504,000) which is 79% (2024: 94%) contributed by loss allowance from fully provided non-performing debtors with aging more than one year.

(c) Contract assets primarily relate to the Group's rights to consideration for work completed but not billed. Contract assets are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Amounts due from joint ventures (note a)	134,913	134,982
Amounts due to joint ventures (note b)	(45,627)	(44,606)

Notes:

- (a) Amounts receivable are unsecured, interest free and have no fixed terms of repayment. The amounts receivable are mainly denominated in Hong Kong dollar and Renminbi.

With respect to credit risk arising on amounts due from joint ventures, management regularly assess credit risk for these amounts and reviewing financial information of the joint ventures on a regular basis to minimise credit risk. In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to joint ventures through exercising joint control over the relevant activities and reviewing their financial positions on regular basis. The Group exposure to credit risk arising from default of the counterparty is limited as the counterparty has good history of repayment and the Group does not expect to incur a significant loss for uncollected advances to these parties.

- (b) Amounts payable are unsecured, interest free and have no fixed terms of repayment, except for an amount of HK\$6,643,000 (2024: HK\$6,479,000) which carries interest at prevailing market rate and is repayable within one year. The amounts payable are mainly denominated in Hong Kong dollar, Renminbi and Macau Patacas.

26. CASH AND OTHER CASH EQUIVALENTS AND BANK DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	14,309,798	20,381,876
Other cash equivalents – cash chips of other casinos	11,722	11,692
Cash and other cash equivalents and bank deposits	14,321,520	20,393,568
Less: Short-term pledged bank deposits and short-term bank deposits with maturity over three months	(6,257,081)	(7,622,173)
Less: Bank overdrafts	(865,550)	(1,353,681)
Cash and other cash equivalents	7,198,889	11,417,714
Add: Short-term pledged bank deposits	8,304	4,114
Add: Short-term bank deposits with maturity over three months	6,248,777	7,618,059
Add: Bank overdrafts (note 30)	865,550	1,353,681
Total cash and other cash equivalents and bank deposits	14,321,520	20,393,568

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. CASH AND OTHER CASH EQUIVALENTS AND BANK DEPOSITS (Continued)

The carrying amounts of cash and other cash equivalents and bank deposits are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	7,596,443	8,090,829
Macau Patacas	147,183	632,090
Renminbi	364,406	325,688
U.S. dollars	6,212,302	11,344,239
Others	1,186	722
	14,321,520	20,393,568

Cash and short-term deposits of HK\$308 million (2024: HK\$278 million) are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on expatriating capital from the country, other than through normal dividends.

The credit quality of cash and other cash equivalents and bank deposits of the Group can be assessed by reference to external credit ratings (if available) as follows:

	2025 HK\$'000	2024 HK\$'000
Counterparties with external credit rating (Standard & Poor's or Moody's)		
AA- to AA+	775,464	151,601
A- to A+	12,729,004	19,350,287
BBB	30,083	240,088
Unrated and cash on hand	775,247	639,900
Other cash equivalents – cash chips of other casinos (note)	11,722	11,692
	14,321,520	20,393,568

Note: Represented cash chips of other casinos listed on either the SEHK or New York Stock Exchange, with no defaults in the past.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. SHARE CAPITAL AND SHARES HELD FOR SHARE AWARD SCHEME

	Number of ordinary shares	Ordinary shares capital HK\$'000	Shares held for share award scheme HK\$'000	Total HK\$'000
Ordinary shares, issued and fully paid:				
At 31 December 2023 and 1 January 2024	4,373,586,962	24,103,758	(33)	24,103,725
Share award scheme – shares issued to the trustee	1,307,588	13	(13)	–
Share award scheme – shares purchased by the trustee (note a)	–	–	(18,142)	(18,142)
Shares vested pursuant to share award scheme	–	149,962	18,164	168,126
At 31 December 2024 and 1 January 2025	4,374,894,550	24,253,733	(24)	24,253,709
Share award scheme – shares issued to the trustee	4,344,700	43	(43)	–
Share award scheme – shares purchased by the trustee (note a)	–	–	(16,649)	(16,649)
Share award scheme – sales of shares by trustee	–	9	–	9
Shares vested pursuant to share award scheme	–	162,674	16,682	179,356
Issue of shares upon exercise of share options	1,462	64	–	64
At 31 December 2025	4,379,240,712	24,416,523	(34)	24,416,489

Notes:

- (a) During the year ended 31 December 2025, the trustee of Share Award Scheme 2021 purchased on SEHK a total of 416,000 shares (2024: 538,000 shares) of the Company for a total consideration of HK\$16.6 million (2024: HK\$18.1 million).
- (b) As at 31 December 2025, a total of 334,301 shares (2024: 1,663,353 shares) and 45,296 shares (2024: 41,728 shares) of the Company were held by the trustee under the Share Award Scheme 2021 and Share Award Scheme 2023 as defined in note 28(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. EMPLOYEE SHARE-BASED ARRANGEMENTS

(a) Share option scheme

The Company operates a share option scheme under which options to subscribe for ordinary shares in the Company are granted to selected eligible participants.

The existing share option scheme (The “Share Option Scheme 2023”) was adopted by the Company on 22 May 2023 and the previous share option schemes adopted by the Company on 13 May 2021 and 22 June 2011 were terminated but all outstanding share options granted prior to the date of termination will continue to be valid and exercisable in accordance with the terms of these respective share option schemes.

Movements in the number of share options outstanding and their related weighted average exercise price during the year are as follows:

	2025		2024	
	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$	Number of share options
At beginning of year	43.61	6,383,938	47.67	43,769,061
Granted	38.60	210,000	34.08	528,000
Exercised	34.08	(1,462)	–	–
Replaced	–	–	47.48	(25,993,521)
Lapsed	48.39	(650,716)	48.15	(11,919,602)
At end of year	45.94	5,941,760	43.61	6,383,938
Vested at end of year	47.02	5,352,411	47.65	5,610,389

The weighted average share price at the date of exercise for share options exercised during the year was HK\$40.86 (2024: HK\$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

(a) Share option scheme (Continued)

The options outstanding at 31 December 2025 have exercise prices ranging from HK\$34.08 to HK\$62.19 (2024: HK\$34.08 to HK\$62.19) with weighted average remaining contractual life of 3.36 years (2024: 4.20 years). Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Exercise period	Exercise price per share HK\$	Number of share options	
		2025	2024
Directors			
30 December 2025 to 29 December 2030	34.08	92,000	92,000
31 December 2026 to 30 December 2031	38.60	84,000	–
Employees			
30 December 2020 to 29 December 2025	57.70	–	56,000
29 September 2021 to 28 September 2026	52.58	20,000	78,000
17 June 2022 to 16 June 2027	62.19	46,000	46,000
7 October 2023 to 6 October 2028	48.65	3,700,760	4,063,938
29 December 2024 to 28 December 2029	43.75	1,444,000	1,612,000
30 December 2025 to 29 December 2030	34.08	429,000	436,000
31 December 2026 to 30 December 2031	38.60	126,000	–
		5,941,760	6,383,938

The fair value of the options granted on 31 December 2025 is estimated at HK\$10.44 per option based on the Black-Scholes valuation model. The significant inputs into the model was share prices of HK\$38.32 at the date of grant and the exercise price of HK\$38.60, standard deviation of expected share price returns of 35.9% to 38.9%, expected life of options of 3.5 to 4.5 years, expected dividend paid out rate of 2% and annual risk-free interest rate of 2.39% to 2.47%. The volatility measured at the standard deviation of expected share price returns is based on the historical share price movement of the Company in the relevant periods matching expected time to exercise prior to the dates of grant. Changes in the subjective input assumptions could materially affect the fair value estimate.

During the year, the Board approved an extension of the exercise period for certain outstanding share options previously granted to a deceased participant under the Share Option Scheme 2021 and Share Option Scheme 2023. The extension was granted following a request from the participant's personal representative and was made in pursuant to the provisions of the schemes. Having considered legal advice, the Board concluded that the extension is permitted under the schemes. The extension did not result in any change to the number of options, exercise prices, vesting conditions, or any other contractual terms. The incremental value upon modification was assessed to be immaterial. The options remain exercisable by the personal representative of the deceased participant within the extended period approved by the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)**(b) Share award scheme**

The Group has adopted a share award scheme as part of a long term incentive arrangement to attract and retain the best quality personnel for the benefits of the Group and its subsidiaries. The Group may, from time to time, at their absolute discretion select any eligible personnel for participation in the share award scheme and determine the terms and conditions of the awards and the number of shares to be awarded.

The existing share award scheme (the “Share Award Scheme 2023”) was adopted by the Company on 22 May 2023 and the previous share award scheme adopted by the Company on 13 May 2021 (the “Share Award Scheme 2021”) was suspended on 22 May 2023. All outstanding share awards granted under the Share Award Scheme 2021 shall remain unvested and will continue to be valid until vested or lapsed in accordance with the terms of the scheme.

Pursuant to the share award schemes, existing Shares may be acquired by the independent trustee (the “Trustee”) at the cost of the Company (for Share Award Scheme 2021 only) and/or new Shares may be allotted and issued to the Trustee under general mandate granted by the Shareholders. Such Shares will be held in trust for the award holders until the vesting criteria and conditions have been satisfied. As of 31 December 2025, 334,301 shares (2024: 1,663,353 shares) and 45,296 shares (2024: 41,728 shares) of the Company were held by the Trustee for the Share Award Scheme 2021 and Share Award Scheme 2023 respectively.

The maximum number of shares that could be issued and to be issued upon exercise of options (whether exercised or outstanding) under the Share Option Scheme 2023 and other incentive grants, including all awards (whether the awards are vested or not) under the Share Award Scheme 2023 in any 12-month period granted to each participant must not exceed 1% of the aggregate number of shares in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

(b) Share award scheme (Continued)

Movements in the number of shares held for the Share Award Scheme 2023 and Share Award Scheme 2021 and awarded shares for the year are as follows:

	2025		2024	
	Weighted average fair value per share HK\$	Number of share awards	Weighted average fair value per share HK\$	Number of share awards
At beginning of year	35.77	13,021,175	46.74	7,240,242
Granted (note)	37.66	8,879,200	32.37	9,647,280
Vested	38.06	(6,004,325)	47.94	(3,506,755)
Lapsed	35.07	(661,945)	46.69	(359,592)
At end of year	36.00	15,234,105	35.77	13,021,175

Note:

During the year ended 31 December 2025, a total of 8,879,200 (2024: 9,647,280) share awards were granted under the Share Award Scheme 2023.

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant dates. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. RESERVES

	Legal reserve (note) HK\$'000	Investment reserve HK\$'000	Share option reserve HK\$'000	Share award reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2025	1,113,719	(2,921,391)	532,785	81,841	(213,989)	53,098,970	51,691,935
Profit for the year	-	-	-	-	-	10,673,765	10,673,765
Other comprehensive income							
Change in fair value of financial assets at fair value through other comprehensive income	-	1,424,616	-	-	-	-	1,424,616
Translation differences of subsidiaries	-	-	-	-	105,706	-	105,706
Share of translation differences of joint ventures and an associated company	-	-	-	-	28,291	-	28,291
Total other comprehensive income, net of tax	-	1,424,616	-	-	133,997	-	1,558,613
Total comprehensive income for the year	-	1,424,616	-	-	133,997	10,673,765	12,232,378
Transactions with equity holders							
Shares vested pursuant to share award scheme	-	-	-	(179,356)	-	-	(179,356)
Issue of shares upon exercise of share options	-	-	(14)	-	-	-	(14)
Fair value of share options granted	-	-	51,232	-	-	-	51,232
Fair value of share awards granted	-	-	-	178,222	-	-	178,222
Share options lapsed	-	-	(146,907)	-	-	146,907	-
Transfer to legal reserve	99,890	-	-	-	-	(99,890)	-
Final dividend for 2024 and 2025 interim dividend (note 14)	-	-	-	-	-	(5,247,390)	(5,247,390)
At 31 December 2025	1,213,609	(1,496,775)	437,096	80,707	(79,992)	58,572,362	58,727,007

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. RESERVES (Continued)

	Legal reserve (note) HK\$'000	Investment reserve HK\$'000	Share option reserve HK\$'000	Share award reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2024	231,055	(2,699,179)	555,531	116,476	(115,521)	48,567,085	46,655,447
Profit for the year	-	-	-	-	-	8,759,247	8,759,247
Other comprehensive loss							
Change in fair value of financial assets at fair value through other comprehensive income	-	(221,320)	-	-	-	-	(221,320)
Translation differences of subsidiaries	-	-	-	-	(62,288)	-	(62,288)
Share of translation differences of joint ventures and an associated company	-	-	-	-	(36,180)	-	(36,180)
Total other comprehensive loss, net of tax	-	(221,320)	-	-	(98,468)	-	(319,788)
Total comprehensive (loss)/income for the year	-	(221,320)	-	-	(98,468)	8,759,247	8,439,459
Transactions with equity holders							
Return of capital	-	(892)	-	-	-	892	-
Shares vested pursuant to share award scheme	-	-	-	(168,126)	-	-	(168,126)
Fair value of share options granted	-	-	127,882	-	-	-	127,882
Fair value of share awards granted	-	-	-	133,491	-	-	133,491
Share options lapsed	-	-	(150,628)	-	-	150,628	-
Transfer to legal reserve	882,664	-	-	-	-	(882,664)	-
Special and 2024 interim dividends (note 14)	-	-	-	-	-	(3,496,218)	(3,496,218)
At 31 December 2024	1,113,719	(2,921,391)	532,785	81,841	(213,989)	53,098,970	51,691,935

Note:

A subsidiary of the Group, incorporated in Macau and limited by shares, is required under the Macau Commercial Code No. 432 to set aside a minimum of 10% of this subsidiary's profit after taxation to the legal reserve until the balance of the reserve reaches a level equivalent to 25% of the subsidiary's capital. At 31 December 2025, the legal reserve has reached 25% of the subsidiary's capital. Nil amount (2024: amount of HK\$99,890,000) will be transferred from retained earnings to the legal reserve upon approval by the shareholders of this subsidiary at the next annual general meeting. Legal reserve is not distributable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank loans		
– secured (note a)	41,518	20,544
– unsecured	387,054	2,804,681
Bank overdrafts	865,550	1,353,681
Total borrowings	1,294,122	4,178,906
Short-term bank loans and bank overdrafts	(1,294,122)	(4,178,906)
Non-current portion of borrowings	–	–

Notes:

- (a) Bank loan of HK\$42 million (2024: HK\$21 million) is secured by bank deposit of HK\$8 million (2024: HK\$4 million) (note 26).
- (b) The bank loans and bank overdrafts are repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	1,294,122	4,178,906

- (c) Effective interest rates at balance sheet date are as follows:

	2025			2024		
	HK\$	EUR	RMB	HK\$	EUR	RMB
Bank loans	3.5%	2.5%	2.7%	3.6%	3.4%	3.1%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. BORROWINGS (Continued)

Notes: (Continued)

- (d) The exposure of the Group's bank loans and bank overdrafts to interest rate changes and the contractual repricing dates or maturity (whichever is earlier) are as follows:

	2025 HK\$'000	2024 HK\$'000
Six months or less	1,294,122	4,178,906

- (e) The carrying amount and fair value of the borrowings are as follows:

	Carrying amount		Fair value	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Bank loans and bank overdrafts	1,294,122	4,178,906	1,294,122	4,178,906

The fair value of the borrowings is calculated using cash flows discounted at prevailing borrowing rates or based on quoted market price. The carrying amounts of other current borrowings approximate their fair value. All borrowings are within level 2 of the fair value hierarchy.

- (f) The carrying amounts of borrowings are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	865,550	3,803,681
Euro	351,625	328,765
Renminbi	76,947	46,460
	1,294,122	4,178,906

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. DEFERRED TAXATION LIABILITIES

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	94,998	110,375
Debited/(credited) to income statement	3,321	(15,377)
At end of the year	98,319	94,998

Current taxation assets and liabilities, deferred taxation assets and liabilities are offset when there is a legal right to set off current taxation assets with current taxation liabilities and when the deferred taxation relates to the same authority, respectively. The above liabilities shown in the consolidated balance sheet are determined after appropriate offsetting of the relevant amounts.

Deferred taxation is calculated in full on temporary differences under the liability method using applicable tax rates prevailing in the countries in which the Group operates. Movements on the deferred taxation liabilities are as follows:

	Depreciation allowance HK\$'000	Withholding tax on undistributed profit and others HK\$'000	Fair value adjustments HK\$'000	Total HK\$'000
At 31 December 2023	6,354	15,449	88,572	110,375
Credited to income statement	(2,322)	(9,579)	(3,476)	(15,377)
At 31 December 2024	4,032	5,870	85,096	94,998
Debited/(credited) to income statement	4,007	2,790	(3,476)	3,321
At 31 December 2025	8,039	8,660	81,620	98,319

Deferred taxation assets of HK\$1,350,480,000 (2024: HK\$1,275,975,000) arising from tax losses and other temporary differences totalling of HK\$10,034,689,000 (2024: HK\$9,553,448,000), including tax losses of HK\$2,509,386,000 (2024: HK\$2,372,979,000) in discussion with relevant tax authority, have not been recognised in the consolidated financial statements. Unused tax losses of HK\$83,781,000 (2024: HK\$82,761,000) have no expiry date and the remaining balance will expire at various dates up to and including 2030 (2024: 2029). The majority of unused tax losses arise from hotel operations which are regarded as a supporting function of the Group's gaming activities. These tax losses can be carried forward for 3 years before expiry. No significant taxable profit is expected to be generated from the hotel operations within this period, hence no deferred taxation asset is recognised in the consolidated financial statements. Majority of deferred income tax liabilities are to be recovered after twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. CREDITORS AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Trade creditors (note a)	3,526,268	3,076,592
Other creditors (note b)	4,803,128	4,602,524
Chips issued	761,736	533,999
Loans from non-controlling interests (note c)	83,615	81,054
Accruals and provision	2,229,619	2,135,863
	11,404,366	10,430,032

Notes:

(a) The ageing analysis of trade creditors of the Group based on the invoice dates is as follows:

	2025 HK\$'000	2024 HK\$'000
Within one month	3,417,887	2,753,470
Two to three months	31,114	210,861
Four to six months	13,540	27,381
Over six months	63,727	84,880
	3,526,268	3,076,592

The carrying amounts of trade creditors of the Group are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	2,803,396	2,555,316
Macau Patacas	583,943	389,993
Renminbi	133,344	120,207
Other	5,585	11,076
	3,526,268	3,076,592

(b) Other creditors mainly represented gaming tax payable to the Macau Government and construction payable to contractors.

(c) The loans payable of HK\$45,331,000 (2024: HK\$44,567,000) are unsecured, bear interest at prevailing market rate and repayable within twelve months. The remaining are unsecured, interest free and have no fixed terms of repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to cash generated from operations

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	10,928,824	8,966,171
Finance costs	161,049	138,660
Share of profits less losses of joint ventures and associated companies	(69,115)	(43,354)
Depreciation and amortisation	3,794,212	3,560,992
Net loss/(gain) on disposal and write-off of property, plant and equipment and subsidiary	11,005	(23,864)
Interest income	(1,210,250)	(1,146,795)
Dividend from listed investments	(59,975)	(56,727)
Fair value of share awards granted	178,222	133,491
Fair value of share options granted	51,232	127,882
Operating profit before working capital changes	13,785,204	11,656,456
(Increase)/decrease in inventories	(5,265)	8,424
Increase in debtors and prepayments	(496,260)	(495,670)
Increase in creditors and accruals	1,176,068	529,712
Increase in amounts due to joint ventures	858	13,608
Decrease in amounts due from joint ventures	108	971
Cash generated from operations	14,460,713	11,713,501

(b) Purchase of property, plant and equipment

In the consolidated cash flow statement, purchase of property, plant and equipment comprise additions of the year and settlement of related payables in prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

(c) The reconciliation of liabilities arising from financing activities is as follows:

	Macau Gaming Concession payable HK\$'000	Borrowings (excluding bank overdrafts) HK\$'000	Lease liabilities HK\$'000	Interest payable HK\$'000	Total HK\$'000
As of 31 December 2023	2,610,866	857,007	628,092	628	4,096,593
Cash flows					
– new bank loans	–	2,507,288	–	–	2,507,288
– repayment of bank loans	–	(515,731)	–	–	(515,731)
– interest paid	–	–	–	(47,232)	(47,232)
– principal and interest elements of lease payments	–	–	(91,384)	–	(91,384)
– principal and interest elements of Macau gaming concession payment	(268,880)	–	–	–	(268,880)
Non-cash changes					
– translation differences	–	(23,339)	(657)	–	(23,996)
– new leases entered/lease modified	–	–	27,932	–	27,932
– finance cost	163,080	–	24,657	53,986	241,723
As of 31 December 2024	2,505,066	2,825,225	588,640	7,382	5,926,313
Cash flows					
– new bank loans	–	1,586,893	–	–	1,586,893
– repayment of bank loans	–	(4,025,842)	–	–	(4,025,842)
– interest paid	–	–	–	(72,212)	(72,212)
– principal and interest elements of lease payments	–	–	(93,639)	–	(93,639)
– principal and interest elements of Macau gaming concession payment	(269,827)	–	–	–	(269,827)
Non-cash changes					
– translation differences	–	42,296	496	–	42,792
– new leases entered/lease modified	–	–	139,095	–	139,095
– finance cost	155,942	–	24,952	64,899	245,793
As of 31 December 2025	2,391,181	428,572	659,545	69	3,479,366

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34. NON-CURRENT DEPOSITS, OTHER PAYABLES AND RETENTION PAYABLE

	2025	2024
	HK\$'000	HK\$'000
Non-current deposits received and other payables (note a)	267,231	263,678
Retention payable (note b)	400,436	274,717

Notes:

- (a) Non-current deposits received and other payables mainly represent deposits from tenants with remaining contract terms of over one year.
- (b) Retention payable to contractors are settled in accordance with the terms of the respective contracts and the payables are classified as non-current liabilities if they are expected to be settled in more than 12 months from the end of the reporting year.

35. CAPITAL COMMITMENTS

	2025	2024
	HK\$'000	HK\$'000
Contracted but not provided for – Property, plant and equipment	11,237,643	5,554,599

36. OPERATING LEASE COMMITMENTS

The Group lease various office, warehouses and equipment under non-cancellable operating leases expiring within 1 year to 29 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, all terms and conditions of the leases are renegotiated.

The Group has recognised right-of-use assets for these leases, except for short-term and low-value asset leases, please refer to note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. OPERATING LEASE RENTAL RECEIVABLES

The future aggregate minimum lease rental income in respect of land and buildings and equipment under non-cancellable operating leases is receivable in the following periods:

	2025 HK\$'000	2024 HK\$'000
Less than one year	921,312	854,220
One to two years	636,606	545,022
Two to three years	402,728	284,189
Three to four years	228,543	150,317
Four to five years	165,880	60,847
More than the five years	90,336	31,105
	2,445,405	1,925,700

38. RELATED PARTY TRANSACTIONS

In addition to the transactions or balances disclosed elsewhere in the consolidated financial statements, the significant related party transactions carried out in the normal course of the Group's business activities during the year are as follows:

- (a) There was no interest income from joint ventures during the year (2024: HK\$161,000). All transactions were conducted at terms agreed among the parties (note 25(a)).
- (b) Management fee received from joint ventures, an associated company and a non-controlling interest amounted to HK\$10,034,000 (2024: HK\$9,901,000) are charged at terms agreed among the parties.
- (c) Rental expenses of HK\$568,000 (2024: HK\$1,410,000) were paid to a subsidiary of K. Wah International Holdings Limited, a shareholder of the Company, based on the terms of the rental agreement between the parties. This is a continuing connected transaction which is fully exempted from reporting and disclosure requirements under rule 14A.76(1) of the Rules Governing the Listing of Securities on SEHK.
- (d) Purchases from joint ventures and non-controlling interests amounted to HK\$25,867,000 (2024: HK\$22,004,000) at terms agreed among the parties.
- (e) The balances with joint ventures are disclosed in note 25.
- (f) Interest expense to non-controlling interests and a joint venture amounted to HK\$1,677,000 (2024: HK\$1,490,000) at terms agreed among the parties (note 25(b) and note 32(c)).
- (g) Key management personnel comprise the Executive Directors of the Group. Key management compensation amounted to HK\$110,042,000 for the year ended 31 December 2025 (2024: HK\$155,141,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. GUARANTEES

The Company executed guarantees in favour of banks in respect of facilities granted to subsidiaries amounting to HK\$4,000 million (2024: HK\$4,000 million). At 31 December 2025, facilities of HK\$866 million (2024: HK\$1,354 million) had been utilised by a subsidiary.

A subsidiary of the Group executed guarantees in favour of banks in respect of facilities granted to joint ventures amounting to HK\$47 million (2024: HK\$45 million). At 31 December 2025, facilities of HK\$16 million (2024: HK\$17 million) had been utilised by joint ventures.

On 16 December 2022, the Macau Government and GCSA entered into a new Gaming Concession Contract for a term of 10 years, from 1 January 2023 to 31 December 2032. Under the terms of the new Gaming Concession Contract, GCSA obtained a bank guarantee amounting to MOP1 billion (equivalent to approximately HK\$0.97 billion) for the period from 1 January 2023 until 180 days after the termination of the new Gaming Concession Contract, which is in favour of the Macau Government against GCSA's obligation under new Gaming Concession Contract, payment of the premium and fulfilment of employment obligations of GCSA.

40. POST BALANCE SHEET EVENT

On 26 February 2026, the Board of Directors declared a final dividend of HK\$0.80 per share, payable to shareholders of the Company whose names appear on the register of members of the Company on 29 May 2026. The total amount of the final dividend to be distributed is estimated to be approximately HK\$3,500 million and will be paid on or about 12 June 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	2025 HK\$'000	2024 HK\$'000
Assets		
Non-current assets		
Subsidiaries	1	1
Amounts due from subsidiaries	119,530,978	107,902,720
	119,530,979	107,902,721
Current assets		
Debtors and prepayments	617	109,665
Cash and bank balances	12,545	8,484,207
	13,162	8,593,872
Total assets	119,544,141	116,496,593
Equity		
Share capital and shares held for share award scheme	24,416,489	24,253,709
Reserves (note a)	94,727,109	89,409,668
Equity attributable to owners of the Company	119,143,598	113,663,377
Liabilities		
Current liabilities		
Creditors and accruals	48,918	54,452
Short-term bank loans	351,625	2,778,764
	400,543	2,833,216
Total liabilities	400,543	2,833,216
Total equity and liabilities	119,544,141	116,496,593

Francis Lui Yiu Tung
Director

Joseph Chee Ying Keung
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Reserve movement of the Company

	Capital reserve HK\$'000	Share option reserve HK\$'000	Share award reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2025	235,239	532,785	81,841	88,559,803	89,409,668
Profit for the year	-	-	-	10,514,747	10,514,747
Transactions with equity holders					
Shares vested pursuant to share award scheme	-	-	(179,356)	-	(179,356)
Issue of shares upon exercise of share options	-	(14)	-	-	(14)
Fair value of share options granted	-	51,232	-	-	51,232
Fair value of share awards granted	-	-	178,222	-	178,222
Share options lapsed	-	(146,907)	-	146,907	-
Final dividend for 2024 and 2025 interim dividend (note 14)	-	-	-	(5,247,390)	(5,247,390)
At 31 December 2025	235,239	437,096	80,707	93,974,067	94,727,109
At 1 January 2024	235,239	555,531	116,476	83,340,567	84,247,813
Profit for the year	-	-	-	8,564,826	8,564,826
Transactions with equity holders					
Shares vested pursuant to share award scheme	-	-	(168,126)	-	(168,126)
Fair value of share options granted	-	127,882	-	-	127,882
Fair value of share awards granted	-	-	133,491	-	133,491
Share options lapsed	-	(150,628)	-	150,628	-
Special and interim dividends (note 14)	-	-	-	(3,496,218)	(3,496,218)
At 31 December 2024	235,239	532,785	81,841	88,559,803	89,409,668

As at 31 December 2025, reserves of the Company of HK\$93,974,067,000 were available for distribution to shareholders (2024: HK\$88,559,803,000).

As at 31 December 2025, the Company's current liabilities exceeded its current assets by HK\$387 million. Taking into account the distributable reserves from subsidiaries, cash flows from operations, unutilised banking facilities and liquid investments, the Company has a reasonable expectation that it has adequate resources to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future.

42. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 26 February 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

(a) Subsidiaries

Name of company	Principal place of operation	Number of issued ordinary shares	Number of non-voting deferred shares	Percentage of equity held by the Group	Principal activities
Incorporated in Hong Kong					
Bright Advice Limited	Hong Kong	10,000	–	100	Investment holding
Doran (Hong Kong) Limited	Hong Kong	1,000	–	100	Sale and distribution of concrete pipes
Earnmark Limited	Hong Kong	1	–	100	Investment holding and provision of management services
Extent Sun Limited	Hong Kong	10,000	–	100	Investment holding and provision of management services
Forcecharm (Hong Kong) Enterprises Limited	Hong Kong	10,000	–	80	Investment holding and provision of management services
Forcecharm (Yunnan) Enterprises Limited	Hong Kong	10,000	–	80	Investment holding
Galaxy Entertainment Management Services 2005 Limited	Hong Kong	1	–	100	Provision of management services
Galaxy Entertainment Management Services (International) Limited	Hong Kong	1	–	100	Investment holding
GEG Investment Holdings (Thailand) Limited	Hong Kong	1	–	100	Investment holding
Gosgold Limited	Hong Kong	10,002	1,000	100	Provision of management services
K. Wah Asphalt Limited	Hong Kong	1,100,000	–	100	Manufacture, sale, distribution and laying of asphalt, road base and bituminous materials and provision of road marking services
K. Wah Concrete Company Limited	Hong Kong	10,002	1,000	100	Manufacture, sale and distribution of ready-mixed concrete
K. Wah Construction Materials (Changzhou) Limited	Hong Kong	10,000	–	100	Investment holding and provision of management services
K. Wah Construction Materials (Hong Kong) Limited	Hong Kong	103	2	100	Provision of management services to group and related companies, truck leasing and investment holding
K. Wah Construction Materials (Hong Kong Region) Limited	Hong Kong	1	–	100	Investment holding and provision of management services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (Continued)
 (a) Subsidiaries (Continued)

Name of company	Principal place of operation	Number of issued ordinary shares	Number of non-voting deferred shares	Percentage of equity held by the Group	Principal activities
Incorporated in Hong Kong (Continued)					
K. Wah Construction Materials (Shaoguan) Investment Company Limited	Hong Kong	2	–	100	Trading of construction materials products, provision of management services and investment holding
K. Wah Construction Products Limited	Hong Kong	10,002	1,000	100	Manufacture, sale and distribution of bricks, a kind of concrete products
K. Wah Quarry Company Limited	Hong Kong	400,002	100,000	100	Sale of aggregates
K. Wah Trading and Development Limited	Hong Kong	102	2	100	Investment holding
KH Concrete Limited	Hong Kong	10,000	–	60	Manufacture, sale and distribution of ready-mixed concrete
KWP Quarry Co. Limited	Hong Kong	9,000,000	–	63.5	Trading of construction materials products
Masson Limited	Hong Kong	1	–	100	Investment holding
Million Cloud Limited	Hong Kong	10,000	–	100	Investment holding and provision of management services
Starflow Enterprises Limited	Hong Kong	1	–	100	Investment holding and provision of management services
Union Base Limited	Hong Kong	24,180,769	–	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (Continued)
(a) Subsidiaries (Continued)

Name of company	Principal place of operation	Registered capital	Percentage of equity held by the Group	Principal activities
Incorporated in Mainland China				
Wholly owned foreign enterprise				
Doran Construction Products (Shenzhen) Co., Ltd. 深圳嘉華混凝土管樁有限公司	Shenzhen	HK\$10,000,000	100	Manufacture, sale and distribution of concrete pipes
Shanghai K. Wah Concrete Co., Ltd.	Shanghai	RMB10,000,000	100	Provision of quality assurance services
珠海橫琴銀娛體育渡假發展有限公司 (Zhuhai Hengqin GEG Sports Resort Development Company Limited)	Zhuhai	RMB42,400,000	100	Investment holding
肇慶市嘉華建材有限公司 (Zhaoqing K. Wah Construction Materials Co., Ltd.)	Zhaoqing	RMB2,800,000,000	100	Sale of construction materials, provision of management services
Equity Joint Venture				
Puer Kungang & K. Wah Cement Construction Materials Co., Ltd.	Puer	RMB383,400,000	48 [^]	Manufacture, sale and distribution of cement
遷安首嘉建材有限公司 (Qianan Shougang K. Wah Construction Materials Company Limited)	Qianan	RMB152,442,500	55	Manufacture, sale and distribution of slag

[^] The Group can exercise control over company's relevant activities through its representation of the board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (Continued)
 (a) Subsidiaries (Continued)

Name of company	Principal place of operation	Number of issued ordinary shares	Par value per share	Percentage of equity held by the Group	Principal activities
Incorporated in Bermuda					
Galaxy Entertainment Aviation CL2012 Limited	Bermuda	1	US\$1	Equity: 85 Profit sharing: 100	Aircraft holding
Incorporated in the Cayman Islands					
Premium Diamond Limited	Cayman Islands	1	US\$1	Equity: 85 Profit sharing: 100	Vessel holding
Incorporated in the British Virgin Islands					
Blossom Fountain Limited	BVI	1	US\$1	100	Investment holding
Canton Treasure Group Ltd.	BVI	10	US\$1	100*	Investment holding
Eternal Profits International Limited	Hong Kong	10	US\$1	100	Property investment
GEG Investment Holdings (Monaco) Limited	BVI	1	US\$1	100	Investment holding
K. Wah Construction Materials Limited	Hong Kong	11	US\$1	100	Investment holding
* Wholly owned and directly held by the Company.					
Incorporated in Macau					
Galaxy Casino, S.A.	Macau	5,000,000	MOP1,000	Equity: 85 Profit sharing: 100	Casino games of chance
Galaxy Travel Transportation Cross-Border (Macau) Limited	Macau	50,000	MOP100	Equity: 85 Profit sharing: 100	Provision of cross-border transportation service

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (Continued)
(a) Subsidiaries (Continued)

Name of company	Principal place of operation	Number of quota	Registered capital	Percentage of equity held by the Group	Principal activities
Incorporated in Macau (Continued)					
Broadway Macau Hotel Company Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Property holding and hospitality
Fast Concrete Limited	Macau	2	MOP200,000	75	Manufacture, sale and distribution of ready-mixed concrete
Fast – I Fong Company Limited	Macau	2	MOP100,000	60	Manufacture and sale of concrete and construction materials products and provision of management services
Galaxy Cotai Project Management Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing:100	Provision of project management services
GC Security Services Limited	Macau	2	MOP1,000,000	Equity: 85 Profit sharing:100	Provision of security services
K. Wah Construction Materials (Macau) Limited	Macau	3	MOP30,000	100	Trading of construction materials
Macau Hengqin Sports and Resort Development Limited	Macau	2	MOP25,000	100	Investment holding
NGE Management Company Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Project management
NGE Leisure Holding Company Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Investment holding
NGE Arts & Culture Company Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Project management
NGE Amusement Company Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Project management
NGE Sports Company Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Project management
New Galaxy Entertainment 2006 Company Limited	Macau	2	MOP1,000,000	Equity: 85 Profit sharing: 100	Property holding and hospitality
Premium Hotel Management Limited	Macau	2	MOP25,000	100	Hospitality
San Fok Va (International) Import & Export Company Limited	Macau	2	MOP50,000	75	Import and export trading, transportation of construction materials
StarWorld Hotel Company Limited	Macau	2	MOP100,000	Equity: 85 Profit sharing: 100	Property holding and hospitality
Galaxy ICC & Arena Limited	Macau	2	MOP25,000	Equity: 85 Profit sharing: 100	Management of Galaxy International Convention Center & Galaxy Arena

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (Continued)
(a) Subsidiaries (Continued)

Name of company	Principal place of operation	Number/unit of issued shares	Par value per share	Percentage of equity held by the Group	Principal activities
Incorporated in Japan					
Galaxy Entertainment Japan K.K.	Japan	5,000	YEN10,000	100	Investment holding
New Galaxy Entertainment Japan K.K.	Japan	100	YEN10,000	Equity: 85 Profit sharing: 100	Provision of marketing and promotion services
Incorporated in Korea					
New Galaxy Entertainment Korea LLC	Korea	1,000	KRW10,000	Equity: 85 Profit sharing: 100	Provision of marketing and promotion services
Incorporated in Thailand					
Galaxy Entertainment Management Services (Thailand) Limited	Thailand	10,000	THB10	100	Provision of marketing services
New Galaxy Entertainment (Thailand) Limited	Thailand	321,188	THB10	Equity: 85 Profit sharing: 100	Provision of marketing and promotion services
Name of company	Principal place of operation	Issued ordinary share capital	Percentage of equity held by the Group	Principal activities	
Incorporated in Singapore					
New Galaxy Entertainment (Singapore) Pte. Ltd.	Singapore	SGD10,000	Equity: 85 Profit sharing: 100	Provision of marketing and consultancy services	

(b) Joint ventures

Name of company	Principal place of operation	Registered capital	Percentage of equity held by the Group	Principal activities
Incorporated in Mainland China				
Anhui Masteel K. Wah New Building Materials Co., Ltd.	Maanshan	US\$19,574,333	30	Manufacture, sale and distribution of slag
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Baoshan	RMB412,580,000	25.6	Manufacture, sale and distribution of cement
廣東韶鋼嘉羊新型材料有限公司 (Guangdong Shaogang Jia Yang New Materials Co., Ltd.)	Shaoguan	US\$14,349,200	28.97	Manufacture, sale and distribution of slag
湖北鄂鋼嘉華新型建材有限公司 (Hubei Egang K. Wah New Materials Company Limited)	Hubei	RMB48,000,000	49	Manufacture, sale and distribution of slag

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (Continued)
(b) Joint ventures (Continued)

Name of company	Principal place of operation	Registered capital	Percentage of equity held by the Group	Principal activities
Incorporated in Mainland China (Continued)				
Maanshan Masteeel K. Wah Concrete Co., Ltd.	Maanshan	US\$2,450,000	30	Manufacture, sale and distribution of ready-mixed concrete
Nanjing Nangang K. Wah High Tech Materials Co., Ltd.	Nanjing	RMB176,000,000	50	Manufacture, sale and distribution of slag
Qujing Kungang & K. Wah Cement Construction Materials Co., Ltd.	Qujing	RMB374,520,000	32	Manufacture, sale and distribution of cement
雲南昆鋼嘉華水泥建材有限公司(Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.)	Kunming	RMB825,000,000	25.6	Manufacture, sale and distribution of cement
昭通昆鋼嘉華水泥建材有限公司(Zhaotong Kungang & K. Wah Cement Construction Materials Co., Ltd.)	Zhaotong	RMB250,000,000	32	Manufacture, sale and distribution of cement
肇慶海螺嘉華綠色建築材料有限公司(Zhaoqing Conch K. Wah Green Construction Materials Co., Ltd.)	Zhaoqing	RMB1,500,000,000	32	Quarrying

(c) Associated companies

Name of company	Principal place of operation	Number of issued ordinary shares	Percentage of equity held by the Group	Principal activities
Incorporated in Hong Kong				
EBG K. Wah Solid Waste Treatment Holdings Limited	Hong Kong	10,000	49	Investment Holding

Name of company	Principal place of operation	Registered capital	Percentage of equity held by the Group	Principal activities
Incorporated in Mainland China				
雲浮光嘉海中環保科技有限公司(Yunfu Guangjia Haizhong Environmental Technology Co., Ltd)	Luoding	RMB60,000,000	23.52	Investment, construction operation and maintenance of hazardous and solid waste treatment project



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