



澳門博彩控股有限公司
SJM HOLDINGS LIMITED

於香港註冊成立的有限責任公司 股份代號：880
incorporated in Hong Kong with limited liability Stock Code : 880



2025

年報

Annual Report

CORPORATE PROFILE

SJM Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is a leading owner, operator and developer of casinos and integrated entertainment resorts in the Macau Special Administrative Region of the People’s Republic of China (“Macao” or “Macau”). The Company’s principal subsidiary, SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (“SJM”), is one of the six concessionaires in Macau authorised by the Macau Government to operate casinos and gaming areas. SJM is also the only casino gaming concessionaire with its roots in Macau.

SJM owns and operates Grand Lisboa Palace Resort Macau, Grand Lisboa Macau hotel and casino, L’Arc hotel and casino, as well as Casino Lisboa and Casino Oceanus at Jai Alai. SJM is also the majority shareholder of Ponte 16 Resorts, Macau, and manages Jai Alai Hotel. SJM’s operations cater to a wide spectrum of patrons, with casino gaming and a broad range of hospitality and leisure attractions, including hotel accommodation, fine and casual dining, shopping, wellness and spa facilities, and venues for meetings, events and cultural exhibitions.

The Grand Lisboa Palace Resort Macau, the Group’s integrated resort in Cotai, offers luxury hotel rooms and suites in three hotel towers — the Grand Lisboa Palace, THE KARL LAGERFELD and Palazzo Versace Macau, along with diverse hospitality services.



CONTENTS

■ CORPORATE MESSAGES

- 2 Financial Highlights and Operating Highlights
- 3 Chairman's Statement

■ MANAGEMENT DISCUSSION AND ANALYSIS

- 5 Business Review
- 11 Recent Developments and Prospects
- 13 Financial Review

■ REGULATORY COMPLIANCE INFORMATION

- 15 Directors and Senior Management
- 22 Directors' Report
- 75 Corporate Governance Report

■ AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

- 113 Independent Auditor's Report
- 118 Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 119 Consolidated Statement of Financial Position
- 121 Consolidated Statement of Changes in Equity
- 122 Consolidated Statement of Cash Flows
- 124 Notes to the Consolidated Financial Statements

■ GENERAL INFORMATION

- 220 Five-Year Financial Summary
- 221 Corporate Information
- 222 Definitions

FINANCIAL HIGHLIGHTS AND OPERATING HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	Year Ended 31 December 2025 HK\$ million	Year Ended 31 December 2024 HK\$ million	(Decrease)/ Increase
Net Gaming Revenue	26,203	26,846	(2.4%)
Hotel, Catering, Retail, Leasing and Other Income	2,288	2,186	4.7%
Adjusted EBITDA*	3,198	3,764	(15.0%)
(Loss) profit attributable to owners of the Company	(429)	3	NM
(Loss) earnings per share			
— basic	HK(6.04) cents	HK0.04 cents	NM
— diluted	HK(6.04) cents	HK0.04 cents	NM

* Adjusted EBITDA is earnings or losses after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain/loss on modification of bank loans, gain on early repurchase of unsecured notes, gain on fair value changes of financial asset at fair value through profit or loss, dividend income and pre-opening expenses.

NM = not meaningful

OPERATING HIGHLIGHTS

- Net gaming revenue earned by SJM Resorts, S.A. ("SJM"), a subsidiary of the Company, was HK\$26,203 million in 2025, as compared with HK\$26,846 million for the year 2024.
- Adjusted EBITDA of the Group was HK\$3,198 million, as compared with HK\$3,764 million for the year 2024.
- Loss attributable to owners of the Company was HK\$429 million, as compared with a profit of HK\$3 million for the year 2024.
- SJM had a 11.9% share of Macau's gross gaming revenue, including 15.1% of mass market table gross gaming revenue and 3.6% of VIP gross gaming revenue.
- Grand Lisboa Palace Resort's gross revenue was HK\$7,373 million, including gross gaming revenue of HK\$6,066 million and non-gaming revenue of HK\$1,307 million, as compared with gross gaming revenue of HK\$5,238 million and non-gaming revenue of HK\$1,342 million for the year 2024. Grand Lisboa Palace Resort's Adjusted Property EBITDA was HK\$165 million, as compared with HK\$499 million for the year 2024.
- Grand Lisboa's gross revenue was HK\$7,697 million, including gross gaming revenue of HK\$7,332 million and non-gaming revenue of HK\$365 million, as compared with gross gaming revenue of HK\$7,548 million and non-gaming revenue of HK\$291 million for the year 2024. Grand Lisboa's Adjusted Property EBITDA was HK\$1,758 million, as compared with HK\$2,094 million for the year 2024.
- Grand Lisboa Palace Resort's occupancy rate decreased by 0.5% to 96.5% for the full year, whilst the average room rate increased by 4.1% to HK\$1,240.
- Grand Lisboa hotel's occupancy rate decreased by 0.5% to 98.2% for the full year, whilst the average room rate increased by 13.8% to HK\$1,395.
- The Group had HK\$3,010 million of cash, bank balances, short-term bank deposits and pledged bank deposits and HK\$29,252 million of debt as at 31 December 2025.
- The Group's syndicated banking facilities consist of a HK\$10.9 billion term loan and a HK\$11.5 billion revolving credit, of which HK\$3.6 billion is available as of 31 December 2025.

CHAIRMAN'S STATEMENT



Dear Shareholders,

The fiscal year 2025 marked a period of significant strategic realignment for the Group as we navigated regulatory transition and an increasingly competitive environment. For the full year, gross gaming revenue remained broadly stable at HK\$28.62 billion, while total net revenue amounted to HK\$28.17 billion. Adjusted EBITDA stood at HK\$3.2 billion, representing a margin of 11.4%, and market share was 11.9%. The restructuring of our operating footprint inevitably created short-term revenue dislocation, resulting in a loss attributable to owners of HK\$429 million for the year. However, through disciplined execution and the strategic and systematic redeployment of tables and resources into directly operated properties, we are strengthening the quality and sustainability of our earnings base. Our new operating framework is steadily taking shape, allowing SJM to enhance the quality of our earnings, optimise our cost structures, and take broader control over our product and service standards.

STRATEGIC DEVELOPMENTS AND ACQUISITIONS

2025 marked a year of structural transition for the Group as we reshaped our operating footprint on the Macau Peninsula. In accordance with Macau's revised gaming law, we executed the phased cessation of operations at multiple satellite venues throughout the year, including Casino Grandview, Casino Emperor Palace, Casino Legend Palace, Casino Casa Real, Casino Ponte 16, Casino Kam Pek Paradise, Casino Fortuna, and Casino Landmark. By redeploying gaming tables and slot machines from these venues to our self-promoted properties, we are centralising resources to generate stronger returns and unlock economies of scale.

To complement this consolidation, the Group acquired 7,504 square meters of former gaming space within Hotel Lisboa for HK\$529 million. At Hotel Lisboa, the acquired areas are being introduced in stages, with Crystal Palace commencing operations in November 2025 and a second phase scheduled for opening by mid-2026, while the remaining portion will also be launched within 2026.

In addition, SJM completed the acquisition of the L'Arc Hotel property for an aggregate amount of HK\$1.75 billion, bringing it into its self-owned portfolio and commencing direct operations in late December 2025. These acquisitions have deepened integration across the Lisboa footprint and strengthened the Group's ability to serve geocentrically loyal mass-market customers.

Both Grand Lisboa Macau and Hotel Lisboa are undergoing major upgrades through a phased and coordinated programme. More than 400 newly refurbished rooms at Hotel Lisboa will be introduced in the second half of 2026, dovetailing with the full opening of Crystal Palace. Grand Lisboa Macau is concurrently advancing its room inventory. In parallel, three new self-managed restaurants have been introduced, and the refurbishment of the Grand Ballroom has been completed. The two interconnected hotels constitute the largest integrated resort on the Macau Peninsula by room inventory.

Looking beyond Macau, we formally expanded our regional footprint by acquiring office properties at Hengqin's *Xin De Kou An Shang Wu Zhong Xin* for approximately RMB724 million. Located immediately adjacent to the Hengqin Port, this asset will be undergoing a 24-month retrofitting into a three-star hotel with approximately 250 rooms, upon receiving the conversion permit. The acquisition will allow the Group to capitalise on relaxed cross-border visa policies and meet the rising demand for mid-market accommodation. At the community level, the vibrant Kam Pek Market food hall officially opened in January 2025, revitalising the historic San Ma Lo district, championing local SMEs, and drawing a younger demographic to Macau's heritage center.

CHAIRMAN'S STATEMENT

HOSPITALITY EXCELLENCE

The Group's commitment to world-class service was internationally validated once again in 2025. SJM secured 13 Five-Star awards from the 2025 Forbes Travel Guide, with Grand Lisboa Palace Resort Macau claiming the highest number of Five-Star accolades for restaurants and spas among integrated resorts globally. In the MICHELIN Guide Hong Kong Macau 2025, our flagship restaurant Robuchon au Dôme retained its prestigious Three-Star rating for the 17th consecutive year, The Eight held Two Stars, and Zuicho earned its inaugural One-Star accolade. Demonstrating unmatched luxury hospitality, the Grand Lisboa Palace, THE KARL LAGERFELD and Palazzo Versace Macau each received Two Keys in the MICHELIN Guide's debut hotel rankings for Macau.

INVESTMENTS IN NON-GAMING ATTRACTIONS

In 2025, SJM aggressively expanded its "Tourism+" mandate, bringing premier cultural, entertainment, and sporting events to the city. In May, we launched the permanent Grand Lisboa Palace Art Gallery, debuting with the immersive exhibition "*The Lisboa, Stories of Macau*". This was followed by our support for Art Macao 2025, where we presented the world premiere of "*Picasso: Beauty and Drama*", featuring over 140 original works in collaboration with Museo Casa Natal Picasso. In performing arts, we thrilled audiences with the debut of our summer residency show, "*The Adventures of ALICE @ Grand Lisboa Palace Resort Macau*".

Our commitment to sports tourism remained a major drawcard. SJM maintained its title sponsorships and support for signature marquee events, including the SJM Macao Open golf tournament, the CTA Tour SJM Professional Finals (Macau), the 2025 SJM Macao International Dragon Boat Races, and the 72nd Macau Grand Prix. On the international circuit, we proudly celebrated SJM Theodore Racing clinching the 2025 Lamborghini Super Trofeo Asia Championship, extending Macau's motorsport legacy on the global stage. We also integrated sports with wellness by presenting the 5th Greater Bay Area Martial Arts Scholar Championship.

SUPPORTING MACAU'S GLOBAL REACH

As Macau continues its trajectory toward economic diversification, SJM remains an unwavering partner in expanding the city's international market reach. In 2025, we actively participated in Macao Government Tourism Office roadshows across Japan, Korea, Thailand, Malaysia, Indonesia, and Portugal to amplify the Lisboa brand visibility and attract overseas visitors.

To stimulate high-value MICE traffic, SJM co-hosted the ECTAA 2025 Macao Summit, connecting with the European travel market, and served as a sub-venue for the Global Tourism Economy Forum 2025, bridging domestic and international tourism dialogue. We also brought the world's top digital creators to the city by sponsoring *CreatorWeek Macao 2025*, leveraging the power of digital storytelling to showcase Macau's allure to a global audience.

Finally, I would like to express my sincere appreciation to our team members for their dedication and professionalism throughout this transitional year. Their discipline and resilience have enabled the Group to navigate significant structural change while maintaining operational stability. As we move into 2026, we believe the foundations laid over the past year position us at an important inflection point. With table redeployments completed and portfolio upgrades coming onstream, we expect to see progressive improvement in profit margins and stronger returns from our directly operated portfolio. Our focus remains firmly on disciplined execution and the delivery of sustainable long-term value for our shareholders. Thank you for your continued trust and support.

Ho Chiu Fung, Daisy

Chairman and Executive Director

Hong Kong, 5 March 2026

BUSINESS REVIEW

BUSINESS MODEL AND KEY STRATEGIES

Our strategic objective is sustainable long-term growth in shareholder value. As a leading owner, operator and developer of casinos and related businesses in Macau, our key strategies for delivering this objective are as follows:

- We will continue to build, own and manage or invest in casinos and related businesses in Macau, as permitted by government regulations.
- We will continue to improve our existing businesses in a cost-effective and sustainable manner.
- We will remain focused principally on Macau, while selectively considering opportunities for future expansion in the Asian region.
- We will maintain a strong financial position, with a view to sustainable long-term growth.

BUSINESS REVIEW

GROUP OPERATING RESULTS

The Group's results, Net Revenue, Adjusted EBITDA and Adjusted EBITDA Margin for the year ended 31 December 2025 and for the earlier year are shown below:

Group operating results	For the year ended 31 December		Decrease
	2025 HK\$ million	2024 HK\$ million	
Total net revenue	28,170	28,769	(2.1%)
Net gaming revenue	26,203	26,846	(2.4%)
(Loss) profit attributable to owners of the Company	(429)	3	NM
Adjusted EBITDA ^{Note 1}	3,198	3,764	(15.0%)
Adjusted EBITDA Margin ^{Note 2}	11.4%	13.1%	(1.7) pts

Notes:

¹ Adjusted EBITDA is earnings or losses after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain/loss on modification of bank loans, gain on early repurchase of unsecured notes, gain on fair value changes of financial asset at fair value through profit or loss, dividend income and pre-opening expenses.

² Adjusted EBITDA Margin is Adjusted EBITDA divided by total net revenue.

NM = not meaningful

pts = points

Total net revenue was HK\$28,170 million for the year ended 31 December 2025, a decrease of 2.1%, compared to HK\$28,769 million for the year ended 31 December 2024. The decrease was driven by gaming revenue.

The following tables summarise the results of Self-promoted Casino, Satellite Casino and hotel room activities:

	For the year ended 31 December		Increase/ (Decrease)
	2025 HK\$ million	2024 HK\$ million	
Rolling Gross Gaming Revenue	2,399	2,688	(10.7%)
Non-Rolling Gross Gaming Revenue	23,503	23,762	(1.1%)
Electronic Game Gross Gaming Revenue	2,717	2,374	14.4%
Gross Gaming Revenue ("GGR")	28,619	28,824	(0.7%)
Less: Commissions and incentives	(2,416)	(1,978)	22.2%
Net Gaming Revenue	26,203	26,846	(2.4%)

BUSINESS REVIEW

PROPERTY STATISTICS

Grand Lisboa Palace Resort Statistics	For the year ended 31 December			
	2025 HK\$ million	2024 HK\$ million	Variance HK\$ million	%/pts
Revenues:				
Casino (GGR)	6,066	5,238	828	15.8%
Hotel	747	731	16	2.2%
Food and Beverage, Mall and Other	560	611	(51)	(8.3%)
Total Revenue	7,373	6,580	793	12.1%
Adjusted Property EBITDA ^{Note 1}	165	499	(334)	(66.9%)
Gaming Statistics				
Rolling Chip Volume	49,621	40,791	8,830	21.6%
Rolling Revenue	1,595	1,554	41	2.6%
Rolling Chip Win %	3.2%	3.8%	—	(0.6) pts
Non-Rolling Volume	19,767	17,190	2,577	15.0%
Non-Rolling Revenue	3,668	3,101	567	18.3%
Non-Rolling Chip Win %	18.6%	18.0%	—	0.6 pts
Electronic Game Handle	28,587	21,086	7,501	35.6%
Electronic Game Revenue	804	583	221	37.9%
Electronic Game Hold %	2.8%	2.8%	—	— pts
Hotel Statistics ^{Note 2}	HK\$	HK\$	HK\$	
Occupancy %	96.5%	97.0%	—	(0.5) pts
Average Daily Rate (ADR)	1,240	1,191	49	4.1%
Revenue per Available Room (RevPAR)	1,197	1,155	42	3.6%

Notes:

¹ Adjusted Property EBITDA is earnings or losses before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, share-based payments, bank charges for bank loans, gain/loss on modification of bank loans, gain on early repurchase of unsecured notes, gain on fair value changes of financial asset at fair value through profit or loss, dividend income, pre-opening expenses and corporate costs, and before elimination of inter-company consumption.

² Grand Lisboa Palace Resort included three hotel towers — the Grand Lisboa Palace Macau, THE KARL LAGERFELD and Palazzo Versace Macau.

pts = points

BUSINESS REVIEW

PROPERTY STATISTICS (Continued)

Grand Lisboa Statistics	For the year ended 31 December		Variance	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%/pts
Revenues:				
Casino (GGR)	7,332	7,548	(216)	(2.9%)
Hotel	198	169	29	17.2%
Food and Beverage, Mall and Other	167	122	45	36.9%
Total Revenue	7,697	7,839	(142)	(1.8%)
Adjusted Property EBITDA	1,758	2,094	(336)	(16.0%)
Gaming Statistics				
Rolling Chip Volume	23,759	26,291	(2,532)	(9.6%)
Rolling Revenue	728	1,051	(323)	(30.7%)
Rolling Chip Win %	3.1%	4.0%	—	(0.9) pts
Non-Rolling Volume	29,744	28,387	1,357	4.8%
Non-Rolling Revenue	5,995	6,038	(43)	(0.7%)
Non-Rolling Chip Win %	20.2%	21.3%	—	(1.1) pts
Electronic Game Handle	16,687	10,017	6,670	66.6%
Electronic Game Revenue	609	459	150	32.7%
Electronic Game Hold %	3.6%	4.6%	—	(1.0) pts
Hotel Statistics	HK\$	HK\$	HK\$	
Occupancy %	98.2%	98.7%	—	(0.5) pts
Average Daily Rate (ADR)	1,395	1,226	169	13.8%
Revenue per Available Room (RevPAR)	1,369	1,210	159	13.1%

pts = points

BUSINESS REVIEW

PROPERTY STATISTICS (Continued)

Other Properties* Statistics	For the year ended 31 December			
	2025 HK\$ million	2024 HK\$ million	Variance HK\$ million	%/pts
Revenues:				
Casino (GGR)	5,453	5,241	212	4.0%
Hotel	148	154	(6)	(3.9%)
Food and Beverage, Mall and Other	147	135	12	8.9%
Total Revenue	5,748	5,530	218	3.9%
Adjusted Property EBITDA*	1,228	1,323	(95)	(7.2%)
Gaming Statistics				
Non-Rolling Volume	33,854	32,980	874	2.7%
Non-Rolling Revenue	5,036	4,926	110	2.2%
Non-Rolling Chip Win %	14.9%	14.9%	—	— pts
Electronic Game Handle	12,384	7,429	4,955	66.7%
Electronic Game Revenue	417	315	102	32.4%
Electronic Game Hold %	3.4%	4.2%	—	(0.8) pts
Hotel Statistics	HK\$	HK\$	HK\$	
Jai Alai Hotel:				
Occupancy %	98.8%	99.8%	—	(1.0) pts
Average Daily Rate (ADR)	243	205	38	18.5%
Revenue per Available Room (RevPAR)	240	204	36	17.6%
Sofitel Macau at Ponte 16:				
Occupancy %	86.5%	88.1%	—	(1.6) pts
Average Daily Rate (ADR)	1,030	1,075	(45)	(4.2%)
Revenue per Available Room (RevPAR)	891	947	(56)	(5.9%)

* Casino Lisboa, Casino Oceanus at Jai Alai (including the gaming area in the Jai Alai building), Jai Alai Hotel, Kam Pek Market (which opened in November 2024), L'Arc Hotel (including Casino L'Arc Macau, which was acquired in December 2025), share of Ponte 16 and other non-gaming area.

pts = points

BUSINESS REVIEW

PROPERTY STATISTICS (Continued)

Satellite Casino Statistics	For the year ended 31 December		Variance	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
Casino Revenue (GGR)	9,768	10,797	(1,029)	(9.5%)
Adjusted Property EBITDA	249	42	207	492.8%

As at 31 December 2024, SJM operated nine satellite casinos, as follows: Casino Casa Real, Casino Landmark, Casino Emperor Palace, Casino Fortuna, Casino Grandview, Casino Kam Pek Paradise, Casino L'Arc Macau, Casino Legend Palace and Casino Ponte 16. Casino L'Arc Macau became one of the self-promoted casinos under SJM on 30 December 2025 and the other eight satellite casinos ceased operations during 2025.

RECENT DEVELOPMENTS AND PROSPECTS

During 2025, the Group's performance was shaped by the progressive closure of satellite casinos in accordance with Macau's updated regulatory framework. The phasing out process commenced at the end of July, with the majority of closures concentrated in the fourth quarter. These developments resulted in short-term revenue dislocation; hence, exerted pressure on overall profitability and market share during the transition period.

Following the satellite closures, the Group strategically and systematically redeployed its gaming tables and operational resources into its directly operated portfolio. To support this consolidation, SJM completed two targeted acquisitions on the Macau Peninsula: designated areas within Hotel Lisboa and the L'Arc Hotel property. At Hotel Lisboa, the acquired areas are being introduced in stages, with Crystal Palace commenced operations in November 2025 and a second phase scheduled for opening by mid-2026, while the remaining portion will be launched within the year 2026. Meanwhile, L'Arc Hotel began operating as a self-owned property under SJM in late December 2025, marking the beginning of a new chapter. These developments deepened integration across the Lisboa footprint, further expanded the Group's operational scale within the downtown entertainment cluster, and strengthened its ability to serve geocentrically loyal customers.

Both Grand Lisboa Macau and Hotel Lisboa are undergoing major upgrades through a phased and coordinated programme. More than 400 newly refurbished rooms at Hotel Lisboa will be introduced in the second half of 2026, aligning with the full opening of Crystal Palace. Grand Lisboa Macau is concurrently advancing its room inventory expansion. In parallel, three new self-managed restaurants have been added, and the refurbishment of the Grand Ballroom has been completed.

All Peninsula properties carried positive momentum into 2026, successfully retaining a meaningful portion of customers previously served by former satellite casinos, while maintaining strict adherence to disciplined reinvestment and cost management practices.

In Cotai, Grand Lisboa Palace Resort Macau has increased table capacity following the satellite transitions. The property has introduced new gaming areas, including the Sky Phoenix West Tower VIP area, and undertaken the conversion of Dragon Pavilion to support premium mass operations. Further upgrade works across the main gaming floor and hotel offerings will be implemented in phases throughout 2026, aimed at optimising product mix, improving floor efficiency, and enhancing the overall customer experience.

Hospitality has long represented one of the Group's fundamental strengths. In 2025, the MICHELIN Guide awarded the Group six Stars across three restaurants, with Robuchon au Dôme retaining its Three-Star distinction for the 17th consecutive year. The Guide's inaugural hotel rankings further underscored this standing, as the Grand Lisboa Palace, THE KARL LAGERFELD and Palazzo Versace Macau were each awarded Two Keys, representing the highest number of Two-Key hotels in Macau. In February 2026, Forbes Travel Guide recognised Grand Lisboa Palace Resort Macau as the world's only integrated resort with all hotels achieving Five-Star ratings, and the first globally to feature three Five-Star spas, contributing to a new record total of 14 Forbes Travel Guide Five-Star ratings across the Group's portfolio.

RECENT DEVELOPMENTS AND PROSPECTS

In 2025, the Group demonstrated an unwavering dedication to advancing the Macao SAR Government's "1+4" economic diversification strategy and "Tourism+" mandate by significantly investing in non-gaming offerings. During the year, SJM hosted or participated in close to 70 large-scale non-gaming events across six strategic pillars, spanning gastronomy, sports, arts and culture, entertainment and shows, MICE, and overseas promotional roadshows. This robust pipeline of multifaceted initiatives underscores SJM's commitment in elevating Macau's global appeal as a premier World Centre of Tourism and Leisure.

Looking ahead, the Group will maintain a prudent focus on cost discipline, reinvestment management, and customer portfolio optimisation. With the structural effects of satellite closures largely absorbed and redeployment initiatives completed, management continues to prioritise improving operating efficiency, supporting margin growth, and strengthening portfolio offerings to expand its base of high-quality customers.

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group had bank balances and cash amounting to HK\$2,001 million (not including pledged bank deposits of HK\$1,009 million) as at 31 December 2025. This represented a decrease of 9.4% as compared with the position as at 31 December 2024 of HK\$2,208 million. The decrease was due to acquisition of L'Arc Hotel.

Total outstanding balances of bank loans drawn by the Group as at 31 December 2025 amounted to HK\$16,222 million (as at 31 December 2024: HK\$13,499 million). Total senior notes and convertible bond issued by the Group as at 31 December 2025 amounted to HK\$11,023 million (as at 31 December 2024: HK\$10,952 million). Loan from ultimate holding company as at 31 December 2025 amounted to HK\$2,007 million (as at 31 December 2024: HK\$2,007 million). The maturity of the Group's borrowings as at 31 December 2025 is as follows:

Maturity Profile				
Within 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
30.6%	10.3%	59.1%	0%	100%

GEARING RATIO

The Group's gearing ratio (defined as the ratio of total outstanding bank loans, convertible bond and senior notes less pledged bank deposits, short-term bank deposits, bank balances and cash to total assets (excluding pledged bank deposits, short-term bank deposits, bank balances and cash)) was 54.4% at the end of the Reporting Period (as at 31 December 2024: 51.1%).

CONTRACTUAL CAPITAL EXPENDITURE COMMITMENTS

Contractual capital expenditure commitments by the Group amounted to HK\$427 million as at 31 December 2025 (as at 31 December 2024: HK\$760 million), of which HK\$187 million were for tendering projects committed to the Macau Government.

PLEDGE OF ASSETS

As at 31 December 2025, certain of the Group's property and equipment and right-of-use assets with carrying values of HK\$34,303 million and HK\$1,640 million, respectively (as at 31 December 2024: HK\$33,374 million and HK\$1,684 million, respectively), were pledged to banks for loan facilities. In addition, the Group had pledged bank deposits of HK\$1,009 million as at 31 December 2025 (2024: HK\$1,009 million).

CONTINGENT LIABILITY

The Group had no significant contingent liability as at 31 December 2024 and 2025.

FINANCIAL REVIEW

FINANCIAL RISK

The Group follows a conservative policy in financial management with minimal exposure to the risks of currency and interest rate. The Group does not currently hedge its interest rate exposure, although it may consider doing so in the future. The Group's principal operations are primarily conducted and recorded in Hong Kong dollars resulting in minimal exposure to foreign exchange fluctuations. Majority of the Group's bank deposits are denominated in Hong Kong dollars, United States dollars or Macau patacas. It is the Group's policy to avoid speculative trading activity.

MATERIAL ACQUISITIONS AND DISPOSALS

On 17 December 2025, subsidiaries of the Company acquired the entire issued share capital of Arc of Triumph Development Company Limited (the "Target Company") for a nominal purchase price of MOP180,000 (approximately HK\$174,757). As part of the transaction, the Company's subsidiaries also arranged for the repayment of the Target Company's bank loan up to an amount of HK\$1,749,825,243, resulting in a total consideration of HK\$1,750,000,000. Each of Arc of Triumph Hotel Management Company Limited and Le Royal Arc Property Management Company Limited is a wholly-owned subsidiary of the Target Company (collectively, the "Target Group"). The principal asset of the Target Group is L'Arc Hotel, located in Macau, which houses Casino L'Arc Macau. Apart from this investment, the Group made no material acquisitions or material disposals of subsidiaries and associated companies during the year ended 31 December 2025.

HUMAN RESOURCES

As at 31 December 2025, the Group had approximately 20,400 full-time employees. The Group's employee turnover rate was minimal in 2025.

Staff remuneration of the Group is determined by reference to their working performance, professional qualification, relevant working experience and market trends, and includes salary, allowances, medical insurance and provident fund.

The management of the Group regularly reviews the remuneration policy and evaluates staff performance. Staff are encouraged to attend training classes that are related to the Group's business. The Group provides training for career enhancement in the form of internal courses and workshops for staff, subsidies for education of staff at Macau Millennium College, and awards scholarships to children of staff to study at institutions of their choice.

DIRECTORS AND SENIOR MANAGEMENT

CHAIRMAN AND EXECUTIVE DIRECTOR

Ms. Ho Chiu Fung, Daisy, aged 61, was elected as an Executive Director of the Company in June 2017. She was appointed to succeed as Chairman of the Company in June 2018, and was appointed as the Chairman of the Executive Committee of the board of directors of the Company (the “Board”) in July 2018, and a member of the Nomination Committee and the Remuneration Committee of the Board in February 2019. Ms. Ho was re-designated from a member to the Chairman of the Nomination Committee of the Board in June 2019. She was a member of the Cotai Project Committee of the Board (dissolved in January 2024) from 2021 to 2023. Ms. Ho was elected as a director of SJM Resorts, S.A. (“SJM”) in March 2019, and was appointed as the managing director of SJM in September 2022. She was the chairman of the board of directors of SJM from March 2019 to September 2022. Ms. Ho is also a director of a number of subsidiaries, an associate and a joint venture of the Company.

Ms. Ho was an appointed representative of Shun Tak Holdings Limited (“Shun Tak”), which is a corporate director of Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”) (the controlling shareholder of the Company), up till 31 March 2010, and has thereafter become an appointed representative of Lanceford Company Limited, which is also a corporate director of STDM, since 1 April 2010. She was appointed an executive director of Shun Tak, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE Main Board”), in 1994, and has been the deputy managing director and chief financial officer of Shun Tak since 1999. Ms. Ho is also a member of the executive committee, remuneration committee and nomination committee of Shun Tak and a director of a number of its subsidiaries.

Ms. Ho is Vice President and Executive Committee Member of The Real Estate Developers Association of Hong Kong, Professional Member of the Hong Kong Institute of Real Estate Administrators, Vice President of Macao Association of Building Contractors and Developers, Member of The Chinese General Chamber of Commerce and Standing Committee Member of its Ladies’ Committee, Director of Macao Chamber of Commerce, Life Honorary President of Macau Retail and Management Association, Honorary Chairman of the Macau Hotel Association, Fellow of The Hong Kong Institute of Directors, Governor of The Canadian Chamber of Commerce in Hong Kong, Chairman of Hong Kong Ballet, Advisor and Former Chairman (2020 – 2021) of Po Leung Kuk, Chairman cum Director of University of Toronto (Hong Kong) Foundation Limited and Chairman of its Scholarship Selection Committee, Member of Dean’s Advisory Board of Joseph L. Rotman School of Management – University of Toronto, World Fellow of The Duke of Edinburgh’s Award World Fellowship, Honorary Vice President of the Hong Kong Girl Guides Association, Honorary President of Hong Kong Federation of Women and Founding Member of the “EmpowerHer Network” of Hong Kong Red Cross and Member of its Steering Committee.

Ms. Ho was awarded the Bronze Bauhinia Star by the Hong Kong Special Administrative Region (“Hong Kong SAR”) Government in July 2021.

Ms. Ho has been appointed as a member of the Standing Committee on Judicial Salaries and Conditions of Service by the Hong Kong SAR Government in January 2022.

Ms. Ho holds a Master of Business Administration degree in Finance from the University of Toronto, Canada and a Bachelor’s degree in Marketing from the University of Southern California, U.S.A.

DIRECTORS AND SENIOR MANAGEMENT

CO-CHAIRMEN AND EXECUTIVE DIRECTORS

Dr. Fok Tsun Ting, Timothy, aged 80, was appointed as an Executive Director of the Company in 2010. He was appointed as a Co-Chairman of the Company in June 2018, a member of the Executive Committee of the Board in July 2018, and a member of the Nomination Committee of the Board in June 2022. Dr. Fok was a member of the Cotai Project Committee of the Board (dissolved in January 2024) from 2015 to 2023. He has been a director of SJM since 2014. Dr. Fok was appointed as the chairman of the board of directors of SJM in September 2022. He is also a director of certain subsidiaries of the Company.

Dr. Fok is the chairman of Fok Ying Tung Group, the chairman of Fok Ying Tung Foundation and a member of the Trust Committee of Henry Fok Foundation, a charitable foundation established in Macau which is a shareholder of STD. He is an honorary member of the International Olympic Committee, a senior advisor – the East Asian Olympic Committees, the president of the Sports Federation and Olympic Committee of Hong Kong, China, the vice president of the Olympic Council of Asia (East Asia) and the honorary president of the Football Association of Hong Kong, China. Dr. Fok was a member of the 8th to the 12th National Committee of Chinese People's Political Consultative Conference ("CPPCC"), a vice-chairman of the Committee of Education, Science, Culture, Health and Sports of CPPCC and the president of the Football Association of Hong Kong, China from 1997 to 2023. He was elected as a member of the Legislative Council of Hong Kong, representing the Sports, Performing Arts, Culture and Publication functional constituency from 1998 to 2012.

Dr. Fok was appointed as a Justice of the Peace by the Hong Kong SAR Government in 1998, and was awarded the Grand Bauhinia Medal, the Gold Bauhinia Star and the Silver Bauhinia Star by the Hong Kong SAR Government in 2023, 2004 and 1999 respectively. He was awarded the Olympic Order in Silver by International Olympic Committee in October 2018.

Dr. Fok was conferred with Honorary Doctor of Laws degree from Renmin University of China in January 2026. He was educated at the University of Southern California, U.S.A. Dr. Fok is a fellow member of The Hong Kong Institute of Directors.

DIRECTORS AND SENIOR MANAGEMENT

CO-CHAIRMEN AND EXECUTIVE DIRECTORS (Continued)

Deputada Leong On Kei, Angela, aged 64, has been an Executive Director of the Company since 2007. She was appointed as a Co-Chairman of the Company in June 2018. Deputada Leong has been a member of the Remuneration Committee of the Board since 2008 and a member of the Executive Committee of the Board since 2009. She was a member of the Nomination Committee of the Board from 2008 to 2022 and a member of Cotai Project Committee of the Board (dissolved in January 2024) from 2015 to 2023. Deputada Leong has been the chairman of the staff welfare consultative committee of SJM since 2005 and a director of SJM since 2007. She was the managing director of SJM from 2010 to 2022. Deputada Leong is also a director of a number of subsidiaries of the Company. She has been a director of STDM since 2005 and a shareholder of STDM.

Deputada Leong is actively involved in public and community services in China, Hong Kong and Macau. She is a vice-chairman of Jiangxi Federation of Returned Overseas Chinese, Honorary Citizen of Jinggangshan, Jiangxi Province and of Guangzhou, Guangdong Province, Honorary Director of Jinggangshan Patriotism Education Base and Honorary Principal of Jinggangshan Experimental Primary School, Jiangxi Province. Deputada Leong is a member of the 3rd to the 8th Legislative Assemblies of the Macau Special Administrative Region ("Macau SAR") and the chairman of the 6th to the 8th Administrative Council of the Legislative Assemblies of Macau SAR. She is a member of the 2nd to the 6th Elective Committee of Chief Executive of Macau SAR. Deputada Leong is an elective committee member of the 10th to the 14th National People's Congress of Macau SAR, China.

Deputada Leong is currently a consultant of Macao Basic Law Promotion Association, a member of the Board of Trustees of Macao Foundation, a vice-president of the Board of Supervisors of The Macao Chamber of Commerce, an honorary consultant of The Women's General Association of Macau, a vice-chairman of Federation of Macau China Sport General Associations, the president of Macau Dance Sport Federation, the president of Macau Qipao Society, the president of Associação dos Conterrâneos de Sám Soi de Macau, a director of Stanley Ho Astronautics Training Foundation, the honorary president of Macau General Association of Real Estate, a director of Guangdong Women Overseas Friendship Association and a member of Advisory Board of Po Leung Kuk (2022 – 2027). She is also the honorary chairman of the Foshan CPPCC Member Association Macau, the honorary chairman of Association of Youth Practitioners in Macao Integrated Tourism and Leisure Enterprises (formerly "Macao Association of Young Employees in the Gaming Industry"), the honorary chairman of Guangxi Associations General Federation of Macau and the honorary advisor of The Youth Elites Association Macau.

Deputada Leong was a member of the Tourism Development Committee of Macau SAR until March 2024. She was also a president of the Hong Kong Island Social Services Charitable Foundation, a Standing Committee member of Jiangxi Provincial Committee of CPPCC until January 2023 and of Zhuhai Municipal Committee of CPPCC until December 2016, a member of the Cultural Industries Committee of Macau SAR from 2010 to 2016 and a director (2005 – 2011), a vice-chairman (2011 – 2014), the chairman (2014 – 2015), and a member of Advisory Board of Po Leung Kuk (2015 – 2016).

Deputada Leong was awarded the Medal of Merit – Industry and Commerce by the Macau SAR Government in 2009. She was awarded the Business Awards of Macau – Award of Female Entrepreneur in 2013 and the Bronze Bauhinia Star by the Hong Kong SAR Government in 2015.

Deputada Leong is a fellow member of The Hong Kong Institute of Directors.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Dr. Chan Un Chan, aged 72, was elected as an Executive Director of the Company in June 2018. She has been a director of SJM since 2009. Dr. Chan is a director and a shareholder of STDM. She is the chairman of UNIR (HK) Management Limited, the executive director of Tagus Properties Limited, and a director of UNIR HOTELS PTY LTD and of Wei Hang Shipyard (Zhong Shan) Co., Limited.

Dr. Chan is actively involved in the charitable and community services in China, Hong Kong and Macau. She is the vice-chairman of Beijing Chinese Overseas Friendship Association, the honorary director of Guangdong Women and Children's Foundation, a permanent director of Hong Kong Art Craft Merchants Association Limited, a life patron of Hong Kong Ballet Group and the vice-presidente da Assembleia Geral of Obra Das Mães, Macau. Dr. Chan was a director (2006 – 2008), a vice-chairman (2008 – 2013) and the chairman of Tung Wah Group of Hospitals (2013 – 2014), a member of Fundraising Committee 2003 of End Child Sexual Abuse Foundation, a sponsor of Mobile Classroom of End Child Sexual Abuse Foundation and the honorary director of Beijing Xiaoxing Ballet Art Development Foundation. She was a member of the 11th Guangdong Provincial Committee of CPPCC.

Dr. Chan was awarded the China Children Philanthropists by China Children and Teenagers' Fund in 2008, the World Outstanding Chinese Award by United World Chinese Association in 2008, the Star of Charity by Guangdong Women and Children's Foundation in 2012 and the Bronze Bauhinia Star by the Hong Kong SAR Government in 2014.

Dr. Chan was conferred with Honorary Doctor of Commerce from The University of West Alabama, U.S.A. in 2008, Honorary Doctorate in Management from Lincoln University, U.S.A. in 2009 and Honorary Fellowship Award from Canadian Chartered Institute of Business Administration in 2009.

Mr. Shum Hong Kuen, David, aged 71, has been an Executive Director of the Company since 2007. He has been a member of the Executive Committee of the Board since 2009. Mr. Shum was a member of the Nomination Committee of the Board from 2008 to 2019 and a member of the Cotai Project Committee of the Board (dissolved in January 2024) from 2015 to 2023. He is also a director of a number of subsidiaries of the Company. Mr. Shum has been a director of SJM since 2007 and of Sociedade de Turismo e Desenvolvimento Insular S.A.R.L. since 1998. He is an executive director and a member of the executive committee of the board of directors of Shun Tak (listed on the HKSE Main Board). Mr. Shum is also a director of a number of subsidiaries in the Shun Tak group. He is a director and a shareholder of STDM.

Mr. Shum holds a Bachelor's degree from the University of Illinois, Urbana-Champaign, U.S.A. and a Master's degree in Business Administration from the University of California, Berkeley, U.S.A. He is a fellow member of The Hong Kong Institute of Directors.

DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Mr. Tsang On Yip, Patrick, aged 54, was elected as a Non-executive Director of the Company in June 2019. He has been a supervisory committee member of SJM and certain of its subsidiaries since March 2019. Mr. Tsang is also the vice-chairman and an executive director of i-CABLE Communications Limited, an executive director of UMP Healthcare Holdings Limited, an executive director of Melbourne Enterprises Limited, a non-executive director of CTF Services Limited (formerly known as “NWS Holdings Limited”), and the chairman and a non-executive director of Giordano International Limited, all of which are listed on the HKSE Main Board. Mr. Tsang has over 25 years of international capital markets experience, and was previously managing director, head of Asia Fixed Income Capital Markets at Deutsche Bank AG, Hong Kong Branch.

Mr. Tsang is an appointed representative of Many Town Company Limited, a corporate director of STDM, a director of Chow Tai Fook (Holding) Limited, a director of Chow Tai Fook Enterprises Limited, a governor of Chow Tai Fook Charity Foundation Limited, a director of Cheng Yu Tung Foundation Limited, a director of CTFE Social Solutions Limited, a member of the Election Committee, a vice-chairman of the Employers’ Federation of Hong Kong and a member of the 14th Beijing Municipal Committee of CPPCC.

Mr. Tsang holds a Bachelor of Arts degree in Economics from Columbia College of Columbia University, U.S.A.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Hau Chong, Norman, aged 70, was elected as an Independent Non-executive Director of the Company in June 2022. He has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board since June 2022. He was re-designated from a member to the Chairman of the Audit Committee of the Board in June 2024.

Mr. Ho has extensive skills, knowledge and professional experience in accounting and finance, mergers and acquisitions, risk management, strategic planning and various business sectors, including property development and investment, hotel management and transportation services. He is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 30 years of experience in management and property development.

Mr. Ho is currently an executive director of Miramar Hotel and Investment Company, Limited and Vision Values Holdings Limited as well as an independent non-executive director of Shun Tak and Hong Kong Ferry (Holdings) Company Limited, all of which are listed on the HKSE Main Board.

Mr. Ho graduated from the University of Exeter in the United Kingdom with a Bachelor of Arts degree in 1976. He has also obtained professional qualification in accounting. Mr. Ho is currently a member of the Institute of Chartered Accountants in England and Wales and a fellow member of The Hong Kong Institute of Certified Public Accountants.

Ms. Wong Yu Pok, Marina, aged 77, was elected as an Independent Non-executive Director of the Company in June 2019. She has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board since June 2019. Ms. Wong was re-designated from a member to the Chairman of the Remuneration Committee of the Board in June 2022.

Ms. Wong is an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited, KLN Logistics Group Limited (formerly known as "Kerry Logistics Network Limited") and Luk Fook Holdings (International) Limited, all of which are listed on the HKSE Main Board. She was an independent non-executive director of Kerry Properties Limited, which is listed on the HKSE Main Board, until May 2024.

Ms. Wong joined PricewaterhouseCoopers in 1968 and was responsible for the development of the firm's business in Chinese Mainland since 1980. After her retirement as a partner from PricewaterhouseCoopers in July 2004, she joined Tricor Services Limited as a director from September 2004 to February 2006.

Ms. Wong is a member of a number of Government advisory and other bodies in Hong Kong and was the Chairman of The Applied Research Council up to February 2017. She is the Chartered President of Hong Kong Women Professionals & Entrepreneurs Association, and former Vice-Chairman until July 2025 and Supervising Advisor and Honorary President of the Hong Kong Federation of Women. Ms. Wong was appointed as a Justice of the Peace in 2004.

Being an accountant by training, Ms. Wong is a fellow of The Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. She was conferred Honorary Fellow of City University of Hong Kong in 2008.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Yeung Ping Leung, Howard, aged 69, was elected as an Independent Non-executive Director of the Company in May 2021. He has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board since May 2021.

Mr. Yeung has extensive experience in the businesses of property development, hotel operation and jewelry. He is an independent non-executive director of Miramar Hotel and Investment Company, Limited, a company listed on the HKSE Main Board.

Mr. Yeung graduated with a Bachelor's degree in Business Administration – Travel Industry Management from the University of Hawaii, U.S.A. in 1980.

DIRECTORS' BIOGRAPHICAL DETAILS UPDATE

The Directors' biographical details update, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since 1 July 2025 and up to 31 December 2025 has been reflected in the above section.

SENIOR MANAGEMENT

The Executive Directors of the Company are regarded as senior management of the Group in view of the fact that they are directly responsible for overseeing the implementation of the Company's strategic objectives and the business operations of the Group.

DIRECTORS' REPORT

The directors of the Company (the "Directors") have pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31 December 2025 (the "Financial Statements").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst its operating subsidiary, SJM Resorts, S.A. ("SJM") conducts casino gaming operations and gaming-related activities in Macau. The Company's other subsidiaries are principally engaged in hotel, catering, retail, leasing and related services in Macau.

An analysis of the revenues and the results of the Group by operating segment during the financial year is set out in note 5 to the Financial Statements.

PRINCIPAL SUBSIDIARIES

A list of principal subsidiaries, together with their places of incorporation/establishment and operations and particulars of their issued share capital/quota capital and principal activity, is set out in note 47 to the Financial Statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are provided in the sections headed "Business Review" and "Recent Developments and Prospects" on pages 5 to 10 and pages 11 and 12 of this Annual Report, respectively.

The financial risk management objectives and policies of the Group are shown in the section headed "Financial Review" on pages 13 and 14 of this Annual Report and note 42 to the Financial Statements.

FINANCIAL RESULTS

The loss of the Group for the year ended 31 December 2025, and the Statement of Financial Position of the Company and of the Group at that date are set out in the Financial Statements on pages 118 to 219.

DIRECTORS' REPORT

DIVIDENDS

No interim dividend for the six months ended 30 June 2025 was declared during the year (six months ended 30 June 2024: nil).

Pursuant to the Company's dividend policy, the board of directors of the Company (the "Board") has resolved not to recommend any payment of final dividend for the year ended 31 December 2025 (2024: nil).

2026 AGM

The forthcoming annual general meeting of the Company is scheduled to be held on Tuesday, 9 June 2026 (the "2026 AGM"). Notice of the 2026 AGM will be published on the website of the Company and the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and despatched to shareholders of the Company (the "Shareholders") on or around 28 April 2026.

CLOSURE OF REGISTER OF MEMBERS FOR 2026 AGM

The register of members of the Company will be closed as set out below for ascertaining Shareholders entitled to attend the 2026 AGM:

Book close dates for 2026 AGM	: 3 June 2026 to 9 June 2026 (both days inclusive)
Last share registration date for 2026 AGM	: 2 June 2026
Latest time to lodge transfer documents with the Company's share registrar	: 4:30 p.m. on Tuesday, 2 June 2026
Name and address of the Company's share registrar	: Computershare Hong Kong Investor Services Limited, Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Date and time of 2026 AGM	: 2:30 p.m. on Tuesday, 9 June 2026
Deadline and address for submission of proxy form for 2026 AGM	: 2:30 p.m. on Saturday, 6 June 2026 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong or via email at comsec@sjmholdings.com

DIRECTORS' REPORT

MAJOR PROPERTIES

Details of major properties of the Group as at 31 December 2025 are as follows:

Property	Location	Use	Site area (sq.m.)	Gross floor area/ saleable area (sq.m.)	Group interest
Macau					
Grand Lisboa Palace Resort Macau	A plot of land and its buildings located in the Cotai area of Macau, adjacent to Avenida do Aeroporto and Rua de Ténis, Macau	A complex containing hotel with gaming operation, food and beverage outlets and offices	70,468	521,435	94% <i>(Note 1)</i>
Grand Lisboa hotel	Rua da Escola Comercial no. 32, 72, 82, 84, 98, 100, 102, 112, 118, 128, 130, 132 and 158; Avenida do Infante D. Henrique, no. 8, 8-A; and Avenida de Lisboa, no. 21, 23, 63, 67, 69, 71, 73, 83 and 93, Macau	Hotel with gaming operation, food and beverage outlets and offices	11,626	122,524	88.27% <i>(Note 2)</i>
Ponte 16	Rua das Lorchas, N° S/N; Rua do Visconde Paço de Arcos, N° S/N, Macau	Hotel operation and commercial use	18,641	98,937	51%
L'Arc Hotel	Nos. 238 – 320 Avenida 24 de Junho, NAPE, Macau	Gaming operation, hotel operation and commercial use	7,128	86,438	100%
Oceanus Building	Travessa do Reservatório Nos. 33 – 95, Macau	Gaming operation, food and beverage outlets and back of house facilities	6,952	39,242	58.4% <i>(Note 3)</i>
100/1,617 of Hotel Lisboa	Avenida de Lisboa Nos. 2 – 4, Macau	Gaming operation	—	7,504	100%
Kam Pek Market (formerly known as “Kam Pek Community Centre”)	Avenida de Almeida Ribeiro S/N and Rua da Caldeira S/N, Macau	Food and beverage outlets	—	2,156.28	100%
Centro Internacional de Macau	Rua do Terminal Marítimo, N°s 93 – 103, Edifício I - Bloco V, Macau	Staff quarters	—	5,582.72	100%

DIRECTORS' REPORT

MAJOR PROPERTIES (Continued)

Property	Location	Use	Site area (sq.m.)	Gross floor area/ saleable area (sq.m.)	Group interest
Hong Kong					
18th floor, China Merchants Tower	Whole of 18th floor, China Merchants Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong	Self-use office (registered office and principal place of business of the Company)	—	2,248.25	100%

Notes:

1. Pursuant to the reversion and handover deeds executed between SJM and the Macau Government on 30 December 2022, upon termination of the former gaming concession on 31 December 2022, 6% of Grand Lisboa Palace Resort Macau was reverted to the Macau Government, and SJM was granted the right of enjoyment, fruition and use of such areas during the term of the new gaming concession from 1 January 2023 for 10 years.
2. Pursuant to the reversion and handover deeds executed between SJM and the Macau Government on 30 December 2022, upon termination of the former gaming concession on 31 December 2022, 11.73% of the Grand Lisboa hotel was reverted to the Macau Government, and SJM was granted the right of enjoyment, fruition and use of such areas during the term of the new gaming concession from 1 January 2023 for 10 years.
3. Pursuant to the reversion and handover deeds executed between SJM and the Macau Government on 30 December 2022, upon termination of the former gaming concession on 31 December 2022, 41.6% of Oceanus Building was reverted to the Macau Government, and SJM was granted the right of enjoyment, fruition and use of such areas during the term of the new gaming concession from 1 January 2023 for 10 years. Further, the Group has acquired the right of acquisition of the remaining areas under an agreement in relation to the transfer of Casino Oceanus dated 26 May 2022 (the "Transfer Agreement"). The percentage indicated herein corresponds to the interest transferred to the Group. On 8 January 2025, the Group exercised the aforesaid right and the parties to the Transfer Agreement executed the relevant sale and purchase deed for acquisition of the remaining areas of Oceanus Building.

DIRECTORS' REPORT

FIXED ASSETS

Details of movements in the property and equipment and right-of-use assets of the Group during the year are set out in notes 13 and 14, respectively, to the Financial Statements.

BANK LOANS

Particulars of bank loans of the Group as at 31 December 2025 are set out in note 26 to the Financial Statements.

CAPITALISATION OF BORROWING COSTS

No borrowing costs was capitalised by the Group during the year (2024: nil).

DONATIONS

Donations made by the Group during the year amounted to HK\$2.1 million (31 December 2024: HK\$1.9 million).

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 33 to the Financial Statements.

RESERVES AND DISTRIBUTABLE RESERVES

Movements in the reserves of the Company during the year and reserves available for distribution to Shareholders are set out in note 35 to the Financial Statements. Movements in the reserves of the Group are reflected in the Financial Statements on the Consolidated Statement of Changes in Equity.

The Company's reserves available for distribution to Shareholders as at 31 December 2025 amounted to HK\$6,786.9 million (31 December 2024: HK\$6,977.7 million).

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 13 May 2009, the Shareholders approved the adoption of the share option scheme of the Company (the "Scheme") under which the Directors may grant share options (the "Options") to any participants of the Scheme to subscribe for shares of the Company (the "Shares"), subject to the terms and conditions as stipulated therein. The Scheme lapsed on 13 May 2019 and no further Options can be granted thereunder. However, the outstanding Options granted under the Scheme shall continue to be valid and exercisable up to the end of the relevant exercise periods.

DIRECTORS' REPORT

SHARE OPTION SCHEME (Continued)

Principal terms of the Scheme

The principal terms of the Scheme are summarised below:

Purpose	: To provide incentives to participants to contribute to the Group and/or to enable the Group to retain and recruit high-calibre employees and/or attract human resources that are valuable to the Group.
Participants	: Any employee, officer, agent, consultant or representative of the Company or any subsidiary, including any executive director or non-executive director of the Company or any subsidiary, who is regarded as a valuable human resources of the Group based on his work experience, knowledge of the industry and other relevant factors.
Total number of Shares available for issue	: The total number of Shares which may be issued upon exercise of all Options must not in aggregate exceed 10% of the nominal amount of the issued share capital of the Company as at 13 May 2009 (that is, 500,000,000 Shares). Since the Scheme lapsed on 13 May 2019, no further Options can be granted thereunder.
Maximum entitlement of each participant	: In any 12-month period (including the proposed grant date): <ul style="list-style-type: none"> (a) For participants excluding substantial Shareholders, Independent Non-executive Directors or their respective associates: <ul style="list-style-type: none"> 1% of the number of Shares in issue as at the proposed grant date (including the total number of Shares already issued and those which may fall to be issued upon exercise of Options granted and to be granted to him under the Scheme and any other share option scheme(s) of the Company and/or any subsidiary). (b) For substantial Shareholders, Independent Non-executive Directors or their respective associates: <ul style="list-style-type: none"> (i) 0.1% of the number of Shares in issue as at the proposed grant date (including the total number of Shares already issued and those which may fall to be issued upon exercise of Options granted and to be granted to him under the Scheme and any other share option scheme(s) of the Company and/or any subsidiary); or (ii) not exceeding HK\$5 million in aggregate value based on the closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange on each relevant date on which the grant of Options is made.
Period within which the Shares must be taken up under an Option	: The Board may in its absolute discretion determine, save that such period shall expire on the last day of nine years commencing on the date falling six months after the date of grant.
Minimum period for which an Option must be held before it can be exercised	: Such minimum period under the Scheme is six months from the date of grant. At the time of grant of Options, the Board may specify longer minimum period(s) for which Options must be held before they can be exercised.
Amount payable on acceptance of an Option	: HK\$1

DIRECTORS' REPORT

SHARE OPTION SCHEME (Continued)

Principal terms of the Scheme (Continued)

Period within which payments/calls must or may be made or loans for acceptance of Option must be repaid	: Payable within 28 days from the date of the letter containing the grant, provided that no such grant shall be open for acceptance after the expiry or termination of the Scheme.
Basis of determining the exercise price	: The exercise price shall be determined by the Board at the time the grant of the Options is made and shall not be less than the higher of: <ul style="list-style-type: none"> (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the grant date, which must be a business day; and (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date.
Remaining life of the Scheme	: The Scheme was in force for a period of ten years commencing on the adoption date and lapsed on 13 May 2019.

Number of Shares issued or to be issued and consideration received or to be received under the Scheme

During the year, no Options were exercised under the Scheme and no Shares were issued accordingly.

Immediately prior to completion of Rights Issue on 21 September 2022, 477,085,000 Options were granted under the Scheme with 299,765,000 Options exercised, and a total of HK\$2,023,951,490 was received by the Company as the proceeds for the allotment and issue of 299,765,000 Shares. Excluding 29,587,000 Options lapsed, there were 147,733,000 Options outstanding as at 21 September 2022.

As a result of the Rights Issue completed on 21 September 2022, the total outstanding Options granted under the Scheme has been adjusted from 147,733,000 to 158,074,310 with effect from 22 September 2022.

Excluding 1,899,250 Options lapsed during 22 September 2022 to 31 December 2022, 37,180,360 Options lapsed during the year ended 31 December 2023 and 114,179,700 Options lapsed during the year ended 31 December 2024 (2025: nil), there were 4,815,000 Options outstanding as at 31 December 2025. If all those outstanding Options were exercised, a total of HK\$43,286,850 would be received by the Company as the proceeds for the allotment and issue of 4,815,000 Shares.

Movement of Options granted

Details of the movement in Options granted under the Scheme during the year ended 31 December 2025 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price per Share	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Balance as at 31 December 2025
Ho Chiu Fung, Daisy	22 June 2017 (Note 1)	22 December 2018 to 21 December 2026	HK\$7.79 (Note 1)	535,000	—	—	—	—	535,000
	22 June 2017 (Note 1)	22 December 2019 to 21 December 2026	HK\$7.79 (Note 1)	1,070,000	—	—	—	—	1,070,000
Chan Un Chan	21 June 2018 (Note 2)	21 December 2018 to 20 December 2027	HK\$9.59 (Note 2)	1,070,000	—	—	—	—	1,070,000
	21 June 2018 (Note 2)	21 December 2019 to 20 December 2027	HK\$9.59 (Note 2)	1,070,000	—	—	—	—	1,070,000
	21 June 2018 (Note 2)	21 December 2020 to 20 December 2027	HK\$9.59 (Note 2)	1,070,000	—	—	—	—	1,070,000
Total:				4,815,000	—	—	—	—	4,815,000

DIRECTORS' REPORT

SHARE OPTION SCHEME (Continued)

Movement of Options granted (Continued)

Notes:

- The vesting period for 3,000,000 Options granted on 22 June 2017 is approximately 33.34% vesting on six months from the date of grant, then approximately 33.33% vesting on one year and six months from the date of grant, and the remaining 33.33% vesting on two years and six months from the date of grant. The closing price of the Shares immediately before the date of grant was HK\$8.45. The estimated fair value of each Option granted on that date based on an independent valuation is as follows:

3,000,000 Options granted on 22 June 2017	Exercise period	Option unit value
1,000,000	22 December 2017 to 21 December 2026	HK\$3.1571
1,000,000	22 December 2018 to 21 December 2026	HK\$3.1584
1,000,000	22 December 2019 to 21 December 2026	HK\$3.1552

As a result of the Rights Issue completed on 21 September 2022, the exercise price of the outstanding Options granted on 22 June 2017 has been adjusted from HK\$8.33 per Share to HK\$7.79 per Share (rounding off HK\$7.785 to 2 decimal places pursuant to the certification by Deloitte Touche Tohmatsu (the "Auditor")) and the number of Shares to be issued upon exercise of the outstanding Options granted on 22 June 2017 under the Scheme has been adjusted from 1,500,000 to 1,605,000 (i.e. increase of 105,000) with effect from 22 September 2022.

- The vesting period for 3,000,000 Options granted on 21 June 2018 is approximately 33.34% vesting on six months from the date of grant, then approximately 33.33% vesting on one year and six months from the date of grant, and the remaining 33.33% vesting on two years and six months from the date of grant. The closing price of the Shares immediately before the date of grant was HK\$10.32. The estimated fair value of each Option granted on that date based on an independent valuation is as follows:

3,000,000 Options granted on 21 June 2018	Exercise period	Option unit value
1,000,000	21 December 2018 to 20 December 2027	HK\$4.0413
1,000,000	21 December 2019 to 20 December 2027	HK\$4.0443
1,000,000	21 December 2020 to 20 December 2027	HK\$4.0523

As a result of the Rights Issue completed on 21 September 2022, the exercise price of the outstanding Options granted on 21 June 2018 has been adjusted from HK\$10.26 per Share to HK\$9.59 per Share (rounding off HK\$9.588 to 2 decimal places pursuant to the Auditor's certification) and the number of Shares to be issued upon exercise of the outstanding Options granted on 21 June 2018 under the Scheme has been adjusted from 3,000,000 to 3,210,000 (i.e. increase of 210,000) with effect from 22 September 2022.

- The weighted average closing price of the Shares immediately before the dates on which the Options were exercised is not applicable since no Options were exercised during the Reporting Period.

DIRECTORS' REPORT

US\$500,000,000 4.50% SENIOR NOTES DUE 2026 AND US\$500,000,000 4.85% SENIOR NOTES DUE 2028 ISSUED BY CHAMPION PATH

In January 2021, Champion Path Holdings Limited ("Champion Path"), a wholly-owned subsidiary of the Company, issued the following Senior Notes which are listed on the Main Board of the Stock Exchange:

Principal Terms of the US\$ Senior Notes due 2026 ("2026 US\$ Senior Notes")

Issuer	: Champion Path
Guarantor	: The Company
Aggregate principal amount	: US\$500,000,000
Offering price	: 100.00% of the principal amount of the 2026 US\$ Senior Notes
Issue date	: 27 January 2021
Interest rate	: 4.50% per annum payable semi-annually in arrears on 27 January and 27 July of each year. Interest accrues from 27 January 2021.
Maturity date	: 27 January 2026, unless earlier redeemed in accordance with terms thereof
Debt Stock Code	: 40559 (Delisted upon maturity)

Principal Terms of the US\$ Senior Notes due 2028 ("2028 US\$ Senior Notes")

Issuer	: Champion Path
Guarantor	: The Company
Aggregate principal amount	: US\$500,000,000
Offering price	: 100.00% of the principal amount of the 2028 US\$ Senior Notes
Issue date	: 27 January 2021
Interest rate	: 4.85% per annum payable semi-annually in arrears on 27 January and 27 July of each year. Interest accrues from 27 January 2021.
Maturity date	: 27 January 2028, unless earlier redeemed in accordance with terms thereof
Debt Stock Code	: 40560

The Company used approximately 90% of the net proceeds from the offering for refinancing a syndicated credit facility and the balance for general corporate purposes.

Further details of the above Senior Notes issued by Champion Path were set out in the announcements of the Company dated 21 and 27 January 2021 and the announcements of Champion Path dated 27 and 28 January 2021.

DIRECTORS' REPORT

US\$500,000,000 4.50% SENIOR NOTES DUE 2026 AND US\$500,000,000 4.85% SENIOR NOTES DUE 2028 ISSUED BY CHAMPION PATH (Continued)

As at 31 December 2025, the aggregate principal amount of US\$500 million of 2026 US\$ Senior Notes remained outstanding. On 5 January 2026, Champion Path offered to purchase (the "Offer") for cash any and all outstanding 2026 US\$ Senior Notes validly tendered at a purchase price of US\$1,000 per US\$1,000 principal amount of the 2026 US\$ Senior Notes pursuant to the terms and conditions set out in the Offer to Purchase. On 19 January 2026, Champion Path accepted and repurchased US\$170,115,000 in aggregate principal amount of the 2026 US\$ Senior Notes validly tendered pursuant to the Offer and the repurchased 2026 US\$ Senior Notes were subsequently cancelled. Further details of the Offer were set out in the announcements of the Company dated 5, 13 and 19 January 2026. The remaining outstanding US\$329,885,000 in aggregate principal amount of 2026 US\$ Senior Notes matured on 27 January 2026.

During the year from 1 January 2025 to 31 December 2025, Champion Path repurchased in the open market a principal amount of US\$8 million of 2028 US\$ Senior Notes, representing approximately 1.6% of the outstanding principal amount of US\$490 million of the 2028 US\$ Senior Notes as at 1 January 2025. The repurchased 2028 US\$ Senior Notes were subsequently cancelled on 28 January 2025. As at 31 December 2025, US\$482 million in aggregate principal amount of 2028 US\$ Senior Notes remained outstanding.

HK\$1,250,000,000 3.90% SENIOR NOTES DUE 2026 AND MOP300,000,000 3.90% SENIOR NOTES DUE 2026 ISSUED BY CHAMPION MOMENTS

In May 2021, Champion Moments Limited ("Champion Moments"), a wholly-owned subsidiary of the Company, issued the following Senior Notes which are listed on Chongwa (Macao) Financial Asset Exchange Co., Ltd.:

Principal Terms of the HK\$ Senior Notes due 2026 ("2026 HK\$ Senior Notes")

Issuer	: Champion Moments
Guarantor	: The Company
Aggregate principal amount	: HK\$1,250,000,000
Offering price	: 100.00% of the principal amount of the 2026 HK\$ Senior Notes
Issue date	: 12 May 2021
Interest rate	: 3.90% per annum payable semi-annually in arrears on 12 May and 12 November of each year. Interest accrues from 12 May 2021.
Maturity date	: 12 May 2026, unless earlier redeemed in accordance with terms thereof
Bond Code	: MOXIB2102

DIRECTORS' REPORT

HK\$1,250,000,000 3.90% SENIOR NOTES DUE 2026 AND MOP300,000,000 3.90% SENIOR NOTES DUE 2026 ISSUED BY CHAMPION MOMENTS (Continued)

Principal Terms of the MOP Senior Notes due 2026 ("2026 MOP Senior Notes")

Issuer	: Champion Moments
Guarantor	: The Company
Aggregate principal amount	: MOP300,000,000
Offering price	: 100.00% of the principal amount of the 2026 MOP Senior Notes
Issue date	: 12 May 2021
Interest rate	: 3.90% per annum payable semi-annually in arrears on 12 May and 12 November of each year. Interest accrues from 12 May 2021.
Maturity date	: 12 May 2026, unless earlier redeemed in accordance with terms thereof
Bond Code	: MOXIB2101

The Company used approximately 90% of the net proceeds from the offering for refinancing a syndicated credit facility and the balance for general corporate purposes.

Further details of the above Senior Notes issued by Champion Moments were set out in the announcements of the Company dated 6 and 12 May 2021.

US\$540,000,000 6.50% SENIOR NOTES DUE 2031 ISSUED BY SJM INTERNATIONAL

In January 2026, SJM International Limited ("SJM International"), a wholly-owned subsidiary of the Company, issued the following Senior Notes which are listed on the Main Board of the Stock Exchange:

Principal Terms of the US\$ Senior Notes due 2031 ("2031 US\$ Senior Notes")

Issuer	: SJM International
Guarantor	: The Company
Aggregate principal amount	: US\$540,000,000
Offering price	: 100.00% of the principal amount of the 2031 US\$ Senior Notes
Issue date	: 15 January 2026
Interest rate	: 6.50% per annum payable semi-annually in arrears on 15 January and 15 July of each year (the "Interest Payment Date"). Interest accrues from 15 January 2026.
Maturity date	: The Interest Payment Date falling on, or nearest to 15 January 2031, unless earlier redeemed in accordance with terms thereof
Debt Stock Code	: 40045

The Company used the net proceeds from the offering for refinancing the Group's existing indebtedness and general corporate purposes.

Further details of the above Senior Notes issued by SJM International were set out in the announcements of the Company dated 9 and 15 January 2026 and the announcements of SJM International dated 15 and 16 January 2026.

DIRECTORS' REPORT

PUT OPTION OF SENIOR NOTES

Special Put Option of Senior Notes issued by Champion Path and Champion Moments

In the Senior Notes issued by each of Champion Path and Champion Moments, there is a special put option in favour of the bondholders wherein. Upon the occurrence of:

- (i) any event after which none of the Company or any subsidiary of the Company has such licenses, concessions, subconcessions or other permits or authorisations as are necessary for the Company and its subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as the Company and its subsidiaries are entitled to on the date on which the Senior Notes are issued, for a period of 20 consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole; or
- (ii) the termination, rescission, revocation or modification of any licenses, concessions, subconcessions or other permits or authorisations relating to casino or gaming operations which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole,

each holder of the Senior Notes will have the right to require the Company to repurchase all or any part of such holder's Senior Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of repurchase.

Special Put Option of Senior Notes issued by SJM International

In the Senior Notes issued by SJM International, there is a special put option in favour of the bondholders wherein. No later than ten days following the occurrence of:

- (i) any event after which none of the Company or any of its subsidiaries has such licenses, concessions, subconcessions or other permits or authorisations as are necessary for the Company and its subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as the Company and its subsidiaries are entitled to at the original issue date, for a period of 20 consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole; or
- (ii) the termination, rescission, revocation or modification of any licenses, concessions, subconcessions or other authorisations from any governmental authority relating to casino or gaming operations which authorises, permits, concedes or allows the Company or any of its subsidiaries, at the relevant time, to own or manage casino or gaming areas or operate casino games of fortune and chance which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole,

SJM International and the Company will make an offer to purchase all outstanding Senior Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and additional amounts, if any, to (but not including) the payment date for such offer to purchase.

DIRECTORS' REPORT

PUT OPTION OF SENIOR NOTES (Continued)

STDM Loan Put Option of Senior Notes issued by SJM International

In the Senior Notes issued by SJM International, there is a put option in favour of the bondholders wherein that not later than ten days after the Company or any of its subsidiaries (whether through a single transaction or a series of transactions) using its or their internal funds repays, prepays, or otherwise reduces the aggregate principal amount of the loan of Sociedade de Turismo e Diversões de Macau, S.A. ("STDM Loan") (such principal amount so repaid, prepaid or reduced, the "STDM Loan Repayment Amount") by US\$5,000,000 or more, SJM International and the Company will make an offer to purchase the Senior Notes in principal amount equal to the STDM Loan Repayment Amount at a purchase price in cash equal to 100% of the principal amount thereof plus accrued and unpaid interest as further discussed in the indenture in relation to the 2031 US\$ Senior Notes.

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

The indentures in relation to the 2026 US\$ Senior Notes, 2028 US\$ Senior Notes, 2026 HK\$ Senior Notes, 2026 MOP Senior Notes and 2031 US\$ Senior Notes contain a change of control provision.

Senior Notes issued by Champion Path and Champion Moments

The change of control provision contained in the indentures in relation to the Senior Notes issued by Champion Path/Champion Moments would, if triggered, give rise to a right in favour of the holders of the Senior Notes to require the Company and Champion Path/Champion Moments to repurchase the Senior Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, up to but excluding the date of repurchase. The circumstances that will constitute a change of control include:

- the merger, amalgamation or consolidation of the Company with or into another person (other than Sociedade de Turismo e Diversões de Macau, S.A. ("STDM")) or the merger or amalgamation of another person (other than STDM) with or into the Company, or the sale of all or substantially all the assets of the Company to another person (other than STDM);
- STDM is the "beneficial owner" (as such term is used in Rule 13d-3 of the United States Securities Exchange Act of 1934, as amended) of less than 51% of the total voting power of the voting stock of the Company;
- the adoption of a plan relating to the liquidation or dissolution of the Company; or
- the first day on which the Company ceases to own, directly or indirectly, 100% of the voting stock of Champion Path/Champion Moments or SJM.

DIRECTORS' REPORT

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES (Continued)

Senior Notes issued by SJM International

The change of control provision contained in the indenture in relation to the Senior Notes issued by SJM International would, upon certain change of control triggering event, give rise to a right in favour of the holders of the Senior Notes to require the Company and SJM International to repurchase the Senior Notes. Not later than 20 days following a change of control triggering event, the Company and SJM International will make an offer to purchase all outstanding Senior Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the payment date for such offer to purchase. A change of control triggering event means the occurrence of both a change of control and, provided that the Senior Notes are rated by at least one rating agency, a rating decline. The circumstances that will constitute a change of control include:

- the merger, amalgamation or consolidation of the Company with or into another person (other than STDM) or the merger or amalgamation of another person (other than STDM) with or into the Company, or the sale of all or substantially all the assets of the Company to another person (other than STDM);
- STDM is the "beneficial owner" (as such term is used in Rule 13d-3 of the United States Securities Exchange Act of 1934, as amended) of less than 51% of the total voting power of the voting stock of the Company;
- the adoption of a plan relating to the liquidation or dissolution of the Company; or
- the first day on which the Company ceases to own, directly or indirectly, 100% of the voting stock of SJM International or SJM. For the avoidance of doubt, reference to 100% of the voting stock should be construed as being subject to a 15% social and voting interest and MOP1.00 economic interest held by the managing director of SJM.

CONVERTIBLE BOND ISSUED UNDER SPECIFIC MANDATE

On 22 June 2022, Champion Power Global Limited ("Champion Power"), a wholly-owned subsidiary of the Company, issued a convertible bond (the "Convertible Bond") in the principal amount of HK\$1,906 million at 2% coupon rate at a par value of HK\$100,000 each with five-year maturity to STDM for acquisition of a portion of the property Casino Oceanus ("Oceanus Building") by Harbour Tide Limited ("Harbour Tide"), a subsidiary of the Company, from Jai-Alai Shopping Centre Company Limited ("JASC"), an indirect wholly-owned subsidiary of STDM, and the disposal by JASC of the remaining portion of Oceanus Building and the transactions contemplated thereunder in accordance with the transfer agreement dated 26 May 2022 entered into among Harbour Tide, the Company, Champion Power, JASC and STDM.

DIRECTORS' REPORT

CONVERTIBLE BOND ISSUED UNDER SPECIFIC MANDATE (Continued)

The Convertible Bond is denominated in Hong Kong dollar, unsecured and is guaranteed by the Company. It entitles STDM to convert into ordinary Shares at any time between the issue date of the Convertible Bond and the date falling seven days prior to the fifth anniversary of the issue date (the "Maturity Date") at initial conversion price of HK\$4.07 per conversion Share (subject to adjustment). Unless previously redeemed, converted or purchased and cancelled, Champion Power will redeem the Convertible Bond at 100% of its principal amount together with any accrued but unpaid interest on the Maturity Date. Interest accruing at the rate of 2% per annum on the Convertible Bond will be paid annually until the Maturity Date. The Convertible Bond is not listed on the Stock Exchange or any other stock exchange. It is not transferable without the prior consent of Champion Power save for any transfer by a bondholder to its wholly-owned subsidiaries or any holding company that owns 100% of the share capital of that bondholder.

The conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bond will be fully paid and rank *pari passu* in all respects with the Shares then in issue on the date on which the name of the exercising bondholder is registered as holder of the relevant conversion Shares in the register of members of the Company.

As a result of the Rights Issue completed on 21 September 2022, the conversion price has been adjusted from HK\$4.07 per conversion Share to HK\$3.78 per conversion Share and the number of conversion Shares to be converted has been adjusted from 468,304,668 to 504,232,804 (i.e. increase of 35,928,136) with effect from 22 September 2022. Assuming full exercise of the conversion rights attaching to the Convertible Bond at the adjusted conversion price of HK\$3.78 per conversion Share by STDM, the Convertible Bond will be converted into 504,232,804 conversion Shares, representing approximately 7.10% of the issued Shares of 7,101,805,366 Shares as at 31 December 2025; and approximately 6.63% of the issued Shares of 7,606,038,170 Shares as enlarged by the issuance of such conversion Shares on the basis that there is no other change in the issued Shares. In such event, the number of Shares being held by the substantial Shareholders will be changed as follows: (i) the number of Shares being held by STDM will increase from approximately 54.81% to approximately 57.81% of the total issued Shares; whilst (ii) the number of Shares being held by Deputada Leong On Kei, Angela will decrease from approximately 8.09% to approximately 7.55% of the total issued Shares.

For the year ended 31 December 2025, the Company recorded loss per Share and therefore the assumed exercise of the Convertible Bond would result in a decrease in loss per Share. Based on the bank balances and cash at 31 December 2025, the Company has the ability to meet its redemption obligations under the Convertible Bond.

It would be equally advantageous for STDM as the bondholder to convert or redeem the Convertible Bond based on the implied internal rate of return of the outstanding Convertible Bond, when the Company's share price approximates to the adjusted conversion price of HK\$3.78 per conversion Share.

Further details of the Convertible Bond are set out in the announcements of the Company dated 26 May 2022 and 21 September 2022, and the circular of the Company dated 6 June 2022.

During the year, there were no conversion, redemption or cancellation of the Convertible Bond by the Company or Champion Power.

DIRECTORS' REPORT

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors:

Ms. Ho Chiu Fung, Daisy

Dr. Fok Tsun Ting, Timothy

Deputada Leong On Kei, Angela

Dr. Chan Un Chan

Mr. Shum Hong Kuen, David

Non-executive Director:

Mr. Tsang On Yip, Patrick

Independent Non-executive Directors:

Mr. Ho Hau Chong, Norman

Ms. Wong Yu Pok, Marina

Mr. Yeung Ping Leung, Howard

Brief biographical details of Directors are set out on pages 15 to 21 of this Annual Report. Details of their remuneration are set out in note 9 to the Financial Statements.

In accordance with Article 95 of the articles of association of the Company (the "Articles"), Ms. Ho Chiu Fung, Daisy, Dr. Fok Tsun Ting, Timothy and Deputada Leong On Kei, Angela, Executive Directors, will retire from the Board by rotation at the 2026 AGM. All of the aforesaid Directors, being eligible, offer themselves for re-election as Directors at the 2026 AGM.

All Independent Non-executive Directors have met all of the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received from each of them an annual written confirmation of his/her independence and considers each of them to be independent.

DIRECTORS' REPORT

DIRECTORS (Continued)

Save for certain Directors mentioned above, the following persons were directors of subsidiaries of the Company during the year and up to the date of this report:

Dr. Rui José da Cunha
Dr. Nuno Paulo da Luz Martins
Mr. Fok Chun Wan, Ian
Mr. Fok Kai Shan, Eric
Ms. Ho Chiu Ha, Maisy
Mr. Ho Arnaldo Yau Heng
Mr. Ip Shih Ming, Christopher (*Appointed in May 2025*)
Ms. Kwok Shuk Chong
Ms. Laam Barbara Chuen Ying (*Appointed in March 2025*)
Mr. Ma Ho Man, Hoffman
Mr. Robert Earle McBain
Dr. So Shu Fai
Mr. Toh Hup Hock
Mr. Yeung Hoi Sing, Sonny

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the 2026 AGM has a service contract with the Company that is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the below sections headed "Connected Transactions" and "Contracts of Significance with the Controlling Shareholder and/or Its Subsidiaries", no transaction, arrangement or contract of significance in relation to the Group's business to which the Company, its holding company or any of their subsidiaries was a party, and in which a Director or an entity connected with a Director was materially interested, whether directly or indirectly, subsisted at any time during the year or at the end of the year.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS

Agreements with STDM and/or its subsidiaries/associates

Nature and extent of the connected person's interest in the transactions:

Ms. Ho Chiu Fung, Daisy has beneficial interests in STDM via Lanceford Company Limited, a corporate director of STDM, and she is the representative of Lanceford Company Limited to act as a director of STDM. Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David have beneficial interests in STDM and are directors of STDM. Mr. Tsang On Yip, Patrick's relative has beneficial interests in STDM via Many Town Company Limited, a corporate director of STDM, and Mr. Tsang On Yip, Patrick is the representative of Many Town Company Limited to act as a director of STDM.

Connected relationship:

STDM is the controlling Shareholder and therefore STDM and/or its subsidiaries/associates (as defined in the Listing Rules) are connected persons of the Company under the Listing Rules.

Premises leasing master agreement

Parties to the agreement:

The Company and STDM

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual cap and aggregate transaction amount in 2025
2 March 2023	1 January 2023 to 31 December 2025	<ul style="list-style-type: none"> For the leasing of premises by STDM and its associates (excluding the Group) (the "STDM Group") to the Group for use as offices, staff quarters, or for other business purposes. Payments for the premises comprised rental, utility charges, air conditioning service charges and building management fees where the relevant rental must be fair and reasonable, and may not be higher than the rental for the same or comparable type of premises provided by independent third parties in the ordinary course of business; the utility charges payable are based on actual utility consumption; and the air conditioning expenses and building management fees are determined in accordance with and not exceeding the relevant market prices. The terms and conditions on which such premises are to be provided should be no less favourable to the Company than those offered by independent third parties. 	See "Annual caps and aggregate transaction amounts table" on page 42 of this Annual Report

Further details of the above transactions were set out in the announcements of the Company dated 2 March 2023 and 24 August 2023.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Products and Services Master Agreement

Parties to the agreement:

The Company and STDM

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual caps and aggregate transaction amounts in 2025
2 March 2023	1 January 2023 to 31 December 2025	<ul style="list-style-type: none"> • For the provision of the following categories of products and services by the STDM Group to the Group: <ul style="list-style-type: none"> (i) hotel accommodation services (ii) entertainment services (including food and beverage products and services and other entertainment services) (iii) transportation services (iv) maintenance services (v) laundry services (vi) hotel management and operation services (vii) promotional and advertising services • The provision of each relevant product or service by the STDM Group shall be on normal commercial terms and made with reference to the prevailing market price after arm's length negotiation between the relevant parties or, where there is no relevant market price, on terms negotiated between the relevant parties at arm's length. • The price of the products and services to be provided by the STDM Group including the basis of the calculation of the payments to be made shall be set out in the relevant implementation agreements and must be fair and reasonable and in accordance with the provision set out in the agreement. 	See "Annual caps and aggregate transaction amounts table" on page 42 of this Annual Report
5 March 2026 (renewal of the Products and Services Master Agreement dated 2 March 2023)	1 January 2026 to 31 December 2026 (may be renewed by the Company serving prior written notice to STDM at least two months before expiry)	<ul style="list-style-type: none"> • Same as outlined above except the re-classification of the entertainment services by the food and beverage products and services. 	See "Annual caps and aggregate transaction amounts table" on page 42 of this Annual Report

Further details of the above transactions were set out in the announcements of the Company dated 2 March 2023, 24 August 2023, 17 November 2023 and 5 March 2026.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Chips Agreement

Parties to the agreement:

SJM and STDM

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual cap and aggregate transaction amount in 2025
18 June 2008	No fixed term (may be terminated by mutual agreement or upon termination of SJM's gaming concession contract (renewed by the New Gaming Concession Contract), whichever is earlier)	<ul style="list-style-type: none"> For regulating the honouring, borrowing and use of the casino chips of STDM for the purposes of SJM's gaming operations. Since 1 April 2002, SJM had been borrowing casino chips from STDM for the purpose of its business operation. STDM agreed to reimburse SJM for the aggregate face value of the chips honoured by SJM which were not sold by SJM. The arrangements are now being phased out as explained below. 	See "Annual caps and aggregate transaction amounts table" on page 42 of this Annual Report

Further details of the above transactions were set out in the section "Connected Transactions" in the prospectus of the Company dated 26 June 2008 and the announcements of the Company dated 30 December 2010, 6 January 2014, 26 January 2017, 23 December 2019, 2 March 2023 and 5 March 2026.

Since SJM has secured its own supply of chips and is no longer borrowing any STDM chips starting from 2011, the overall value of STDM chips redeemed in 2024 has declined substantially from the historical levels seen in earlier years. Furthermore, all casino chips of STDM have been withdrawn from circulation and procedures were put in place for those holding such chips to redeem them for cash or for casino chips of SJM.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Annual caps and aggregate transaction amounts table:

	Aggregate transaction amount for the year ended 31 December 2025 HK\$ million (audited)	Annual cap for the year ended 31 December 2025 HK\$ million	Annual cap for the year ending 31 December 2026 HK\$ million	Annual cap for the year ending 31 December 2027 HK\$ million	Annual cap for the year ending 31 December 2028 HK\$ million
• Premises leasing master agreement (<i>Note 1</i>)	0.1	4.3	N/A	N/A	N/A
• Products and Services Master Agreement (<i>Note 2</i>)					
(i) Hotel accommodation services	63.5	113.9	96.6	N/A	N/A
(ii) Entertainment services (<i>re-classified as food and beverage products and services effective 1 January 2026</i>)	3.3	18.7	N/A	N/A	N/A
(iii) Transportation services	0.9	16.4	N/A	N/A	N/A
(iv) Maintenance services	11.9	15.0	N/A	N/A	N/A
(v) Laundry services	25.4	63.9	N/A	N/A	N/A
(vi) Hotel management and operation services	4.7	28.0	N/A	N/A	N/A
(vii) Promotional and advertising services	19.1	25.3	27.3	N/A	N/A
• Chips Agreement (<i>Note 3</i>)	0.2	76.0	75.8	75.8	75.8

N/A = not applicable

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Annual caps and aggregate transaction amounts table: (Continued)

Notes:

1. In March 2023, the Company and STDM renewed the premises leasing master agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years ended 31 December 2023, 2024 and 2025 at HK\$18.8 million, HK\$3.2 million and HK\$3.2 million respectively. These annual caps were determined by reference to (i) the existing leases entered into between the Group and the STDM Group under the premises leasing master agreement dated 23 December 2019; (ii) the expected renewals of certain existing leases during the period from 1 January 2023 to 31 December 2025; (iii) the estimated rental adjustments to be made to the renewed leases; (iv) the adoption of Hong Kong Financial Reporting Standard 16 "Leases" for renewed leases; and (v) a buffer of 20% for additional and unexpected demand of the Group for the premises owned by the STDM Group for the Group's business operations up to 31 December 2025.

In August 2023, the Board revised the annual caps for the continuing connected transactions under the premises leasing master agreement for the three financial years ended 31 December 2023, 2024 and 2025 to HK\$34.5 million, HK\$17.0 million and HK\$4.3 million respectively due to, among other things, re-instatement cost for Casino Lisboa and Casino Eastern expected to be incurred in 2023 or 2024.

2. In March 2023, the Company and STDM renewed the Products and Services Master Agreement and the Board approved the annual caps for all categories of continuing connected transactions under this agreement for the three financial years ended 31 December 2023, 2024 and 2025. These annual caps were determined by reference to a number of factors including (i) the historical consumption of the services by the Group; (ii) the expected recovery of visitor arrivals and gaming revenue in Macau in the coming few years; (iii) the opening of Grand Lisboa Palace Resort Macau in 2021; (iv) the projected number of staff hired by the Group; (v) the business, marketing and promotion plans of the Group; and (vi) a buffer ranging from 10% to 30% for inflation, business growth and unanticipated demand for the services.

In August 2023, the Board revised the annual caps for the continuing connected transactions of the hotel accommodation services under the Products and Services Master Agreement for the three financial years ended 31 December 2023, 2024 and 2025 to HK\$47.3 million, HK\$103.5 million and HK\$113.9 million respectively in view of the strong growth in hotel accommodation services in the first half of 2023.

In November 2023, the Board further revised the annual cap for the continuing connected transactions of the hotel accommodation services under the Products and Services Master Agreement for the financial year ended 31 December 2023 to HK\$65.0 million in view of the strong growth in visitor arrivals leading to strong growth in occupancy at the STDM hotels during the first three quarters of 2023.

In March 2026, the Company and STDM renewed the Products and Services Master Agreement and the Board approved the annual caps for two categories of the continuing connected transactions (i.e. (i) hotel accommodation services and (ii) promotional and advertising services) under this agreement for the financial year ending 31 December 2026. These annual caps were determined by reference to a number of factors including but not limited to (i) the historical consumption of the hotel accommodation services and promotional and advertising services by the Group; (ii) the projected number of gaming patrons in casinos operated by the Group; (iii) the expected volume of visitor arrivals and gaming revenue in Macau in the coming few years; (iv) the business, marketing and promotion plans of the Group; and (v) a buffer of approximately 10% for inflation, business growth and unanticipated demand for the services. The other five categories of continuing connected transactions (i.e. (i) food and beverage products and services, (ii) transportation services, (iii) maintenance services, (iv) laundry services and (v) hotel management and operation services) under the Products and Services Master Agreement are de minimis transactions under the Listing Rules and no annual cap has been set.

3. In March 2023, the Board approved the annual caps for the continuing connected transactions under the Chips Agreement for the three financial years ended 31 December 2023, 2024 and 2025 at HK\$76.0 million each year. These annual caps for the STDM chips to be redeemed were determined by reference to the outstanding amount of STDM chips in circulation.

In March 2026, the Board approved the annual caps for the continuing connected transactions under the Chips Agreement for the three financial years ending 31 December 2026, 2027 and 2028 at HK\$75.8 million each year. These annual caps for the STDM chips to be redeemed were determined by reference to the outstanding amount of STDM chips in circulation.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Promissory agreement for acquisition of the Property in Hotel Lisboa

Parties to the agreement:

SJM and STDM

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Consideration
28 August 2025	<ul style="list-style-type: none"> <li data-bbox="395 732 1193 825">• STDM promised to sell and SJM promised to purchase 100/1,617 of the total area of Hotel Lisboa (the "Property in Hotel Lisboa") in Macau free from any charges or liens. <li data-bbox="395 868 1193 961">• SJM intends to utilise the Property in Hotel Lisboa to expand the current operation of Casino Lisboa by an additional 7,504 square meters, which will include former gaming areas and expansion of new facilities. <li data-bbox="395 1004 1193 1098">• The consideration is agreed after arm's length negotiations by the parties based on the estimated market value of the Property in Hotel Lisboa of HK\$529 million as appraised by an independent property valuer. <li data-bbox="395 1140 1193 1234">• The consideration was settled in cash on the execution date of the deed of sale and purchase of the Property in Hotel Lisboa and was funded by the internal resources and/or existing banking facilities of the Group. <li data-bbox="395 1272 1193 1323">• Completion of acquisition of the Property in Hotel Lisboa occurred on 13 November 2025. 	HK\$529 million

Further details of the above transaction were set out in the announcement of the Company dated 28 August 2025.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Rights to use a shop agreement for the operation of New Yaohan Department Store at the Grand Lisboa Palace Resort Macau

Parties to the agreement:

NYH Gestão de Vendas a Retalho Limitada ("NYH") (indirect wholly-owned subsidiary of STDM) and SJM

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Annual caps HK\$ million
21 January 2020	<ul style="list-style-type: none"> • SJM granted the rights to use the shop to NYH for the purpose of operating a department store under the brand name or style of "New Yaohan" or any other name as approved by SJM at a shop located on the second floor of the shopping mall in the Grand Lisboa Palace Resort Macau (the "Shop"). • The rights to use a shop agreement ("NYH Agreement") has a term of 12 years and 6 months (the "Term"), which shall begin on the commencement date, which is 27 July 2021 (the "Commencement Date"). • Neither SJM nor NYH is entitled to terminate the NYH Agreement within the first 6 years (after the initial 6-month fee-free period) of the Term. Within the remaining 6-year period of the Term, unilateral termination will be applied upon fulfillment of certain terms. • The NYH Agreement will be automatically renewed for a period of 18 months upon the expiry of the Term, if neither SJM nor NYH serves a termination notice to the other party 18 months prior to the end of the Term. 	2025: 109.8 2026: 118.3 2027: 130.2 2028: 134.9 2029: 144.7 2030: 157.4 2031: 161.6 2032: 125.4

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Rights to use a shop agreement for the operation of New Yaohan Department Store at the Grand Lisboa Palace Resort Macau (Continued)

Details of the transaction: (Continued)

Date of agreement	Description of the transaction and its purpose	Annual caps HK\$ million
21 January 2020 (Continued)	<ul style="list-style-type: none"> • Starting from the Commencement Date, the monthly base fee for the rights to use of the Shop payable by NYH shall be as set out below: <p style="margin-left: 20px;"><u>Fee-free period</u> Commencing from the Commencement Date, SJM shall give NYH a fee-free period of 6 months.</p> <p style="margin-left: 20px;"><u>Years 1 – 3</u> The base fee for each month will be the turnover fee which will be an amount equivalent to 4% of the monthly sales turnover.</p> <p style="margin-left: 20px;"><u>Years 4 – 6</u> The base fee for each month will be an amount equivalent to 4% of the monthly sales turnover, subject to the minimum base fee of the average turnover fee of years 2 – 3 plus 10% increment.</p> <p style="margin-left: 20px;"><u>Years 7 – 9</u> The base fee for each month will be an amount equivalent to 4.5% of the monthly sales turnover, subject to minimum base fee of the average turnover fee of years 4 – 6 plus 10% increment.</p> <p style="margin-left: 20px;"><u>Years 10 – 12 (or until the end of the Term, if the NYH Agreement is automatically renewed)</u> The base fee for each month will be an amount equivalent to 5% of the monthly sales turnover, subject to minimum base fee of the average turnover fee of years 7 – 9 plus 10% increment.</p> <p style="margin-left: 20px;"><i>Note: Years 1 – 12 above commence after the end of the 6-month fee-free period.</i></p> • A fixed monthly management fee of approximately HK\$2.1 million (equivalent to HK\$12.66 per sq.ft.) per month for the first 3 years of the Term shall be payable by NYH and it shall be increased by an amount equivalent to 7.5% at the end of each 3-year period. • A fixed monthly promotion levy of approximately HK\$333,000 (equivalent to HK\$2.00 per sq.ft.) per month for the first 3 years of the Term shall be payable by NYH and it shall be increased by an amount equivalent to 7.5% at the end of every 3-year period. 	See page 45 of this Annual Report

The aggregate transaction amount under NYH Agreement for the year ended 31 December 2025 was HK\$32.4 million.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with STDM and/or its subsidiaries/associates (Continued)

Rights to use a shop agreement for the operation of New Yaohan Department Store at the Grand Lisboa Palace Resort Macau (Continued)

Details of the transaction: (Continued)

On 5 March 2026, SJM and NYH mutually agreed and entered into a termination agreement ("NYH Termination Agreement"), pursuant to which, among other things, the NYH Agreement will be terminated with effect from 1 January 2027 (the "Termination").

As consideration for the mutual Termination, NYH shall pay to SJM a total amount of HK\$31,895,403.23 which was determined by reference to the fees forgone under the NYH Agreement due to the Termination, payable in the following manner:

- (a) as to HK\$14,299,228.14, by way of offsetting against the security deposit paid by NYH under the NYH Agreement;
- (b) as to HK\$12,000,000.00, by way of vouchers issued by NYH or Panda, Sociedade de Gestão de Investimentos, Limitada (an indirect wholly-owned subsidiary of STDM), redeemable by holders of the vouchers at the Shop or other businesses of NYH or Panda, Sociedade de Gestão de Investimentos, Limitada. Similar vouchers are currently used by the Group as part of its ordinary course of business, as part of the Group's marketing, loyalty initiatives and rewards for its customers. Under the terms of the NYH Termination Agreement, such vouchers shall be delivered to SJM on or before 31 December 2026, upon request of SJM; and
- (c) as to HK\$5,596,175.09, by way of a cash payment to SJM on the execution date of the NYH Termination Agreement.

In connection with the Termination, SJM and NYH have mutually agreed to a fee adjustment for the period from 1 January 2026 to 31 December 2026, pursuant to which:

- (a) the monthly minimum base fee under the NYH Agreement shall be adjusted from a payment of HK\$958,674.05, to a payment of HK\$492,326.13; and
- (b) the monthly turnover fee under the NYH Agreement shall be adjusted from 4% of the sales turnover to 5% of the sales turnover.

Upon Termination, NYH shall, at its own cost, reinstate the Shop to their original condition and return possession of the Shop to SJM within 60 days from 31 December 2026.

During the period from 1 January 2026 to 31 December 2026, NYH may only introduce new fashion brands into the Shop with the prior written authorisation of SJM.

Further details of the above transaction were set out in the announcements of the Company dated 21 January 2020 and 5 March 2026.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with associates of Ms. Ho Chiu Fung, Daisy

Nature and extent of the connected person's interest in the transaction:

Ms. Ho Chiu Fung, Daisy is a Director and her family interest has control of more than 50% in the voting power of Shun Tak Holdings Limited ("STHL") which owns 100% equity interest in Zhuhai Hengqin Shun Tak Property Development Company Limited* (珠海橫琴信德房地產開發有限公司) ("ZHST"), the Vendor.

Connected relationship:

Since Ms. Ho Chiu Fung, Daisy's family interest has control of more than 50% in the voting power of STHL which owns 100% equity interest in ZHST, ZHST is a connected person of the Company.

Agreement for acquisition of Hengqin Property

Parties to the agreement:

Purchasers: SJM – Investment Limited ("SJM Investment"), a subsidiary of the Company and SJM, and/or 澳娛綜合(珠海橫琴)投資有限公司, a wholly-owned subsidiary incorporated by SJM Investment (the "Project Company")

Vendor: ZHST

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Consideration <i>(Note)</i>
28 July 2025	<ul style="list-style-type: none"> SJM Investment and ZHST entered into the acquisition agreement. Pursuant to which, ZHST has conditionally agreed to sell and SJM Investment (and/or through the Project Company) has conditionally agreed to purchase the strata office units on 12 levels from Level 21 to Level 29 and Level 31 to Level 33 of the office tower and a retail unit in Xin De Kou An Shang Wu Zhong Xin* (信德口岸商務中心) (the "Hengqin Property"), Hengqin New District, Zhuhai, China, free from any encumbrance. The consideration was agreed after arm's length negotiations between SJM Investment and ZHST by reference to (i) the estimated market value of the Hengqin Property pursuant to the valuation made by an independent professional valuer, and (ii) the fees charged by ZHST for completion of the conversion works of the Hengqin Property into a 3-star hotel. The consideration is expected to be funded by the Group's internal resources, existing banking facilities, and/or other appropriate financing arrangements. 	RMB724.20 million (equivalent to approximately HK\$803.21 million, exclusive of tax), which will be settled in cash in seven stages by January 2028 or within 10 business days after completion and acceptance of the conversion works and handover of the Hengqin Property by ZHST to SJM Investment and/or the Project Company, whichever is later

* for identification purposes only

Note:

For the purpose of the consideration above, the translation of RMB into HK\$ is based on an approximate exchange rate of RMB1.00 = HK\$1.1091. Such translation should not be construed as a representation that the amount in question has been, or can be converted at this rate or any other rates at all.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with associates of Ms. Ho Chiu Fung, Daisy (Continued)

Agreement for acquisition of Hengqin Property (Continued)

Details of the transaction: (Continued)

Date of agreement	Description of the transaction and its purpose	Consideration
28 July 2025 (Continued)	<ul style="list-style-type: none"> • Completion is expected to take place within 60 days after satisfaction of the below conditions and upon obtaining the real estate legal title certificate(s) with the Project Company being the registered owner of the Hengqin Property: <ul style="list-style-type: none"> (a) completion of the online registration for the Hengqin Property; (b) SJM Investment and/or the Project Company has paid a value-added tax equivalent to 5% of the consideration to ZHST; and (c) the conditions precedent for online registration continue to be satisfied at the time of the completion of the above conditions (a) and (b). • The acquisition and converting the Hengqin Property into a 3-star hotel would allow SJM to expand its market reach by attracting a new segment of budget-conscious travelers and diversify the portfolio of the Group by expanding its reach into the mass market and increasing overall revenue streams. The strategic location in Hengqin, close to Macau and with access to the market in Chinese Mainland, offers significant growth potential. Further, operating a 3-star hotel could lead to lower operating costs and potential cost synergies, while leveraging the Group's established brand to attract guests. 	See page 48 of this Annual Report

Further details of the above transaction were set out in the announcement of the Company dated 28 July 2025.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with associates of Ms. Ho Chiu Fung, Daisy (Continued)

Nature and extent of the connected person's interest in the transaction:

Ms. Ho Chiu Fung, Daisy, a Director, and her family members control the majority voting power of STHL of which Clean Living (Macau) Limited ("Clean Living") is a wholly-owned subsidiary.

Connected relationship:

Since STHL is a majority-controlled company of Ms. Ho Chiu Fung, Daisy and her family members and Clean Living is a wholly-owned subsidiary of STHL, Clean Living is a connected person of the Company.

Agreement for the provision of the Laundry Services

Parties to the agreement:

SJM and Clean Living

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual cap HK\$ million
5 March 2026	1 January 2026 to 31 December 2026 (The parties may renew the agreement by mutual agreement in writing subject to compliance with the requirements of the applicable Listing Rules.) (If either party provides at least two months' prior written notice of termination to the other party in which case the agreement will terminate at the expiry of such notice period.)	<ul style="list-style-type: none"> Clean Living agreed to provide laundry services of linens, uniforms and other laundry items of Grand Lisboa hotel, Casino Oceanus and Jai Alai Hotel to SJM (the "Laundry Services"). The rate charged by Clean Living for each laundry item shall be on normal commercial terms having regard to the price charged by independent third parties who are independent of and not connected with the Company and/or STHL in their ordinary and usual course of business for the provision of the same or comparable type of products or services in the place (or its vicinities) where such products or services are provided (the "Market Price") in accordance with the successful bidding prices submitted by Clean Living under the open tender. The laundry services are necessary for the Group's ongoing business, ensuring uninterrupted normal operation of the Group's hotel operations. 	2026: 20.3

Further details of the above transaction were set out in the announcement of the Company dated 5 March 2026.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates

Nature and extent of the connected person's interest in the transaction:

Deputada Leong On Kei, Angela and/or her associates (as defined in the Listing Rules) lease certain premises to members of the Group at rental fixed between the parties.

Connected relationship:

Deputada Leong On Kei, Angela, a Director, and/or her associates which lease certain premises to the members of the Group are connected persons of the Company under the Listing Rules.

Premises leasing master agreement

Parties to the agreement:

The Company and Deputada Leong On Kei, Angela

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual cap and aggregate transaction amount in 2025
3 March 2023	1 January 2023 to 31 December 2025 (the "Relevant Period")	<ul style="list-style-type: none"> • Deputada Leong On Kei, Angela agrees to lease and procure her associates to lease certain premises to members of the Group subject to the terms and conditions of the premises leasing master agreement and the relevant lease implementation agreements. • The relevant rental of each premises shall not be higher than the rental for the same or comparable type of premises provided by independent third parties in the ordinary course of business. The terms and conditions on which such premises are to be provided should be no less favourable to the Group than those offered by independent third parties. • The costs of maintenance and repair of the premises shall be borne, as set out in the lease implementation agreements, by the relevant member of the Group as tenant/lessee in the case of regular maintenance and repair of usage deterioration and by Deputada Leong On Kei, Angela and/or her relevant associate as landlord/lessor in the case of structural repair required to maintain the integrity of the premises. 	See "Annual cap and aggregate transaction amount table" on page 52 of this Annual Report

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

Premises leasing master agreement (Continued)

Details of the transaction: (Continued)

The lease agreement for Jai Alai building was separated from the above premises leasing master agreement on 1 April 2024. For details, please refer to the section headed "Lease agreement for Jai Alai building" below.

Further details of the said transaction were set out in the announcements of the Company dated 3 March 2023, 12 October 2023 and 31 May 2024.

Annual cap and aggregate transaction amount table:

	Aggregate transaction amount for the year ended 31 December 2025 HK\$ million (audited)	Annual cap for the year ended 31 December 2025 HK\$ million
Annual rentals and related payments <i>(Note)</i>	0.2	3.0

Note:

In March 2023, the Company and Deputada Leong On Kei, Angela renewed the premises leasing master agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years ended 31 December 2023, 2024 and 2025 at HK\$37.4 million, HK\$3.0 million and HK\$3.0 million respectively. These annual caps were determined by reference to (i) the existing leases entered between the Group and Deputada Leong On Kei, Angela and/or her associates under the premises leasing master agreement dated 23 December 2019; (ii) the expected renewals of certain existing leases under the premises leasing master agreement dated 23 December 2019 during the year ended 31 December 2023; (iii) the estimated rental adjustments to be made to the renewed leases; (iv) the application of Hong Kong Financial Reporting Standard 16 "Leases" for renewed leases; (v) the estimated premises related fees and charges payable to Deputada Leong On Kei, Angela and/or her associates; and (vi) a buffer of HK\$3.0 million for any unanticipated fluctuations in market rental (including property management fee, if applicable) and any unexpected fees and charges incidental to the transactions contemplated under the premises leasing master agreement as well as any additional leases to be entered into pursuant to the premises leasing master agreement during the Relevant Period.

In October 2023, the Board revised the annual cap for the continuing connected transactions under the premises leasing master agreement for the financial year ended 31 December 2024 to HK\$10.2 million due to the extension of the term of lease agreement in respect of the Jai Alai building for three months to 31 March 2024.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

Nature and extent of the connected person's interest in the transaction:

Deputada Leong On Kei, Angela owned the majority shareholding in Macau Jai Alai Company Limited ("Macau Jai Alai").

Connected relationship:

Macau Jai Alai is a majority-controlled company held by Deputada Leong On Kei, Angela and is a connected person of the Company under the Listing Rules by virtue of it being her associate.

Lease agreement for Jai Alai building

Parties to the agreement:

SJM and Macau Jai Alai

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Monthly rent HK\$ million
31 May 2024	1 April 2024 to 31 March 2027 (SJM has the sole discretion to renew the agreement for a term of not more than three years by giving six months written notice prior to expiry.)	<ul style="list-style-type: none"> Macau Jai Alai leases to SJM specific portion of the building located in Macau, at Zona de Aterros do Porto Exterior (ZAPE) N° S/N, Jai Alai (including the building and other ancillaries erected thereon), which is commonly known as "Jai Alai building", comprising the hotel and gaming portion together with ancillary space therein in its existing condition (the "Jai Alai Premises") for the use of operations of gaming, hotel rooms, restaurants and other facilities. Leasing of the Jai Alai Premises would allow the Group to continue the operation of Casino Oceanus at Jai Alai and provide hotel rooms to patrons at a low cost. The monthly rent payable was determined after arm's length negotiation between the parties by reference to the market rent per annum in respect of the Jai Alai Premises less amortisation, appraised by an independent property valuer. 	1 April 2024 to 31 March 2025: 3.5 1 April 2025 to 31 March 2026: 4.0 1 April 2026 to 31 March 2027: 4.5

Further details of the above transaction were set out in the announcement of the Company dated 31 May 2024.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

Nature and extent of the connected person's interest in the transaction:

Deputada Leong On Kei, Angela indirectly wholly owned L'Arc Entertainment Group Company Limited ("L'Arc Entertainment") which is one of the Group's service providers for its casino operations in Macau. L'Arc Entertainment provides support services in relation to marketing, promotion, customer development and introduction, etc. to SJM as well as to authorise SJM to occupy and use the designated area of the L'Arc Hotel for the operation of a casino in return of a monthly fee pursuant to a prescribed formula agreed between the parties.

Connected relationship:

L'Arc Entertainment is indirectly wholly owned by Deputada Leong On Kei, Angela and is a connected person of the Company under the Listing Rules by virtue of it being her associate.

L'Arc Services Agreement

Parties to the agreement:

SJM and L'Arc Entertainment

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual cap and aggregate transaction amount in 2025
30 December 2022	1 January 2023 to 31 December 2025	<ul style="list-style-type: none"> L'Arc Entertainment agreed to provide support services to SJM in relation to marketing, promotion, customer development and introduction, etc. (the "Services"), as well as to authorise SJM to occupy and use the designated area of the L'Arc Hotel for the operation of a casino (i.e. Casino L'Arc Macau), including mass market, VIP room and slot machines. L'Arc Entertainment is entitled to a monthly fee pursuant to a prescribed formula set forth in the L'Arc Services Agreement, which is determined based on a fixed percentage of the gross gaming revenue of the relevant gaming sectors in the casino and after deducting all relevant costs and expenses for provision of the Services. 	See "Annual cap and aggregate transaction amount table" on page 56 of this Annual Report

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

L'Arc Services Agreement (Continued)

Details of the transaction: (Continued)

Casino L'Arc Macau was originally operated by SJM under the L'Arc Services Agreement. As a result of the acquisition of the entire issued share capital in Arc of Triumph Development Company Limited (the owner of L'Arc Hotel in which Casino L'Arc Macau is located) by SJM and its subsidiary from two associates of Deputada Leong On Kei, Angela pursuant to an agreement dated 20 November 2025 (the "Acquisition"), a termination agreement was entered into between SJM and L'Arc Entertainment on the same date, pursuant to which (i) Services under the L'Arc Services Agreement regarding the operation of Casino L'Arc Macau as a satellite casino would cease from the date of completion of the Acquisition; and (ii) the L'Arc Services Agreement would be terminated in its entirety at the earlier of (a) date of receiving the requisite approval to operate casino games of fortune at Casino L'Arc Macau as a self-owned, self-managed and self-operated casino by SJM from the Gaming Inspection and Coordination Bureau of Macau (Direcção de Inspeção e Coordenação de Jogos) ("DICJ Approval"); or (b) 31 December 2025.

The completion of the Acquisition took place on 17 December 2025, therefore the Services ceased on 17 December 2025. SJM received the DICJ Approval on 26 December 2025, pursuant to which SJM was allowed to operate casino games of fortune at Casino L'Arc Macau as a directly managed and operated casino from 2:00 a.m. on 30 December 2025, and accordingly, the L'Arc Services Agreement was terminated in its entirety on that date. For details of the Acquisition, please refer to the sections headed "Agreement for acquisition of the entire issued share capital in Arc of Triumph Development Company Limited" and "Loan Agreement" below.

Further details of the above transaction were set out in the announcements of the Company dated 28 February 2023, 12 October 2023, 31 May 2024, 20 November 2025, 15 December 2025 and 26 December 2025, and the circular of the Company dated 28 November 2025.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

L'Arc Services Agreement (Continued)

Annual cap and aggregate transaction amount table:

	Aggregate transaction amount for the year ended 31 December 2025 HK\$ million (audited)	Annual cap for the year ended 31 December 2025 HK\$ million
Service fees payable to L'Arc Entertainment (Note)	669.0	960.0

Note:

In February 2023, SJM and L'Arc Entertainment renewed the L'Arc Services Agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years ended 31 December 2023, 2024 and 2025 at HK\$253.1 million, HK\$351.7 million and HK\$450.1 million respectively. These annual caps were determined by reference to a number of factors including but not limited to (i) the historical gross gaming revenue of the mass market in the Casino L'Arc Macau in 2019, which was before the outbreak of COVID-19 pandemic; (ii) the expected recovery of visitor arrivals and gaming revenue in Macau in the coming few years; (iii) the number of gaming tables in the Casino L'Arc Macau in the past and during the three years ending 31 December 2025; (iv) the percentage of gross gaming revenue of the mass market of the Casino L'Arc Macau as stipulated in the L'Arc Services Agreement; (v) the actual costs and expenses for provision of the Services for January 2023; and (vi) a buffer of 15% for inflation and unanticipated growth in the gross gaming revenue of the Casino L'Arc Macau.

In October 2023, the Board revised the annual cap for the continuing connected transactions under the L'Arc Services Agreement for the financial year ended 31 December 2023 to HK\$510.0 million. This annual cap was determined by reference to the following factors: (i) actual gross gaming revenue of the Casino L'Arc Macau; (ii) expected growth in gross gaming revenue and visitor arrivals in Macau in the remaining period of 2023, in particular the expected growth in National Day holiday and Christmas holiday; and (iii) the actual costs and expenses for provision of the Services for 2023.

In May 2024, the Board further revised the annual caps for the continuing connected transactions under the L'Arc Services Agreement for the financial years ended 31 December 2024 and 2025 to HK\$908.3 million and HK\$960.0 million respectively in view of the strong growth in Services fees since the beginning of 2023. These annual caps were determined by reference to the following factors: (i) actual gross gaming revenue of Casino L'Arc Macau; (ii) expected growth in gross gaming revenue and visitor arrivals in Macau in the remaining period of 2024 and in 2025, in particular the expected growth in the holiday seasons; (iii) the actual costs and expenses for provision of the Services for the first quarter of 2024; and (iv) up to 10% buffer to provide flexibility for unforeseeable changes in business needs.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

Nature and extent of the connected person's interest in the transaction:

Deputada Leong On Kei, Angela indirectly wholly owned each of Goldarch Holdings Limited and Solar King Investments Limited (the "Vendors").

Connected relationship:

Each of the Vendors is indirectly wholly-owned by Deputada Leong On Kei, Angela and is a connected person of the Company under the Listing Rules by virtue of it being her associates.

Agreement for acquisition of the entire issued share capital in Arc of Triumph Development Company Limited

Parties to the agreement:

Purchasers: SJM Investment and SJM

Vendors: Goldarch Holdings Limited and Solar King Investments Limited

Guarantor: Deputada Leong On Kei, Angela

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Consideration
20 November 2025	<ul style="list-style-type: none"> <li data-bbox="399 1138 1212 1244">• The Vendors agreed to sell, and the Purchasers agreed to acquire, the entire issued share capital of Arc of Triumph Development Company Limited (the "Target Company"). <li data-bbox="399 1276 1212 1351">• Completion of acquisition of the Target Company ("Completion") occurred on 17 December 2025. <li data-bbox="399 1383 1212 1459">• The purchase price for the Target Company was determined on a debt-free basis. 	HK\$1,750,000,000

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

Agreement for acquisition of the entire issued share capital in Arc of Triumph Development Company Limited (Continued)

Details of the transaction: (Continued)

Date of agreement	Description of the transaction and its purpose	Consideration
20 November 2025 (Continued)	<ul style="list-style-type: none"> <li data-bbox="408 646 1209 768">• Taking into account the net liabilities position of the Target Company together with its two wholly-owned subsidiaries (the "Target Group") and the loss-making performance of the Target Group for the latest financial year, after arm's length negotiations between the parties: <ul style="list-style-type: none"> <li data-bbox="448 804 1209 925">(i) the purchase price of all the issued shares of the Target Company shall be their nominal value, being MOP180,000 (or approximately HK\$174,757) ("Share Purchase Price") (Note) which will be settled in full in cash; and <li data-bbox="448 961 1209 1229">(ii) the Purchasers shall upon Completion procure the repayment of the aggregated amount outstanding as at the date of the Acquisition Agreement owing by the Target Company to Industrial and Commercial Bank of China (Macau) Limited ("ICBC") pursuant to a facility agreement between ICBC and the Target Company dated 22 November 2021 (as subsequently amended and/or supplemented) (the "ICBC Loan") up to an amount of HK\$1,749,825,243 which is equal to HK\$1,750,000,000 (being the valuation of the L'Arc Hotel property) less the Share Purchase Price. <p data-bbox="448 1266 1209 1417">Hence the total amount payable by the Purchasers at Completion shall be HK\$1,750,000,000 which is equal to the property valuation of the L'Arc Hotel, where Casino L'Arc Macau is located, prepared by the independent professional valuer as at 30 September 2025, and will be funded by the credit facility of SJM (the "Acquisition Facility").</p> <li data-bbox="408 1453 1209 1508">• Deputada Leong On Kei, Angela and the Vendors further agreed to procure the repayment, simultaneously with Completion, of: <ul style="list-style-type: none"> <li data-bbox="448 1544 1209 1696">(i) the balance of the ICBC Loan, being the sum of HK\$177,525,000 and HK\$174,757, which will be financed by the secured loan to be made by SJM to Deputada Leong On Kei, Angela (the "Loan") in accordance to the terms of the Loan Agreement and the Share Purchase Price, respectively; and <li data-bbox="448 1732 1209 1783">(ii) all interest accrued to the date of Completion and related repayment expenses in relation to the ICBC Loan. 	See page 57 of this Annual Report

Note:

For the purpose of the Share Purchase Price above, the translation of MOP into HK\$ is based on an approximate exchange rate of MOP1.03 = HK\$1.00. Such translation should not be construed as a representation that the amount in question has been, or can be converted at this rate or any other rates at all.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreements with Deputada Leong On Kei, Angela and/or her associates (Continued)

Nature and extent of the connected person's interest in the transaction:

Deputada Leong On Kei, Angela borrowed a loan from SJM according to the terms of the Loan Agreement.

Connected relationship:

Deputada Leong On Kei, Angela is a Director and hence a connected person of the Company.

Loan Agreement

Parties to the agreement:

SJM and Deputada Leong On Kei, Angela

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Loan
16 December 2025	<ul style="list-style-type: none"> • SJM agreed to advance the Loan in the principal amount of HK\$177,525,000 (being the balance of the ICBC Loan less the Share Purchase Price) to Deputada Leong On Kei, Angela with a term of three years to finance her portion of the repayment of the ICBC Loan to ICBC. • The interest rate for the Loan shall mirror the same interest rate determined under the Acquisition Facility. Accrued interest on the Loan shall be paid on the date on which the Loan becomes due and payable. • Deputada Leong On Kei, Angela shall repay the Loan on the date of the third anniversary of Completion date (i.e. 17 December 2028). • Deputada Leong On Kei, Angela charged 156,232,258 Shares beneficially owned by her in favour of SJM as security for the Loan, based on the loan-to-value ratio of 50% pursuant to the Charge Over Shares dated 16 December 2025 signed by Deputada Leong On Kei, Angela as chargor and SJM as chargee. • The advancement of the Loan is expected to be funded by the Acquisition Facility. 	HK\$177,525,000

Further details of the Acquisition Agreement and the Loan Agreement were set out in the announcements of the Company dated 20 November 2025, 15 December 2025 and 26 December 2025, and the circular of the Company dated 28 November 2025.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Agreement with an associate of Mr. Yeung Hoi Sing, Sonny

Nature and extent of the connected person's interest in the transaction:

Mr. Yeung Hoi Sing, Sonny is a director of certain subsidiaries of the Company which have ceased to be insignificant subsidiaries of the Company under Rule 14A.09(1) of the Listing Rules based on the annual results of the Company for the year ended 31 December 2024 published on 4 March 2025, and a private discretionary trust set up by Mr. Yeung Hoi Sing, Sonny's family member has indirect control of over 50% in Tin Hou Limited ("Tin Hou").

Connected relationship:

As Tin Hou is indirectly controlled over 50% by the private discretionary trust set up by a family member of Mr. Yeung Hoi Sing, Sonny, Tin Hou has become a connected person of the Company at the subsidiary level under the Listing Rules.

Tin Hou Services agreement for the provision of services in the gaming area of Grand Emperor Hotel

Parties to the agreement:

SJM and Tin Hou

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual cap
30 December 2022	1 January 2023 to 31 December 2025	<ul style="list-style-type: none"> Tin Hou undertook to provide the selling, promotion, publicity, customer development and introduction, coordination of activities as well as other mutually agreed services (the "Tin Hou Services") and use of space to SJM in relation to the casino to be operated under SJM in the gaming area in Grand Emperor Hotel (i.e. Casino Emperor Palace). Tin Hou is entitled to a monthly fee after arm's length negotiation between SJM and Tin Hou pursuant to prescribed formulae set forth in the Tin Hou Services agreement, which is determined based on fixed percentages of the gross gaming revenue of the relevant gaming sectors in the gaming area in Grand Emperor Hotel and after deducting all relevant costs and expenses for provision of the Tin Hou Services. Business arrangements between SJM and Tin Hou and the transactions contemplated under the Tin Hou Services agreement had been ongoing for some time, which are in the ordinary and usual course of business of the Group, and became continuing connected transactions on 4 March 2025. 	Not applicable

The aggregate transaction amount under the Tin Hou Services agreement for the year ended 31 December 2025 was HK\$200.5 million.

On 27 October 2025, SJM and Tin Hou mutually agreed and entered into a termination agreement, pursuant to which the Tin Hou Services agreement was early terminated with effect from 31 October 2025 where Tin Hou ceased to provide the Tin Hou Services to SJM and the Casino Emperor Palace ceased operations.

Further details of the above transaction were set out in the announcements of the Company dated 4 March 2025 and 27 October 2025.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

Review by Auditor

Under Chapter 14A of the Listing Rules, the above transactions constitute continuing connected transactions and connected transactions of the Group and require disclosure in the annual report of the Company.

The Company's auditor, Deloitte Touche Tohmatsu (the "Auditor"), was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 (Revised), Auditor's Letter on Continuing Connected Transactions under the Listing Rules issued by Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 39 to 60 of this Annual Report in accordance with Rule 14A.56 of the Listing Rules.

The Auditor has confirmed that for the year 2025:

- (i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual value disclosed in the previous announcements dated 21 January 2020, 28 February 2023, 2 March 2023, 3 March 2023, 24 August 2023, 12 October 2023, 17 November 2023 and 31 May 2024 made by the Company in respect of each of the disclosed continuing connected transactions.

The Independent Non-executive Directors have reviewed these transactions and the report of the Auditor and confirmed that the continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of business of the Company;
- (b) on normal commercial terms or better; and
- (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

At a meeting of the Audit Committee held on 27 February 2026, all the Independent Non-executive Directors reviewed and confirmed compliance with an agreement between SJM and STDM dated 18 June 2008 regarding the honouring and borrowing of STDM chips for the purpose of SJM's casino gaming operations. During the year ended 31 December 2025, the net amount received and receivable on reimbursement of STDM chips in circulation amounted to HK\$0.2 million.

DIRECTORS' REPORT

WAIVERS FROM STRICT COMPLIANCE WITH CONNECTED TRANSACTION REQUIREMENTS UNDER THE LISTING RULES

During the year, the Company has applied for waivers from strict compliance with Rules 14A.26 and 14A.27 of the Listing Rules in respect of the following connected transactions of the Company:

Guarantee on Syndicated Loan Facilities

SJM entered into a facility agreement in June 2022 with a banking syndicate led by Industrial and Commercial Bank of China (Macau), Limited for syndicated loan facilities of up to HK\$19 billion. In November 2025, a supplemental agreement was entered into to increase the total facility commitment to HK\$22.425 billion. The Company has continuously provided a guarantee for these facilities (the "Guarantee").

Intra-group on-lending of proceeds from issuance of 2031 US\$ Senior Notes to SJM

SJM International issued 2031 US\$ Senior Notes in an aggregate amount of US\$540 million in January 2026 (the "Senior Notes Issuance"). The payment obligations of SJM International under the 2031 US\$ Senior Notes are irrevocably and unconditionally guaranteed by the Company. The net proceeds of the Senior Notes Issuance are applied primarily towards refinancing the Group's existing indebtedness and general corporate purposes. SJM International proposed to on-lend the relevant net proceeds in one or more tranches to SJM (the "On-lending of Proceeds"), which is unsecured, interest-free, with no fixed repayment schedule and be repayable on demand by SJM International.

Since 15% of the issued share capital of SJM (i.e. the Type B shares) is held by Ms. Ho Chiu Fung, Daisy, who is a Director and hence a connected person of the Company, albeit the shareholding is only as a result of the relevant requirements under the Macau Gaming Law, and Ms. Ho Chiu Fung, Daisy has no economic interest in it, SJM technically falls within the meaning of a "commonly held entity" of the Company as defined under Rule 14A.27 of the Listing Rules. Accordingly, the provision of the Guarantee and the On-lending of Proceeds constitute connected transactions for the Company under Rules 14A.26 and 14A.27 of the Listing Rules. Given that Ms. Ho Chiu Fung, Daisy (as Type B shareholder) will not provide guarantee or money lending in proportion to her equity interest held in SJM, the exemption under Rule 14A.89 would not strictly be applicable.

In this connection, the Stock Exchange has granted to the Company waivers from strict compliance with Rules 14A.26 and 14A.27 of the Listing Rules in respect of the Guarantee and the On-lending of Proceeds.

DIRECTORS' REPORT

CONTRACTS OF SIGNIFICANCE WITH THE CONTROLLING SHAREHOLDER AND/OR ITS SUBSIDIARIES

Saved as disclosed in the above sections headed "Convertible Bond Issued Under Specific Mandate" and "Connected Transactions", the Group subsisted during the year and at the end of the year the following contract of significance with STDM, the controlling Shareholder, and/or its subsidiaries:

Loan agreement

Parties to the agreement:

STDM and the Company

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Loan
3 August 2022	<ul style="list-style-type: none"> • STDM (the lender) agreed to extend to the Company (the borrower) an unsecured term loan in the amount of HK\$2 billion (the "STDM Loan") for a fixed period of six years from the date of drawdown. • The interest rate of the STDM Loan is 4% per annum payable semi-annually or such other rate (to take into account any prevailing market conditions and other applicable factors) as agreed between the Company and STDM. • STDM provides the STDM Loan to enable the Company to invest in SJM as part of the increase in share capital which SJM is required to have to pre-qualify for the tender process by which the Macau Government may grant SJM a 10-year gaming concession commencing on 1 January 2023. 	HK\$2 billion

As the loan mentioned above is conducted on normal commercial terms or better to the Company and is not secured by the assets of the Company and its subsidiaries, the said loan is fully exempted from Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

Further details of the above transaction were set out in the announcement of the Company dated 3 August 2022.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the usual course of business are set out in note 44 to the Financial Statements prepared in accordance with HKFRS Accounting Standards. The related party transactions referred in notes 44(b) to 44(g) and 44(k) to 44(o) constitute continuing connected transactions/connected transactions as defined under Chapter 14A of the Listing Rules, and all such related party transactions comply with the requirements under Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Group recognises revenue from customers by conducting the following principal businesses:

- gaming operations
- hotel, catering, retail and leasing operations

During the year ended 31 December 2025, the following Directors had interests in the following businesses (apart from the businesses of the Group) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Group conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Name of Directors	Name of Company/Partnership/ Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Ho Chiu Fung, Daisy	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Appointed representative of Lanceford Company Limited, a corporate director of STDMM 	Hospitality, catering, retail and leasing business in Macau
	Shun Tak Holdings Limited	<ul style="list-style-type: none"> • Executive director and deputy managing director 	Hospitality, catering, retail and leasing business in Macau
Leong On Kei, Angela	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Director 	Hospitality, catering, retail and leasing business in Macau
	Arc of Triumph Development Company Limited <i>(Note 1)</i>	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality and catering business in Macau
	L'Arc Entertainment Group Company Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Provision of gaming services <i>(Note 2)</i>
	Macau Hotel Company Limited (Trade name "Regency Art Hotel")	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality and catering business in Macau
	Macau Jai Alai Company Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Leasing business in Macau
	Macau Theme Park and Resort Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality, catering, retail and leasing business in Macau
	New Mario Bakery Limited	<ul style="list-style-type: none"> • Director 	Catering business in Macau
	Sociedade Hoteleira e de Turismo S.Tiago, Limitada	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality and catering business in Macau

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN COMPETING BUSINESS (Continued)

Name of Directors	Name of Company/Partnership/ Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Chan Un Chan	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> Director Substantial shareholder 	Hospitality, catering, retail and leasing business in Macau
	Macau Legend Development Limited	<ul style="list-style-type: none"> Substantial shareholder 	Provision of gaming services (Note 3) and hospitality, catering, retail and leasing business in Macau
Shum Hong Kuen, David	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> Director 	Hospitality, catering, retail and leasing business in Macau
	Shun Tak Holdings Limited	<ul style="list-style-type: none"> Executive director 	Hospitality, catering, retail and leasing business in Macau
Tsang On Yip, Patrick	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> Appointed representative of Many Town Company Limited, a corporate director of STD M 	Hospitality, catering, retail and leasing business in Macau
	Chow Tai Fook Enterprises Limited	<ul style="list-style-type: none"> Director and chief executive officer 	Hospitality and catering business in Macau

Notes:

- Arc of Triumph Development Company Limited has become a subsidiary of the Company with effect from 17 December 2025. Further details are shown in the section headed "Agreement for acquisition of the entire issued share capital in Arc of Triumph Development Company Limited" above.*
- The Services ceased on 17 December 2025 and the L'Arc Services Agreement was terminated in its entirety on 30 December 2025. Further details are shown in the section headed "L'Arc Services Agreement" above.*
- The service agreement for provision of services by a subsidiary of Macau Legend Development Limited to SJM for Casino Legend Palace was terminated with effect from 13 November 2025.*

Save as disclosed above, none of the Directors is interested in any businesses apart from the businesses of the Company or its subsidiaries, which competes or is likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries during the year which is required to be disclosed pursuant to the Listing Rules.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, interests and short positions of each Director and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules (the "Model Code"), are as follows:

Interests in Shares, underlying Shares and debentures of the Company

SJM Holdings Limited

Name of Directors	Capacity	Long/short position	Number of Shares held	Number of underlying Shares held	Approximate percentage of issued Shares <i>(Note 3)</i>
Ho Chiu Fung, Daisy	Beneficial owner	Long position	35,488,120	—	0.50%
	Beneficial owner	Long position	—	1,605,000	0.02%
				<i>(Note 1)</i>	
			35,488,120	1,605,000	0.52%
Fok Tsun Ting, Timothy	Beneficial owner	Long position	3,750,000	—	0.05%
Leong On Kei, Angela	Beneficial owner	Long position	574,269,099	—	8.09%
			<i>(Note 2)</i>		
Chan Un Chan	Beneficial owner	Long position	2,542,500	—	0.04%
	Beneficial owner	Long position	—	3,210,000	0.04%
				<i>(Note 1)</i>	
			2,542,500	3,210,000	0.08%
Shum Hong Kuen, David	Beneficial owner	Long position	7,500,000	—	0.11%

Notes:

- These represent the interests in underlying Shares in respect of Options granted by the Company, the details of which are stated in the section "Share Option Scheme" above.
- Pursuant to the Charge Over Shares dated 16 December 2025 signed by Deputada Leong On Kei, Angela as chargor and SJM as chargee, Deputada Leong On Kei, Angela has charged 156,232,258 Shares beneficially owned by her in favour of SJM as security for a loan in the principal amount of HK\$177,525,000, based on the loan-to-value ratio of 50%. Further details are shown in the section headed "Loan Agreement" above.
- The percentage has been calculated based on 7,101,805,366 Shares in issue as at 31 December 2025.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Interests in shares, underlying shares and debentures of associated corporations

Sociedade de Turismo e Diversões de Macau, S.A. / Macau Tourism and Amusement Company Limited

Name of Directors	Capacity	Long/short position	Number of shares held			Approximate percentage of issued share capital
			Ordinary	Privileged	Total	
Leong On Kei, Angela	Beneficial owner	Long position	637	5,215	5,852	6.86%
Chan Un Chan	Beneficial owner	Long position	5,204	8,271	13,475	15.806%
Shum Hong Kuen, David	Beneficial owner	Long position	1,004	—	1,004	1.18%

SJM Resorts, S.A. / SJM Resorts, Limited

Name of Director	Capacity	Long/short position	Number of shares held		Approximate percentage of issued share capital
			(Type B Shares)		
Ho Chiu Fung, Daisy	Beneficial owner	Long position	7,500,000		15.00%

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Interests in shares, underlying shares and debentures of associated corporations (Continued)

Champion Path Holdings Limited

Name of Directors	Debentures	Capacity	Amount of debentures held	Approximate percentage to the total amount of debentures in issue
Ho Chiu Fung, Daisy	2026 US\$ Senior Notes <i>(Note 1)</i>	Beneficial owner	US\$5,000,000	1.0%
	2028 US\$ Senior Notes <i>(Note 2)</i>	Beneficial owner	US\$5,000,000	1.0%
Leong On Kei, Angela	2026 US\$ Senior Notes <i>(Note 1)</i>	Beneficial owner	US\$10,000,000	2.0%
	2028 US\$ Senior Notes <i>(Note 2)</i>	Beneficial owner	US\$5,000,000	1.0%
		Founder of a discretionary trust <i>(Note 3)</i>	US\$21,000,000	4.2%
			US\$26,000,000	5.2%
Chan Un Chan	2028 US\$ Senior Notes <i>(Note 2)</i>	Beneficial owner	US\$12,500,000	2.5%

Notes:

- These debentures (US\$500,000,000 4.50% Senior Notes due 2026) issued by Champion Path ("2026 US\$ Senior Notes") are listed on the Stock Exchange and are freely transferable but not convertible into shares of Champion Path or any other corporation. The minimum denomination of the 2026 US\$ Senior Notes is US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof. The 2026 US\$ Senior Notes are senior unsecured obligations in registered form. The 2026 US\$ Senior Notes matured on 27 January 2026.
- These debentures (US\$500,000,000 4.85% Senior Notes due 2028) issued by Champion Path ("2028 US\$ Senior Notes") are listed on the Stock Exchange and are freely transferable but not convertible into shares of Champion Path or any other corporation. The minimum denomination of the 2028 US\$ Senior Notes is US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof. The 2028 US\$ Senior Notes are senior unsecured obligations in registered form.
- These 2028 US\$ Senior Notes are beneficially owned by Dr. Stanley Ho Foundation, a founder of which is Deputada Leong On Kei, Angela.

DIRECTORS' REPORT

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, so far as was known to any Director, as of 31 December 2025, none of the Directors or the chief executives of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange, or any interest which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

PERMITTED INDEMNITY PROVISION

The articles of association of the Company contain a permitted indemnity provision which is in force for the benefit of all Directors and directors of associated companies (as defined in the Companies Ordinance (Cap. 622)) of the Company.

DIRECTORS' REPORT

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, details of interests and short positions of substantial Shareholders and other persons (who are required to disclose their interests pursuant to Part XV of the SFO) in the Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO are as follows:

Name of substantial Shareholders	Capacity	Long/short position	Number of Shares held	Number of underlying Shares held	Approximate percentage of issued Shares
Sociedade de Turismo e Diversões de Macau, S.A.	Beneficial owner, its controlled corporation (Note 1) and person having a security interest in shares (Note 3)	Long position	4,048,843,113	504,232,804 (Note 2)	64.11%
Leong On Kei, Angela	Beneficial owner	Long position	574,269,099 (Note 3)	—	8.09%

Notes:

- 68,841,250 Shares are directly held by Konrad Investments Limited, an indirect wholly-owned subsidiary of STDM through Bounty Rich Holdings Limited.
- These represent the interests in underlying Shares in respect of Convertible Bond in the principal amount of HK\$1,906 million at 2% coupon rate with five-year maturity issued by Champion Power, a wholly-owned subsidiary of the Company. The details of which are stated in the section "Convertible Bond issued under Specific Mandate" above.
- These represent SJM's (an indirect subsidiary of STDM through the Company) direct security interest in 156,232,258 Shares beneficially held by Deputada Leong On Kei, Angela and charged by Deputada Leong On Kei, Angela in favour of SJM as security for a loan in the principal amount of HK\$177,525,000 based on the loan-to-value ratio of 50% under Charge Over Shares dated 16 December 2025 signed by Deputada Leong On Kei, Angela as chargor and SJM as chargee. Further details are shown in the section headed "Loan Agreement" above.
- The percentage has been calculated based on 7,101,805,366 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons (other than a Director or the chief executives of the Company) of any interest or short position in Shares and underlying Shares which were required to be recorded in the register kept under Section 336 of the SFO.

DIRECTORS' REPORT

NON-COMPETITION UNDERTAKINGS BY STDM

Pursuant to the deed of Non-Competition Undertaking dated 18 June 2008, STDM has undertaken with the Company that (i) for the period in which the Shares are listed on the Stock Exchange and STDM remains the controlling Shareholder, STDM will not compete with the operation of casino gaming businesses of SJM in Macau and (ii) it will not increase its interest in Melco International Development Limited. Furthermore, STDM has also undertaken with SJM that if it becomes aware of any venue in Macau that is suitable for casino or slot machine operations, it will notify the Company of such opportunity.

At a meeting of the Audit Committee held on 27 February 2026, all the Independent Non-executive Directors reviewed the confirmation from STDM in respect of the Non-Competition Undertaking, and confirmed compliance with the Non-Competition Undertaking provided by STDM.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

As at 31 December 2025, the aggregate principal amount of US\$500 million of 2026 US\$ Senior Notes remained outstanding. On 5 January 2026, Champion Path offered to purchase (the "Offer") for cash any and all outstanding 2026 US\$ Senior Notes validly tendered at a purchase price of US\$1,000 per US\$1,000 principal amount of the 2026 US\$ Senior Notes pursuant to the terms and conditions set out in the Offer to Purchase. On 19 January 2026, Champion Path accepted and repurchased US\$170,115,000 in aggregate principal amount of the 2026 US\$ Senior Notes validly tendered pursuant to the Offer and the repurchased 2026 US\$ Senior Notes were subsequently cancelled. Further details of the Offer were set out in the announcements of the Company dated 5, 13 and 19 January 2026. The remaining outstanding US\$329,885,000 in aggregate principal amount of 2026 US\$ Senior Notes matured on 27 January 2026.

During the year from 1 January 2025 to 31 December 2025, Champion Path repurchased in the open market a principal amount of US\$8 million of 2028 US\$ Senior Notes, representing approximately 1.6% of the outstanding principal amount of US\$490 million of the 2028 US\$ Senior Notes as at 1 January 2025. The repurchased 2028 US\$ Senior Notes were subsequently cancelled on 28 January 2025. The 2028 US\$ Senior Notes are listed on the Main Board of the Stock Exchange. As at 31 December 2025, US\$482 million in aggregate principal amount of 2028 US\$ Senior Notes remained outstanding.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the "Corporate Governance Report" on pages 75 to 112 of this Annual Report.

MANAGEMENT CONTRACTS

No contract for the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

Major Suppliers

The aggregate purchases attributable to the Group's five largest suppliers combined were less than 30% of the Group's total purchases for the year.

Major Customers

During the year, the Group's turnover or sales attributable to the five largest customers was below 30%.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS OF THE GROUP

The Group's success is dependent on its relationships with employees and customers, and to a lesser extent with principal suppliers. The Group strives to maintain harmonious and ethical relationships with each category, as reflected in the Company's Code of Conduct.

During the Reporting Period, there was no significant change in or adverse impact on key relationships with employees, customers and suppliers of the Group.

DIRECTORS' REPORT

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company believes that sound environmental policies and performance are critically important to the sustainable development of our business and to our community.

The Board is responsible for our environmental policy, as part of the Group's overall strategy and reporting of Environmental, Social and Governance ("ESG") activities. The Group is committed to minimising any adverse impact that its operations may have on the environment. The Group has implemented environment-friendly measures such as installation of LED lighting and adoption of electronic processes to reduce the use of paper. We prioritise the use of recycled materials, from both internal and external sources, to produce corporate stationery for internal use and documents published for external consumption, as well as items from non-paper sources, where feasible. The Group also replaces the use of diesel shuttle buses with those fueled by natural gas and electricity.

For the hotel portions of the Grand Lisboa Palace Resort Macau, we achieved U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) Silver Certification. Hotel room control units at Grand Lisboa Palace Resort Macau will be enabled for automatic control of lighting, room air conditioning and window curtains for energy saving.

We have deployed various energy-saving and clean-air initiatives to help reduce our carbon footprint. For several years, the Company has supported the Carbon Footprint Repository for Hong Kong-listed companies initiated by the Environment and Ecology Bureau of the Hong Kong Government. We submitted a carbon emissions report for our offices in Hong Kong for such purpose in 2025, which is available on the Carbon Neutrality and Sustainable Development's website.

To enhance the policies and performance in environmental aspects of the Group, an external consultant was engaged in 2020 to review and make recommendations on the sustainability governance structure, strategy and policies of the Group. The Sustainability Steering Committee, which reports to the Executive Committee of the Board and consists of senior executives of the Group as a majority of members, considers sustainability and climate-related issues. The Sustainability Steering Committee is also responsible for compliance with the environmental protection policies required by the Environmental Protection Bureau of the Macau Government.

To ensure a smooth transition and compliance with the enhanced climate disclosure requirements, we engaged an external ESG consultants in 2024 to support the Group in preparing climate-related disclosures in alignment with the new Stock Exchange's ESG Reporting Code which took effect for the financial years on or after 1 January 2025. The ESG consultants also provided training on climate-related issues to the management of the Group during the year.

Further disclosures relating to ESG issues identified for the financial year ended 31 December 2025 are included in the Company's 2025 ESG Report pursuant to the requirements of Appendix C2 of the Listing Rules.

DIRECTORS' REPORT

COMPLIANCE WITH LAWS AND REGULATIONS HAVING A SIGNIFICANT IMPACT ON THE GROUP

Numerous laws and regulations can have significant impact on the Group, including laws and regulations in Macau related to Anti-Money Laundering and Terrorism Financing, Control of Cross Border Transportation of Cash, Access to Casinos and Gaming Areas, Cybersecurity, Personal Data, Foreign Exchange, Smoking and other areas. In addition to corporate legal teams in Macau and Hong Kong, the Group has the Anti-Money Laundering Compliance Department in Macau, to ensure that the Group is up-to-date and in compliance with laws and regulations.

During the Reporting Period, the Group did not experience any cases of non-compliance with relevant laws and regulations that had a material impact on the Group's business and operations.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years ended 31 December 2025 is set out on page 220 of this Annual Report.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2025 have been reviewed by the Audit Committee of the Company.

AUDITOR

A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company until the conclusion of the next annual general meeting is to be proposed at the 2026 AGM.

By order of the Board of Directors

SJM Holdings Limited

Ho Chiu Fung, Daisy

Chairman and Executive Director

Hong Kong, 5 March 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practice and its management team has strived to uphold the highest standards of corporate governance and transparency.

The Company has adopted its own code of corporate governance based on the principles and code provisions as set out in Part 2 of Appendix C1 (“CG Code”) to The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year ended 31 December 2025, the Company has complied with all the code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules.

LINKAGE BETWEEN CORPORATE GOVERNANCE AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The board of directors of the Company (the “Board”) has been focusing on creating long-term sustainable growth for shareholders of the Company (the “Shareholders”) and delivering long-term values to all stakeholders. In addition to corporate governance structure, the Board has developed a framework for the Company to identify and consider what environmental risks, social risks and climate-related risks and opportunities which may be material to it. It has adopted Role Descriptions of the Board of Directors for Oversight of Climate-related Risks and Opportunities. It has also set up a Sustainability Steering Committee which consists of senior executives of the Group as a majority of members. The primary purpose and responsibility of the Sustainability Steering Committee is to advise the Board through Executive Committee of the Board or, when requested, directly to the Board to ensure the Group’s business strategy takes sustainability and climate-related matters into consideration and assist the Board in fulfilling the oversight responsibility in relation to sustainability and climate-related matters of the Group and report to the Board on any significant matters. The Sustainability Steering Committee is also responsible for compliance with the environmental protection policies required by the Environmental Protection Bureau of the Macau Government.

Further disclosures relating to environmental, social and governance (“ESG”) issues identified for the financial year ended 31 December 2025 are included in the Company’s 2025 ESG Report pursuant to the requirements of Appendix C2 of the Listing Rules.

MODEL CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

Directors of the Company

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry, the Company confirms that all directors of the Company (the “Directors”) have complied with the required standards as stated in the Model Code for the year ended 31 December 2025.

Relevant employees of the Company

The Board has formalised in writing guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the securities of the Company.

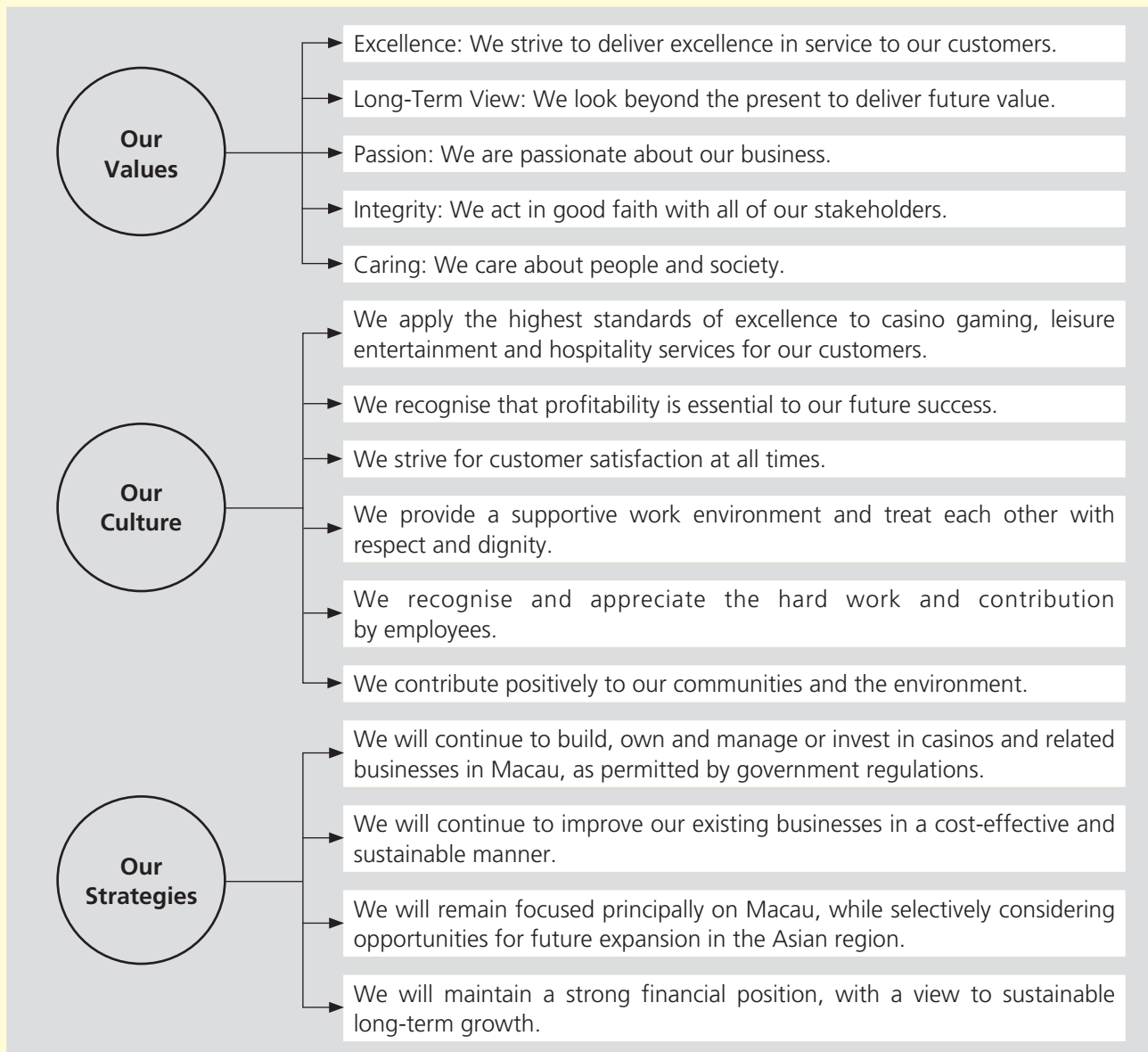
Relevant employees include any employee of the Company or a director or employee of a subsidiary or holding company of the Company and, because of such office or employment, possesses inside information in relation to the Company or its securities.

CORPORATE GOVERNANCE REPORT

CORPORATE PURPOSE, VALUES, STRATEGIES AND CULTURE

The Board takes a leading role in setting the tones and defining the Company's purpose, values and strategies, and developing the desired culture to support the Company's pursuit of success. It should continuously monitor and evaluate the Company's culture to ensure that it aligns with the Company's purpose, values and strategies and keeps up with the changing business landscape.

As a leading owner, operator and developer of casinos and integrated entertainment resorts in Macau, the Group always strives to achieve sustainable long-term growth in shareholder value by delivering top-tier casino gaming, leisure entertainment and hospitality services to customers. With this purpose in mind, the Board has established five core values which guide every action and decision of the Group and our employees. These values are embedded in the Company's culture as well.



CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION

The Company is governed by the Board which is responsible for directing and supervising its affairs and overseeing the business, strategic decision and performance of the Group. Execution of the Board's decisions and daily operations are delegated to the management. The functions reserved to the Board and those delegated to management have been formalised in writing. The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Company.

The Board has a balance of skills, experience and diversity appropriate for the requirements of the business of the Group. During the year and up to the date of this report, the composition of the Board is as follows:

The Board (including corporate governance functions) (Total number of Directors: 9 (Note 1))		
Executive Directors (also being the senior management of the Company)	Non-executive Director	Independent Non-executive Directors
Ms. Ho Chiu Fung, Daisy <i>(Chairman)</i> Dr. Fok Tsun Ting, Timothy <i>(Co-Chairman)</i> Deputada Leong On Kei, Angela <i>(Co-Chairman)</i> Dr. Chan Un Chan Mr. Shum Hong Kuen, David	Mr. Tsang On Yip, Patrick	Mr. Ho Hau Chong, Norman <i>(Note 3)</i> Ms. Wong Yu Pok, Marina <i>(Note 3)</i> Mr. Yeung Ping Leung, Howard
Existing number: 5 % to total Directors: 56%	Existing number: 1 % to total Directors: 11%	Existing number: 3 <i>(Note 2)</i> % to total Directors: 33% <i>(Note 2)</i>
Notes:		
1. Maximum number of Directors is 12 (Article 80 of the articles of association of the Company (the "Articles"))		
2. Minimum number of Independent Non-executive Directors is three and must represent at least one-third of the Board (Listing Rules 3.10(1) and 3.10A respectively)		
3. One Independent Non-executive Director having accounting expertise (Listing Rule 3.10(2))		

The Board includes a balanced composition of Executive and Non-executive Directors (including Independent Non-executive Directors) and at least one-third of the Directors are Independent Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

CORPORATE GOVERNANCE REPORT

BOARD INDEPENDENT VIEWS MECHANISMS

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

Board Independent Views Mechanisms

The Directors shall apply fiduciary duties and duties of skill, care and diligence to the Company. To fulfill the responsibilities as a Director, he/she shall proactively express his/her independent views and input to the Board, either verbally or in writing, which are in the interests of the Company.

The Chairman should promote a culture of openness and debate by facilitating the effective contribution of Directors. He/She should ensure that Directors feel at ease while expressing their views and input to the Board.

At any time, any Director may, and the Company Secretary on requisition of any Director shall, summon a meeting of the Board. The Chairman should ensure that all Directors are given an opportunity to include matters in the agenda for Board meetings.

The Chairman should at least annually hold meetings with the Independent Non-executive Directors without the presence of other Directors. When necessary, Independent Non-executive Directors can request for additional meeting(s) with the Chairman individually or jointly with other Independent Non-executive Directors to express their views and input.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting to express their views and input on the matter.

For a Director who has a conflict of interest in a matter with the Company and/or its subsidiaries, he/she shall be absent from the Board meeting so that the other Directors can express their views and input at the Board meeting freely.

Directors, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense, to assist them in the performance of their duties to the Company.

Any Director who raises his/her serious concern about any suspected fraud, malpractice, misconduct or irregularity of the Company and/or its subsidiaries shall have the matter investigated according to the Whistleblowing Policy adopted by the Board.

The Board should review the implementation and effectiveness of the mechanisms on an annual basis.

On 5 March 2026, the Board reviewed and was of the view that the implementation and effectiveness of the above mechanisms were conducted satisfactorily during the year.

CORPORATE GOVERNANCE REPORT

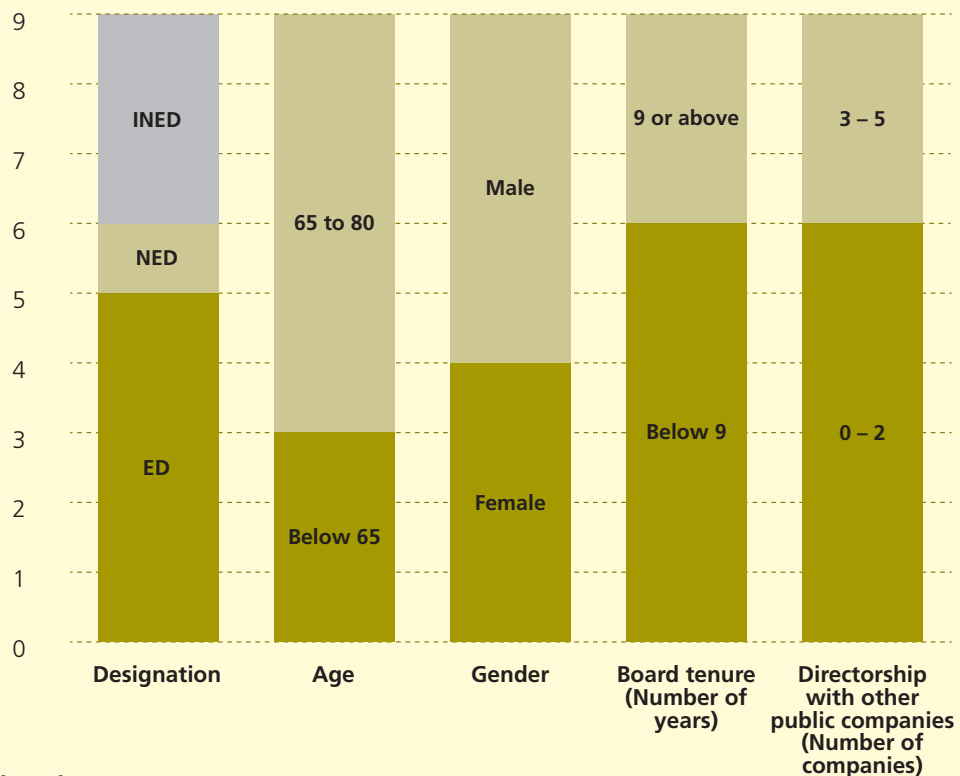
BOARD DIVERSITY

The Board adopted a Board Diversity Policy for the Company in 2013 which stipulates that for identifying individuals suitably qualified to become Directors, the Nomination Committee should consider the benefits of all aspects of diversity including, but not limited to, a number of factors, such as gender, age, race, cultural and educational background, professional experience and industry and business-related experience, in order to maintain an appropriate range of balance of skills, experience and background on the Board. All appointments of Directors should have considered the aforesaid factors as a whole for the benefit of the Company. The Nomination Committee will regularly discuss and, if appropriate, agree on any measurable objective for achieving diversity on the Board.

The Board diversity mix as at 31 December 2025 is shown below while their biographical details are set out on pages 15 to 21 of this Annual Report.

Board Diversity Mix

Number of Directors



ED: Executive Director
 NED: Non-executive Director
 INED: Independent Non-executive Director

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY (Continued)

The Nomination Committee and the Board reviewed the implementation and effectiveness of the Board Diversity Policy on 5 March 2026. They were of the view that the Board achieved a satisfactory degree of diversity and therefore no measurable objective for Board diversity would be set. For the purposes of complying with the new requirements of the CG Code and the related Listing Rules with effect from 1 July 2025, the Board Diversity Policy has been amended accordingly.

As at 31 December 2025, the Board comprised four female Directors and five male Directors. The Board considers that the gender diversity in respect of the Board is satisfactory. To promote gender mainstreaming in the community, the Company joined the Gender Focal Point Network for listed companies set up by the Labour and Welfare Bureau and the Women's Commission in Hong Kong in 2016.

The Group champions workforce gender diversity as a cornerstone of our organizational strength and sustainable growth. We are committed to upholding fairness and respect throughout the recruitment process, hiring the best candidates for each position solely based on their qualifications, background, experience, and job knowledge, without any gender bias. This commitment also extends to compensation and career advancement, where we offer equal pay and equal access to development and promotional opportunities for all employees. We maintain a well-balanced gender composition (including senior management) across our workforce, with approximately 48% male and 52% female employees; where approximately 61% male and 39% female in management team.

We firmly believe diverse perspectives drive innovation. The unique strengths, viewpoints, ideas, and business insights contributed by both men and women at the management level enable better problem-solving and strategy decision-making across the Company. This belief is reflected in the well-balanced gender representation in non-operational departments, where female management stands at approximately 49%, compared to approximately 51% for male management. Recognizing the growing importance of strengthening women's leadership in operational departments, we are committed to cultivating female leaders through targeted management development programmes as part of our succession planning. Female leaders generally demonstrate strong emotional intelligence and distinct values, characterized by a positive work ethic, effective communication with empathy and critical thinking, laying a strong foundation for an inclusive workplace culture, better employee performance counseling, and enhanced customer service.

To outline the approach and commitment to inclusion and diversity in the workforce (including senior management) and to apply to the Group, the Board adopted the Workforce Diversity Policy for the Group on 5 March 2026.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer are segregated and not performed by the same individual. Ms. Ho Chiu Fung, Daisy is the Chairman of the Board who is responsible for the formulation of the Group's overall business development policies while the Executive Committee is responsible for overseeing and implementation of the Group's strategic objectives and business operations.

Ms. Ho Chiu Fung, Daisy as the Chairman of the Board is responsible for the following roles of the Board:



The Company has clearly established and set out in writing a policy for the division of responsibilities between the Chairman and the Chief Executive Officer (if appointed).

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

According to the Articles, the Board has the power to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. The power to appoint any person as a Director is subject to election by Shareholders at the first annual general meeting after his/her appointment. No person (other than a retiring Director) shall be appointed or re-appointed at any general meeting unless:

- (i) he/she is recommended by the Board; or
- (ii) not earlier than the day after the despatch of the notice of the general meeting and not later than seven days prior to the date appointed for the general meeting there has been left at the Company's registered office for the time being a letter, signed by at least two Shareholders (other than the person to be proposed) entitled to vote at the general meeting together holding not less than ten per cent. of the entire issued shares of the Company (the "Shares"), notice of his intention to propose a resolution for the appointment or re-appointment of that person and a notice executed by that person of his willingness to be appointed or re-appointed.

The Nomination Committee is responsible for considering the suitability of individuals to act as a Director and to make recommendations to the Board on appointment or re-appointment of Directors.

The Articles specify that at each annual general meeting of the Company one-third of the Directors shall retire but shall be eligible for re-election. In determining which Directors shall retire, the Board will make sure that every Director, including those appointed for a specific term, should be subject to rotation at least once every three years. At the annual general meeting of the Company to be held on 9 June 2026 (the "2026 AGM"), the following Directors will retire from the Board by rotation pursuant to Article 95:

Executive Directors : Ms. Ho Chiu Fung, Daisy
Dr. Fok Tsun Ting, Timothy
Deputada Leong On Kei, Angela

All of the above Directors, being eligible, offer themselves for re-election at the 2026 AGM.

The biographical details of the retiring Directors who offered themselves for re-election and the recommendation of the Board for their re-election will be set out in a circular to be issued on or around 28 April 2026 for despatch to Shareholders.

CORPORATE GOVERNANCE REPORT

NON-EXECUTIVE DIRECTORS

All Non-executive Directors (including Independent Non-executive Directors) have respectively entered into a letter of appointment with the Company with no fixed term but subject to retirement by rotation in accordance with the Articles as amended from time to time and the requirements of the Listing Rules.

Non-executive Directors (including Independent Non-executive Directors) are highly skilled professionals with expertise and experience in the field of financial management, business development or strategies related to the Group's business. They bring independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, and enable the Board to maintain high standards of compliance with financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of Shareholders and the Company.

Independent Non-executive Directors and Non-executive Director have given a positive contribution to the development of the Company's strategies and policies through independent, constructive and informed comments. They have given the Board and any Board committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. All Independent Non-executive Directors attended the annual general meeting of the Company held on 10 June 2025 (the "2025 AGM") and the extraordinary general meeting of the Company held on 15 December 2025 ("EGM").

Other roles of Non-executive Directors (including Independent Non-executive Directors) include:

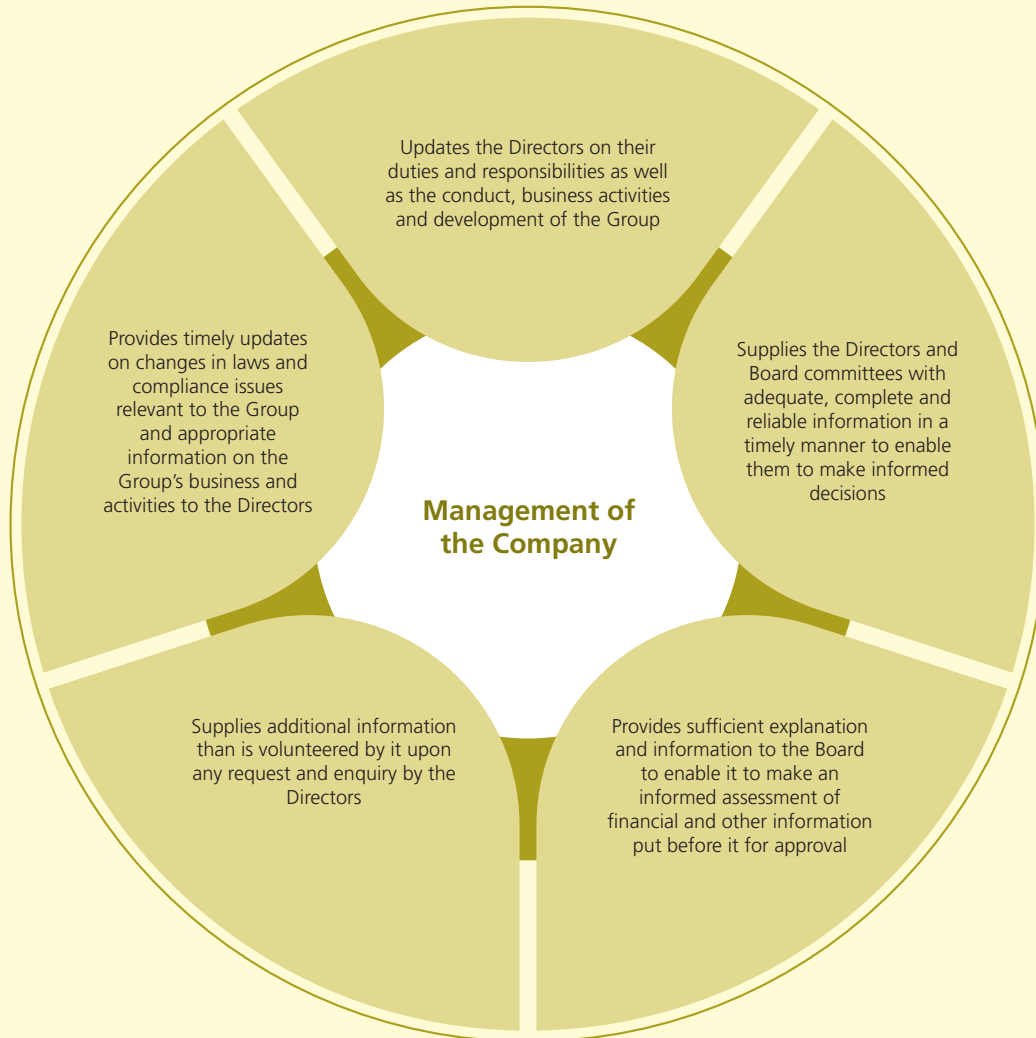
- (i) taking the lead where potential conflicts of interest arise;
- (ii) serving on the Audit Committee, Remuneration Committee, Nomination Committee, other Board committees and special purpose working teams; and
- (iii) scrutinising the Company's performance in achieving corporate goals and objectives, and monitoring reporting of performance.

All Independent Non-executive Directors have met all of the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received from each of them an annual written confirmation of his/her independence and considers each of them to be independent.

Independent Non-executive Directors have been expressly identified as such in all corporate communications that disclose the names of Directors. The Company has been maintaining the number of Independent Non-executive Directors at not less than one-third of the number of the Board members and has ensured that the Board contains an Independent Non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES OF DIRECTORS AND MANAGEMENT



The Board and each Director have separate and independent access to the senior management, Legal Counsels and Company Secretary, whenever necessary, for any information relevant to the Group they may require in discharging their duties.

Given the essential unitary nature of the Board, Non-executive Directors have the same fiduciary duties and duties of care and skill as Executive Directors. Every Director is aware that he/she should devote sufficient time and attention to the affairs of the Company, and make contributions to the Company that are commensurate with his/her role and Board responsibilities. The Directors have disclosed the identity of the public companies or organisations participated by them and an indication of their time involved therein to the Board and the Board has confirmed that the Directors have spent sufficient time performing their duties in the Company. The Board has established a written procedure to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.

The Company has formal letters of appointment for Directors setting out the key terms and conditions of their appointment. The Company has arranged Directors' and Officers' liability insurance in respect of any legal action against Directors.

CORPORATE GOVERNANCE REPORT

PRACTICE AND CONDUCT OF MEETINGS

The Company is responsible for ensuring that Directors can participate in Board proceedings in a meaningful and effective manner. Notices of Board meetings are usually served to all Directors before the meeting in accordance with the Articles. Notice of at least 14 days is given for regular Board meetings to give all Directors an opportunity to attend. Reasonable notice is given for all other Board meetings. Board meeting agenda and papers together with all appropriate, complete and reliable information are sent to all Directors in a timely manner and at least three days or such other agreed period before the intended date of a Board or Board committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

All Directors are entitled to have access to Board papers and related materials, prepared in such form and quality sufficient to enable the Board to make an informed decision on matters placed before it. Where any Director requires more information than is volunteered by management, that Director can make further enquires where necessary. Queries raised by the Directors will be responded promptly and fully, if possible. All Directors have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

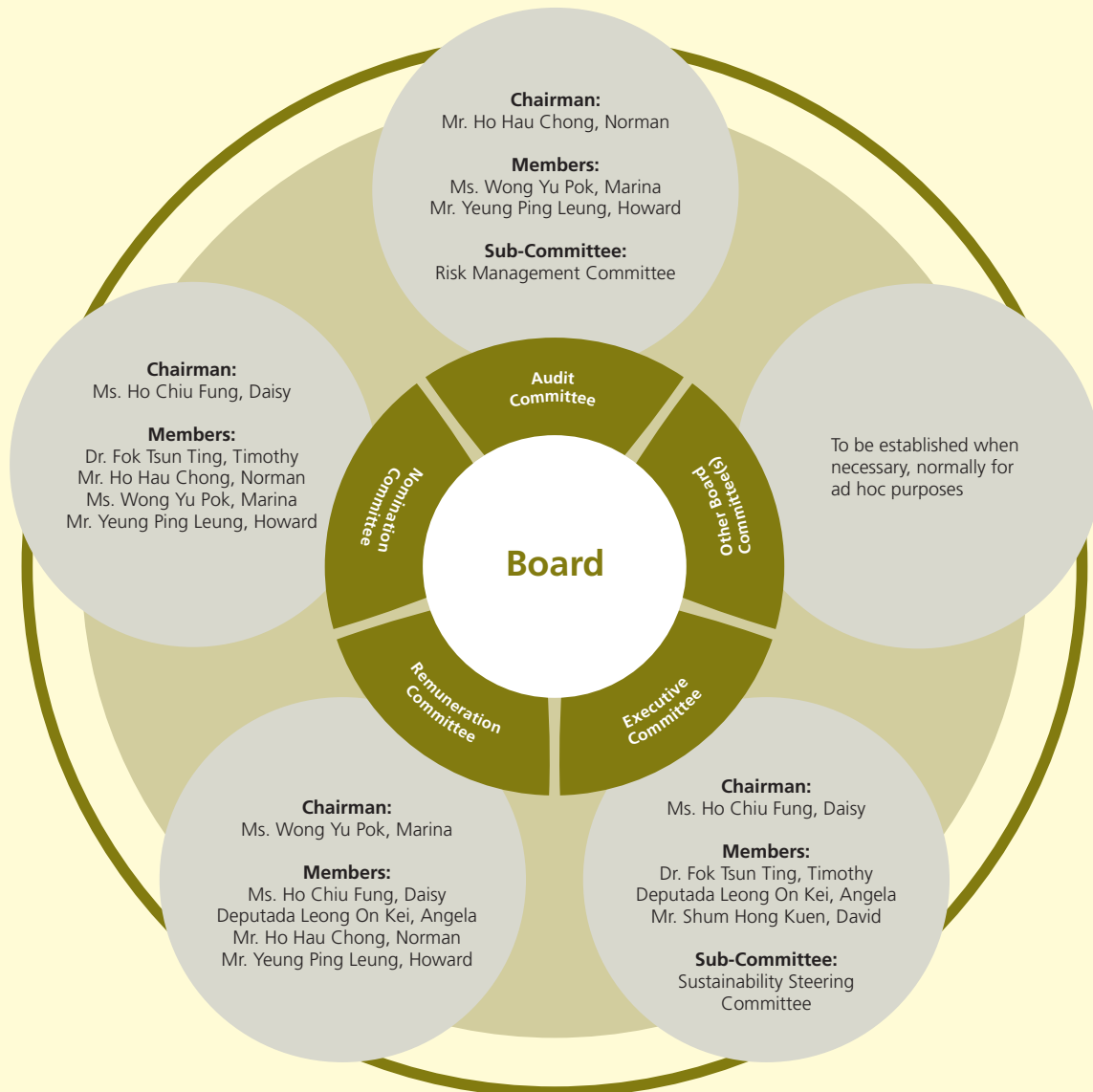
The Company Secretary is responsible for keeping minutes of all Board meetings and Board committee meetings which record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed, if any. Draft minutes are circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection and/or is sent to them for records, if necessary.

According to current Board practice, any material transaction that involves a conflict of interests for a substantial Shareholder or a Director will be dealt with by a physical Board meeting rather than a written resolution at which the Independent Non-executive Directors who, and whose associates, have no material interest in the transaction should be present at that Board meeting. The interested Director is required to abstain from voting and will not be counted in the quorum, except as permitted under the Articles. In addition, he/she shall be physically absent from the venue of the meeting during the time the relevant contract, arrangement or matter is being discussed and voted on by the other Directors.

CORPORATE GOVERNANCE REPORT

BOARD AND BOARD COMMITTEE MEETINGS

The following sections explain the responsibilities and the work that each Board committee undertook in 2025. The terms of reference and membership of Audit Committee, Remuneration Committee and Nomination Committee are disclosed in full on the websites of the Company and the Stock Exchange. In addition, the Board has set up a standing Board committee, namely Executive Committee, with specific terms of reference.



The Board schedules regular Board meetings in advance, at least four times a year at approximately quarterly intervals, to give Directors the opportunity to participate actively, either in person or through electronic means of communication. Directors are consulted for their views regarding inclusion of specific matters in the agenda for regular Board meetings and the draft agenda is circulated to Directors for their comments. Ad hoc Board meetings are convened as and when needed. Together with the Audit Committee, Executive Committee, Nomination Committee and Remuneration Committee meetings as aforesaid, there is an effective framework for the Board and Board committees to perform their work and discharge their duties.

CORPORATE GOVERNANCE REPORT

BOARD AND BOARD COMMITTEE MEETINGS (Continued)

In November 2025, the Board established the Independent Board Committee (comprising all Independent Non-executive Directors) pursuant to Rule 14A.39 of the Listing Rules for the purpose of, after taking into account of the recommendation of the independent financial adviser, advising the shareholders of the Company on the discloseable and connected transactions of the Company in relation to the acquisition of the entire issued share capital of Arc of Triumph Development Company Limited (the "Acquisition") and the loan agreement regarding the advance of a loan in the principal amount of HK\$177,525,000 by SJM to Deputada Leong On Kei, Angela (the "Loan Agreement"), a Director (as part of the terms of the Acquisition).

During the year ended 31 December 2025, fifteen Board meetings (two of which were adjourned meetings) (including corporate governance functions) were held. Details of individual Directors' attendance at Board meetings, Board committee meetings, 2025 AGM and EGM of the Company held in the year are set out in the following table:

Name of Directors	Board Meetings (including two adjourned meetings)	Audit Committee Meetings (including one adjourned meeting)	Executive Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	Independent Board Committee Meetings (including two adjourned meetings)	2025 AGM	EGM
Executive Directors:								
Ho Chiu Fung, Daisy	15/15 (Note 1)	N/A	2/2	1/1	1/1	N/A	1/1	1/1
Fok Tsun Ting, Timothy	15/15	N/A	2/2	N/A	1/1	N/A	1/1	1/1
Leong On Kei, Angela	12/15 (Note 1)	N/A	2/2	1/1	N/A	N/A	1/1	0/1 (Note 3)
Chan Un Chan	4/15 (Note 1)	N/A	N/A	N/A	N/A	N/A	1/1	0/1
Shum Hong Kuen, David	15/15 (Note 1)	N/A	2/2	N/A	N/A	N/A	1/1	1/1
Non-executive Director:								
Tsang On Yip, Patrick	12/15 (Note 1)	N/A	N/A	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors:								
Ho Hau Chong, Norman	14/15 (Note 1)	7/7 (Note 2)	N/A	1/1	1/1	3/3	1/1	1/1
Wong Yu Pok, Marina	15/15	7/7	N/A	1/1	1/1	3/3	1/1	1/1
Yeung Ping Leung, Howard	13/15	7/7	N/A	1/1	1/1	3/3	1/1	1/1

N/A = not applicable

CORPORATE GOVERNANCE REPORT

BOARD AND BOARD COMMITTEE MEETINGS (Continued)

Notes:

1. According to Article 94(L), a Director who has a material interest in respect of certain types of contractual arrangements cannot vote or be counted in the quorum at the meeting and, he/she shall also be physically absent from the venue of the meeting during the time the relevant contract, arrangement or matter is being discussed and voted on by the other Directors.

Mr. Ho Hau Chong, Norman had to physically absent himself from voting on the related Board resolutions at two of the Board meetings whilst Mr. Tsang On Yip, Patrick had to physically absent himself from voting on the related Board resolutions at four of the Board meetings. Dr. Chan Un Chan had to physically absent herself from voting on the related Board resolutions at five of the Board meetings whilst Ms. Ho Chiu Fung, Daisy and Mr. Shum Hong Kuen, David had to physically absent themselves from voting on the related Board resolutions at six of the Board meetings. Deputada Leong On Kei, Angela had to physically absent herself from voting on the related Board resolutions at ten of the Board meetings.

2. According to paragraph 2.5 of the Terms of Reference of Audit Committee, an Audit Committee member who has a material interest in respect of certain types of contractual arrangements cannot vote or be counted in the quorum at the meeting and, he/she shall also be physically absent from the venue of the meeting during the time the relevant contract, arrangement or matter is being discussed and voted on by the other Audit Committee members.

Mr. Ho Hau Chong, Norman had to physically absent himself from voting on the related Audit Committee resolution at one of the Audit Committee meetings.

3. According to Rule 14.46 and 14A.36 of the Listing Rules, any shareholder who has a material interest in the transaction must abstain from voting on the relevant resolution at the relevant general meeting.

Deputada Leong On Kei, Angela had to physically absent herself from voting on the related EGM resolution at the EGM.

DELEGATION BY THE BOARD – BOARD COMMITTEES

The Board has proper delegation of its powers and has established three standing Board committees, namely Audit Committee, Remuneration Committee and Nomination Committee in accordance with the requirements under the Listing Rules, with specific written terms of reference that deal clearly with their authority and duties, to oversee particular aspects of the Group's affairs. The Board may establish other Board committee(s) when necessary in accordance with the Articles. The Board has established an additional standing Board committee, namely the Executive Committee, whose primary purpose is to oversee the implementation of the Company's strategic objectives and the business operations of the Group. When necessary, the Board will establish ad hoc Board committees with specific terms of reference for the purpose of dealing with transactions or projects of the Company. In November 2025, the Board established the Independent Board Committee (comprising all Independent Non-executive Directors) pursuant to Rule 14A.39 of the Listing Rules in relation to the Acquisition and the Loan Agreement.

The terms of references of all Board committees have required them to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so. Sufficient resources, including the advice of the external auditors and other independent professional advisers, are provided to the Board committees to enable them to discharge their duties.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Audit Committee (established in June 2008)	
<p>Committee members</p> <p><i>Independent Non-executive Directors:</i> Mr. Ho Hau Chong, Norman (<i>Committee Chairman</i>) Ms. Wong Yu Pok, Marina Mr. Yeung Ping Leung, Howard</p> <p>Existing number of members: 3 % of total Independent Non-executive Directors: 100%</p>	<p>Committee secretary</p> <p>Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Audit Committee)</i></p>
<p>Minimum number of meetings per year: 2</p> <p>In attendance: Company Secretary and, when invited, representatives from Auditor, Chief Financial Officer, Senior Vice President – Finance and Accounts, Head of Internal Audit, Head of Anti-Money Laundering Compliance, Legal Counsels and/or other external professionals</p>	

The Audit Committee is accountable to the Board and its primary role and function is to assist the Board to monitor the Company's financial reporting process, to recommend the appointment of Auditor, to consider the nature and scope of audit reviews, to ensure that effective risk management and internal control systems are in place and to review the Group's interim and annual financial statements. The Audit Committee has access to, and maintains an independent communication with, the external auditor and the management, including the Group's internal audit department, to ensure effective information exchange on all relevant financial and accounting matters.

Under the terms of reference of the Audit Committee, it is specified that any former partner of the Company's existing audit firm is prohibited from acting as a member of the Audit Committee for a period of two years commencing on the date of his/her ceasing:

- (i) to be a partner of the firm; or
- (ii) to have any financial interest in the firm,

whichever is later.

The Audit Committee reports to the Board the major items covered by the committee at each meeting, draws the Board's attention to important issues that the Board should be aware of, identifies any matters in respect of which it considers that action or improvement is needed and makes appropriate recommendations.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (Continued)

In 2025, the Audit Committee held seven meetings (one of which was an adjourned meeting) and its principal work performed is set out in the table below. In general, it has reviewed the accounting principles and practices adopted by the Company and discussed auditing, risk management and internal controls, and financial reporting matters, including the review of the interim and annual results of the Company. Details of attendance of each Audit Committee member, on a named basis, at the Audit Committee meetings held during the year are set out in the table on page 87.

Principal work performed by the Audit Committee during 2025

Review of annual audited financial statements of the Group for the year ended 31 December 2024, interim unaudited financial statements of the Group for the six months ended 30 June 2025, and quarterly unaudited key performance indicators of the Group for the three months ended 31 March 2025 and 30 September 2025 respectively, with recommendations to the Board for approval

Review and approval of the engagement letter of the Auditor, the nature and scope of the audit, its reporting obligations and work plan

Review of the Auditor's performance, with recommendation to the Board for re-appointment of the Auditor

Review and approval of the engagement letter of the Auditor to provide non-audit service

Review of risk management and internal control systems of the Group and assessment of their effectiveness

Review of the composition and the Terms of Reference of the Risk Management Committee of the Company and approval of the proposed change(s), if any

Review of internal audit (including Whistleblowing and Anti-Fraud and Counter-Corruption) reports, the major findings and recommendations from internal audit

Review and approval of internal audit work plan for 2026

Review of anti-money laundering reports

Review and report on connected transactions (including continuing connected transactions) carried out during the year

Review of the template for monthly update (including financial information and business operations) of the Group, with recommendation(s) to the Board for approval

Review of the arrangements for the Company's employees to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters, with recommendation(s) to the Board for approval

Review of the Whistleblowing Policy of the Company, with recommendation(s) to the Board for approval

Review of the Code of Conduct applicable to employees and Directors of the Company, with recommendation(s) to the Board for approval

Review of the Anti-Fraud and Counter-Corruption Policy of the Company, with recommendation(s) to the Board for approval

Review of the Terms of Reference of the Audit Committee, with recommendation(s) to the Board for approval

Review of the proposed work plan for the Audit Committee in 2026

The terms of reference of the Audit Committee, which conform to the code provision requirements of the CG Code, are available on the Stock Exchange's website and the Company's website.

The Risk Management Committee was established in 2017 as a sub-committee of the Audit Committee. It develops its own process for systematic risk assessment and risk management, under the guidance of the Audit Committee. The Risk Management Committee members include representatives of the following areas: Finance and Accounts, Casino Operations, Information Technology, Internal Audit, Compliance and Legal Affairs.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The composition of the Remuneration Committee is as follows:

Remuneration Committee (established in June 2008)	
<p>Committee members</p> <p><i>Independent Non-executive Directors:</i> Ms. Wong Yu Pok, Marina (<i>Committee Chairman</i>) Mr. Ho Hau Chong, Norman Mr. Yeung Ping Leung, Howard</p> <p><i>Executive Directors:</i> Ms. Ho Chiu Fung, Daisy Deputada Leong On Kei, Angela</p> <p>Existing number of members: 5 % of total Independent Non-executive Directors: 60%</p>	<p>Committee secretary</p> <p>Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Remuneration Committee)</i></p>
<p>Minimum number of meetings per year: 1</p> <p>In attendance: Company Secretary</p>	

The principal role and function of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, to review their specific remuneration packages and terms of service contracts, to review and approve performance-based remuneration, and to assess the performance of the Executive Directors.

The Remuneration Committee reports to the Board the major items covered by the committee at each meeting, reviews the policy for the remuneration of Directors based on the performance of Executive Directors, adopts the model set out in Code Provision E.1.2(c)(i) of the CG Code to approve the remuneration packages and service contracts of Executive Directors and senior management, makes recommendations on the remuneration packages and service contracts of Non-executive Directors (including Independent Non-executive Directors) and Board committee members (including Audit Committee, Executive Committee, Nomination Committee and Remuneration Committee) and other remuneration-related matters to the Board. The Remuneration Committee has the duty to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

The terms of reference of the Remuneration Committee, which conform to the code provision requirements of the CG Code, are available on the Stock Exchange's website and the Company's website.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE (Continued)

In 2025, the Remuneration Committee held one meeting and passed one written resolution, and its principal work performed is set out in the table below:

Principal work performed by the Remuneration Committee during 2025

Review of the remuneration of Executive Directors and senior management for 2025 and the special fees for 2024 based on their performances and the Company's policy and approval in relation to the same

Review of the remuneration of Non-executive Directors including Independent Non-executive Directors for 2025 and the special fees for 2024, with recommendations to the Board for approval

Review of the remuneration of Board committees for 2025 and the special fees for 2024, with recommendations to the Board for approval

Review of the existing benefits to Directors, with recommendation of proposed changes (if any) to the Board

Review of the respective letter of appointment entered into with Ms. Wong Yu Pok, Marina and Mr. Ho Hau Chong, Norman, Independent Non-executive Directors, upon their re-election at the 2025 AGM, with recommendation to the Board for approval

Review of 2025 and 2024 remuneration packages and discretionary bonus/living subsidies for senior executives of the Group and their biographies

Review of the Options granted and exercise position

Review of the Terms of Reference of the Remuneration Committee, with recommendation to the Board for approval

Review of the proposed work plan for the Remuneration Committee in 2025/2026

The Remuneration Committee consults the Chairman about proposals relating to remuneration of Directors and may access professional advice if considered necessary. The Chairman's direct participation in the Remuneration Committee can facilitate the setting of the Company's policy and structure for all Directors and senior management remunerations, the remuneration packages of Directors and senior management, and if applicable, the share option proposals to Directors more effectively.

Details of attendance of each Remuneration Committee member, on a named basis, at the Remuneration Committee meeting held during the year are set out in the table on page 87.

The Company has established a formal and transparent policy on Directors' remuneration and other remuneration related matters. No individual Director has taken part in setting his/her own remuneration. The emoluments of Directors, including base fee and special fee, are based on each Director's individual skill, work performed and involvement in the Group's affairs, the Company's performance and profitability, remuneration benchmarking in the industry and prevailing market conditions. At the 2025 AGM, a resolution was passed to authorise the Board to fix the Directors' remuneration. A resolution will be proposed at the 2026 AGM to obtain Shareholders' authorisation for the Board to fix Directors' remuneration.

The Executive Directors are also the senior management of the Company and their remuneration is disclosed in note 9 to the Financial Statements. Retirement benefits schemes of the Group are set out in note 39 to the Financial Statements.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The composition of the Nomination Committee is as follows:

Nomination Committee (established in June 2008)	
<p>Committee members</p> <p><i>Executive Directors:</i> Ms. Ho Chiu Fung, Daisy (<i>Committee Chairman</i>) Dr. Fok Tsun Ting, Timothy</p> <p><i>Independent Non-executive Directors:</i> Mr. Ho Hau Chong, Norman Ms. Wong Yu Pok, Marina Mr. Yeung Ping Leung, Howard</p> <p>Existing number of members: 5 % of total Independent Non-executive Directors: 60%</p>	<p>Committee secretary</p> <p>Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Nomination Committee)</i></p>
<p>Minimum number of meetings per year: 1</p> <p>In attendance: Company Secretary</p>	

The Nomination Committee is accountable to the Board and its primary role and function is to review the structure, size and composition of the Board, to make recommendations to the Board on appointment or re-appointment of Directors and to assess the independence of Independent Non-executive Directors on an annual basis. During the nomination process, the Nomination Committee refers to a number of selection criteria set out in the Nomination Policy (for details, please refer to the "Nomination Policy" section below).

On 5 March 2026, the Board amended the terms of reference of the Nomination Committee by including new requirements under the CG Code and the related Listing Rules with effect from 1 July 2025, which cover having mixed gender of the Nomination Committee members, assisting the Board in formulating and maintaining a Board skills matrix, supporting the regular evaluation of the Board's performance, and assessing each Director's time commitment and contribution to the Board as well as the Director's ability to discharge responsibilities effectively. The Board also adopted the Board Performance Evaluation Policy and related questionnaire to review the performance of the Board.

The terms of reference of the Nomination Committee, which conform to the code provision requirements of the CG Code, are available on the Stock Exchange's website and the Company's website.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE (Continued)

In 2025, the Nomination Committee held one meeting and its principal work performed is set out in the table below:

Principal work performed by the Nomination Committee during 2025

Review of the structure, size and composition of the Board and various Board committees, with recommendations to the Board regarding any proposed changes

Assessment of the independence of the Independent Non-executive Directors (none of them has served on the Board for more than nine years)

Review of the status of diversity of the Board and the Board Diversity Policy of the Company, the Nomination Policy for the Board and the Terms of Reference of the Nomination Committee, with recommendation(s) to the Board

Review of the qualifications and suitability of retiring Directors who would offer themselves for re-election at the 2025 AGM, with recommendations to the Board for approval

Review of the proposed work plan for the Nomination Committee in 2025/2026

The Chairman acting as the Nomination Committee Chairman can facilitate the nomination process of Directors, the review of the Board and Board committee's structures, size and composition, Board diversity, and succession planning for Directors and senior management more effectively.

Details of attendance of each Nomination Committee member, on a named basis, at the Nomination Committee meeting held during the year are set out in the table on page 87.

The reasons why the Board believes Ms. Ho Chiu Fung, Daisy, Dr. Fok Tsun Ting, Timothy and Deputada Leong On Kei, Angela, the retiring Directors who offered themselves for re-election, should be re-elected at the 2026 AGM will be set out in the circular of the Company to be issued on or around 28 April 2026 accompanying the notice of the 2026 AGM.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE (Continued)

Nomination Policy

The Board has adopted a Nomination Policy for the Board members of the Company. The Nomination Committee can identify candidates for nomination as Directors and is responsible for selection of suitable candidates based on the selection criteria set out in the Nomination Policy (e.g. reputation for integrity, character and qualifications, accomplishment and experience, time commitment, and diversity) for nomination to the Board for consideration. For Directors stand for re-election at a general meeting, the Nomination Committee should also consider their suitability based on the aforesaid criteria. In addition, the Nomination Committee should consider the independence of an Independent Non-executive Director if he/she has served for a period of more than nine years, and if he/she would still be able to devote sufficient time to the Board if he/she holds seven or more listed company directorships. On 5 March 2026, the Board amended the Nomination Policy by including that in selection of an Independent Non-executive Director, the Nomination Committee should consider the number of listed company directorships held and other significant external time commitments of the candidate which would affect his/her time devotion to the Board. In addition, the hard cap requirement of nine-year tenure of Independent Non-executive Director will be introduced to the Nomination Policy timely according to the new requirements of the CG Code and the relating Listing Rules with effect from 1 July 2025.

According to the Nomination Policy, the identified candidates shall provide their curriculum vitae to the Nomination Committee for consideration. If appropriate, the Nomination Committee may conduct an interview with the candidates for obtaining further information to determine their suitability for nomination. Once sufficient information is available, a Nomination Committee meeting will be held to consider the nomination, and if appropriate, make recommendations to the Board.

If the number of candidates is more than the vacancies available, the Nomination Committee shall try its best to nominate the same number of suitable candidates for filling the vacancies and recommend them to the Board for consideration. If more candidates are nominated than the vacancies available, the Board shall be responsible for deciding which nominated persons shall be appointed as Directors to fill casual vacancies or recommend to the Shareholders for election as Directors. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting or to be appointed as Directors to fill casual vacancies. If more candidates than the vacancies available for election at a general meeting, the “gross vote” method will be used to determine who shall be elected as Directors.

The Nomination Committee should review the Board composition annually and, when appropriate, make recommendation to the Board to search for suitable candidates for succeeding the positions of Directors or senior management. The Board is responsible for monitoring the implementation of the Nomination Policy. The Nomination Committee will review the Nomination Policy annually, which will include an assessment of the effectiveness of the Nomination Policy, and recommend any proposed amendment to the Board for approval.

CORPORATE GOVERNANCE REPORT

EXECUTIVE COMMITTEE

The composition of the Executive Committee is as follows:

Executive Committee (established in June 2009)	
<p>Committee members</p> <p><i>Executive Directors:</i> Ms. Ho Chiu Fung, Daisy (<i>Committee Chairman</i>) Dr. Fok Tsun Ting, Timothy Deputada Leong On Kei, Angela Mr. Shum Hong Kuen, David</p> <p>Existing number of members: 4 % of total Executive Directors: 100%</p>	<p>Committee secretary</p> <p>Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Executive Committee)</i></p>
<p>Minimum number of meetings per year: meet as often as it determines is necessary</p> <p>In attendance: Company Secretary and, when invited, Chief Financial Officer, Legal Counsels and the relevant department heads</p>	

The Executive Committee is established with the following main duties and powers:

- (i) to oversee the implementation of the Company's strategic objectives and risk management policies;
- (ii) to oversee the business and operations of all the business units of the Group;
- (iii) to put in place programs for management development and succession of management personnel;
- (iv) to oversee the realisation by the Company of the strategic objectives set by the Board; and
- (v) to monitor and oversee the financial and operational performance of the Group.

The Executive Committee has established specific written terms of reference which deal clearly with its authority and duties. The said terms of reference require the Executive Committee to report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.

CORPORATE GOVERNANCE REPORT

EXECUTIVE COMMITTEE (Continued)

In 2025, the Executive Committee held two meetings and passed three written resolutions, and its principal work performed is set out in the table below:

Principal work performed by the Executive Committee during 2025

Review of the unaudited financial information of the Group for the fourth quarter of 2024 and the first, second and third quarter of 2025 and year-to-date of the relevant quarter end

Consideration and approval of the budget of the Company for each quarter in 2025

Review of the draft 2024 ESG Report of the Company, with recommendation to the Board for approval

Receipt of the progress report on sustainability and climate-related issues of the Group for the first half of 2025

Review of the composition and the Terms of Reference of the Sustainability Steering Committee of the Company and approval of the proposed change(s), if any

Review of the Terms of Reference of the Executive Committee, with recommendation(s) to the Board for approval

Appointment of the authorised representative of the Company to attend, act and vote at the 2025 annual general meeting and extraordinary general meeting of SJM

Approval of subscription for share(s) in the companies which had become wholly-owned subsidiaries of the Company thereafter

Details of attendance of each Executive Committee member, on a named basis, at the Executive Committee meetings held during the year are set out in the table on page 87.

The Sustainability Steering Committee was established in 2020 as a sub-committee of the Executive Committee. It is to advise the Board, through Executive Committee, to ensure the Group's business strategy takes sustainability and climate-related matters into consideration and assist the Board in fulfilling the oversight responsibility in relation to sustainability and climate-related matters of the Group and report to the Board on any significant issues. The Sustainability Steering Committee members shall be senior level staff of the Group whose responsible function(s) is/are materially related to sustainability matters of the Group.

CORPORATE GOVERNANCE REPORT

INDEPENDENT BOARD COMMITTEE

The composition of the Independent Board Committee is as follows:

Independent Board Committee (established in November 2025) (Pursuant to Rule 14A.39 of the Listing Rules for ad hoc purposes)										
<table border="1"> <thead> <tr> <th style="text-align: left;">Committee members</th> </tr> </thead> <tbody> <tr> <td><i>Independent Non-executive Directors:</i></td> </tr> <tr> <td>Mr. Ho Hau Chong, Norman (<i>Committee Chairman</i>)</td> </tr> <tr> <td>Ms. Wong Yu Pok, Marina</td> </tr> <tr> <td>Mr. Yeung Ping Leung, Howard</td> </tr> <tr> <td>Existing number of members: 3</td> </tr> <tr> <td>% of total Independent Non-executive Directors: 100%</td> </tr> </tbody> </table>	Committee members	<i>Independent Non-executive Directors:</i>	Mr. Ho Hau Chong, Norman (<i>Committee Chairman</i>)	Ms. Wong Yu Pok, Marina	Mr. Yeung Ping Leung, Howard	Existing number of members: 3	% of total Independent Non-executive Directors: 100%	<table border="1"> <thead> <tr> <th style="text-align: left;">Committee secretary</th> </tr> </thead> <tbody> <tr> <td>Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Independent Board Committee)</i></td> </tr> </tbody> </table>	Committee secretary	Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Independent Board Committee)</i>
Committee members										
<i>Independent Non-executive Directors:</i>										
Mr. Ho Hau Chong, Norman (<i>Committee Chairman</i>)										
Ms. Wong Yu Pok, Marina										
Mr. Yeung Ping Leung, Howard										
Existing number of members: 3										
% of total Independent Non-executive Directors: 100%										
Committee secretary										
Ms. Kwok Shuk Chong <i>(the Company Secretary who is responsible for keeping the minutes of the Independent Board Committee)</i>										
<p>Minimum number of meetings per year: meet as often as it determines is necessary</p> <p>In attendance: Independent financial adviser and Company Secretary</p>										

The Independent Board Committee is established pursuant to Rule 14A.39 of the Listing Rules for the purposes of, after taking into account of the recommendation of the independent financial adviser (the "IFA"), advising the Shareholders on the following discloseable and connected transactions of the Company:

- (i) whether the terms of the agreement for acquisition of the entire issued share capital of Arc of Triumph Development Company Limited (the "Acquisition Agreement") and the Loan Agreement relating to the advance of a loan in the principal amount of HK\$177,525,000 (the "Loan") by SJM to Deputada Leong On Kei, Angela, a Director, for the repayment of her portion of the loan due to Industrial and Commercial Bank of China (Macau) Limited by Arc of Triumph Development Company Limited, which is being part of the terms of the Acquisition, are fair and reasonable;
- (ii) whether the Acquisition Agreement and the Loan are on normal commercial terms or better and in the ordinary and usual course of business of the Group;
- (iii) whether the Acquisition Agreement and the Loan are in the interests of the Company and the Shareholders as a whole; and
- (iv) how to vote on the Acquisition Agreement and the Loan.

Further details of the Acquisition Agreement and the Loan were set out in the announcements of the Company dated 20 November 2025, 15 December 2025 and 26 December 2025 and the circular of the Company dated 28 November 2025.

CORPORATE GOVERNANCE REPORT

INDEPENDENT BOARD COMMITTEE (Continued)

The Independent Board Committee has established specific written terms of reference which deal clearly with its authority and duties. The said terms of reference require the Independent Board Committee to report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.

In 2025, the Independent Board Committee held three meetings (two of which were adjourned meetings), and its principal work performed is set out in the table below:

Principal work performed by the Independent Board Committee during 2025

Review of the letter from the IFA in relation to the Acquisition Agreement and the Loan

Consideration of the rationales of the IFA and discussion with them on the fairness and reasonableness of the terms of the Acquisition Agreement and the Loan

Determination of the Acquisition Agreement and the Loan are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole after taking into account the recommendation of the IFA

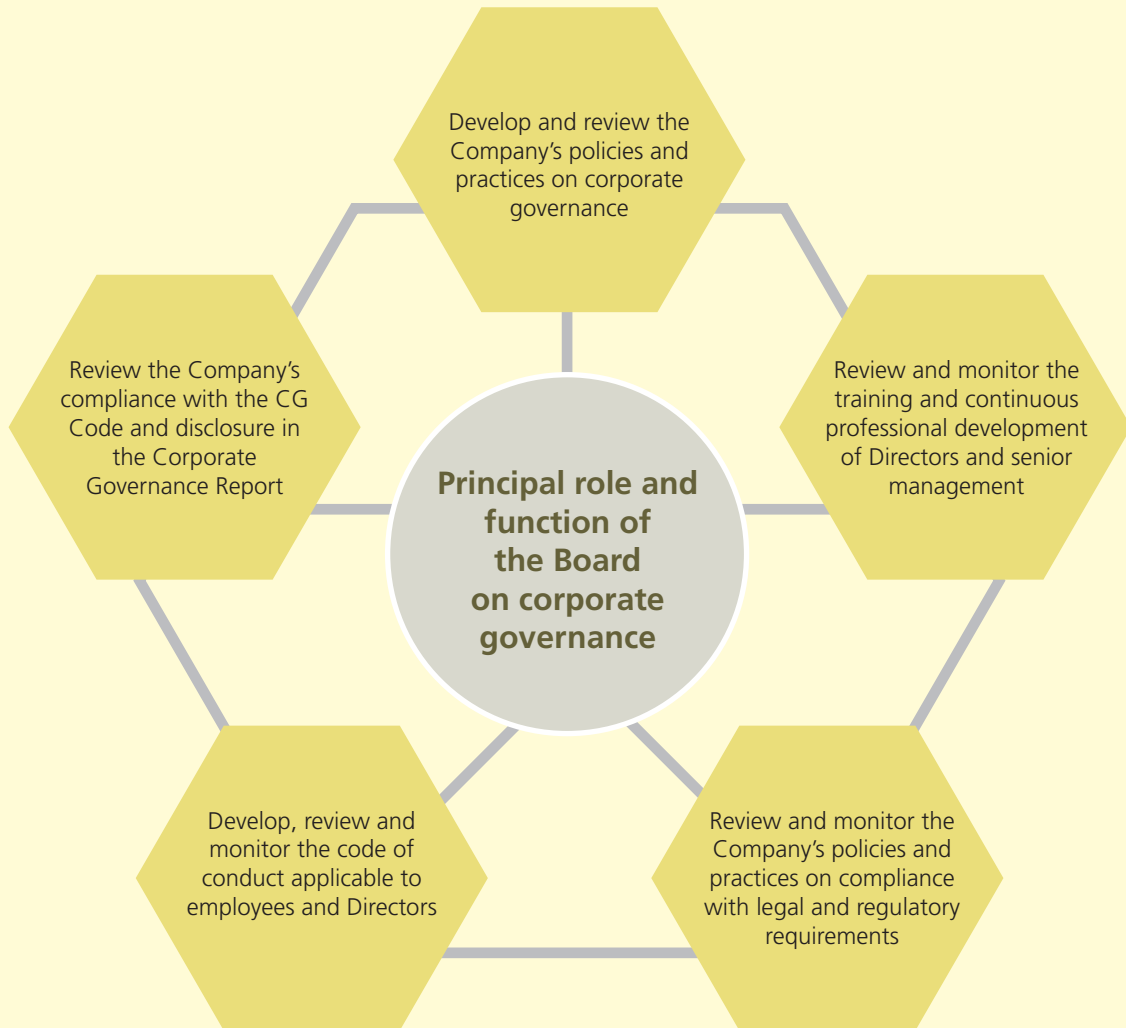
Approval of the issue of the letter from the Independent Board Committee advising the independent Shareholders to vote in favour of the ordinary resolution for the Acquisition Agreement and the Loan at the Extraordinary General Meeting of the Company

Details of attendance of each Independent Board Committee member, on a named basis, at the Independent Board Committee meetings held during the year are set out in the table on page 87.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in Code Provision A.2.1 of the CG Code. The principal role and function of the Board in relation to corporate governance is set out below:



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS (Continued)

The Board has adopted a code of conduct applicable to Directors and employees of the Company. The said code of conduct covers the areas of, amongst other things, ethical commitment, prevention of bribery, offer and acceptance of advantage, entertainment, conflict of interest, relationship with Directors, employees, suppliers, contractors and customers, and keeping of records, accounts and other documents. The said code of conduct has been annexed to the Company's Employee Handbook to ensure that the employees have knowledge of and to comply with the relevant requirements.

In addition to the latest terms of reference of each of the Audit Committee, the Remuneration Committee and the Nomination Committee, the Articles and the updated list of the Directors identifying their role and functions have been posted on the Stock Exchange's website and the Company's website, whilst procedures for Shareholders to propose a person for election as a Director has been posted on the Company's website.

In 2025, the principal work performed by the Board in relation to corporate governance functions is set out in the table below:

Principal work performed by the Board in relation to corporate governance functions during 2025

Review of the Company's purpose, values, strategy and culture

Review of the existing policies and issues relating to corporate governance of the Group and approval of the necessary amendments

Review of the implementation and effectiveness of the Company's policies, including but not limited to (i) Board diversity, (ii) Board's independent views mechanisms, and (iii) Shareholders' communication

Review and monitoring of the training and continuous professional development of Directors and senior management and the number and nature of offices held by the Directors in other public companies or organisations and other significant commitments

Review and approval of the amendments to Terms of Reference of Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee of the Company, if appropriate

Review of the Company's compliance with the CG Code and disclosure in the Corporate Governance Report

CORPORATE GOVERNANCE REPORT

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Receiving Director's Induction

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment. The Director's induction is to ensure that he/she has appropriate understanding of the business and operations and governance policies of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant legal and other regulatory requirements.

Attending Briefing and Professional Development Training

Arrangements are in place for providing continuing briefing and professional development training to Directors whenever necessary.

Continuous Professional/Business Development Plan for Directors

The Board has adopted a Continuous Professional/Business Development Plan for Directors. The purpose of this plan is to provide flexibility for the Directors to choose training methods which are most suitable to them and to encourage the Directors to enhance their knowledge and skills by joining professional bodies and attending the courses/seminars/programs/functions offered by such bodies.

The Directors informed the Company that they had received the following training and continuous professional development during the period from 1 January 2025 to 31 December 2025:

Name of Directors	Type of training	
	Reading regulatory updates	Attend seminars/briefings
Executive Directors:		
Ho Chiu Fung, Daisy	✓	✓
Fok Tsun Ting, Timothy	✓	✓
Leong On Kei, Angela	✓	✓
Chan Un Chan	✓	—
Shum Hong Kuen, David	✓	✓
Non-executive Director:		
Tsang On Yip, Patrick	✓	✓
Independent Non-executive Directors:		
Ho Hau Chong, Norman	✓	✓
Wong Yu Pok, Marina	✓	✓
Yeung Ping Leung, Howard	✓	✓

CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING

The Board is accountable to the Shareholders and is committed to presenting comprehensive and timely information to the Shareholders on an assessment of the Company's performance, financial position and prospects. A separate statement containing a discussion and analysis of the Group's performance is included on pages 5 to 10 in this Annual Report.

Starting from 2010, the Company has been announcing quarterly unaudited key performance indicators of the Group for the three months ended 31 March and 30 September respectively to enable its Shareholders, investors and the public to better appraise the position and business performance of the Group. Such financial information is prepared using the accounting policies applied to the Company's interim and annual financial statements.

DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the presentation of financial statements which give a true and fair view of the state of affairs of the Company and the Group and the results and cash flow for each financial period. In preparing the financial statements, the Directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

The Board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports and other financial disclosures required under the Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.

CORPORATE GOVERNANCE REPORT

AUDITOR'S RESPONSIBILITY

The Auditor of the Company is Deloitte Touche Tohmatsu. A statement by the Auditor about their reporting responsibilities is included in the Independent Auditor's Report on the Company's Financial Statements on pages 113 to 117.

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

The Auditor will be available at the annual general meeting of the Company to answer questions which Shareholders may have.

AUDITOR'S REMUNERATION

The remunerations paid and payable to Deloitte Touche Tohmatsu, the Auditor of the Company and their respective associates in respect of statutory audit and non-audit services (with each significant non-audit service assignment listed out separately) provided to the Group in 2025 and 2024 are set out below:

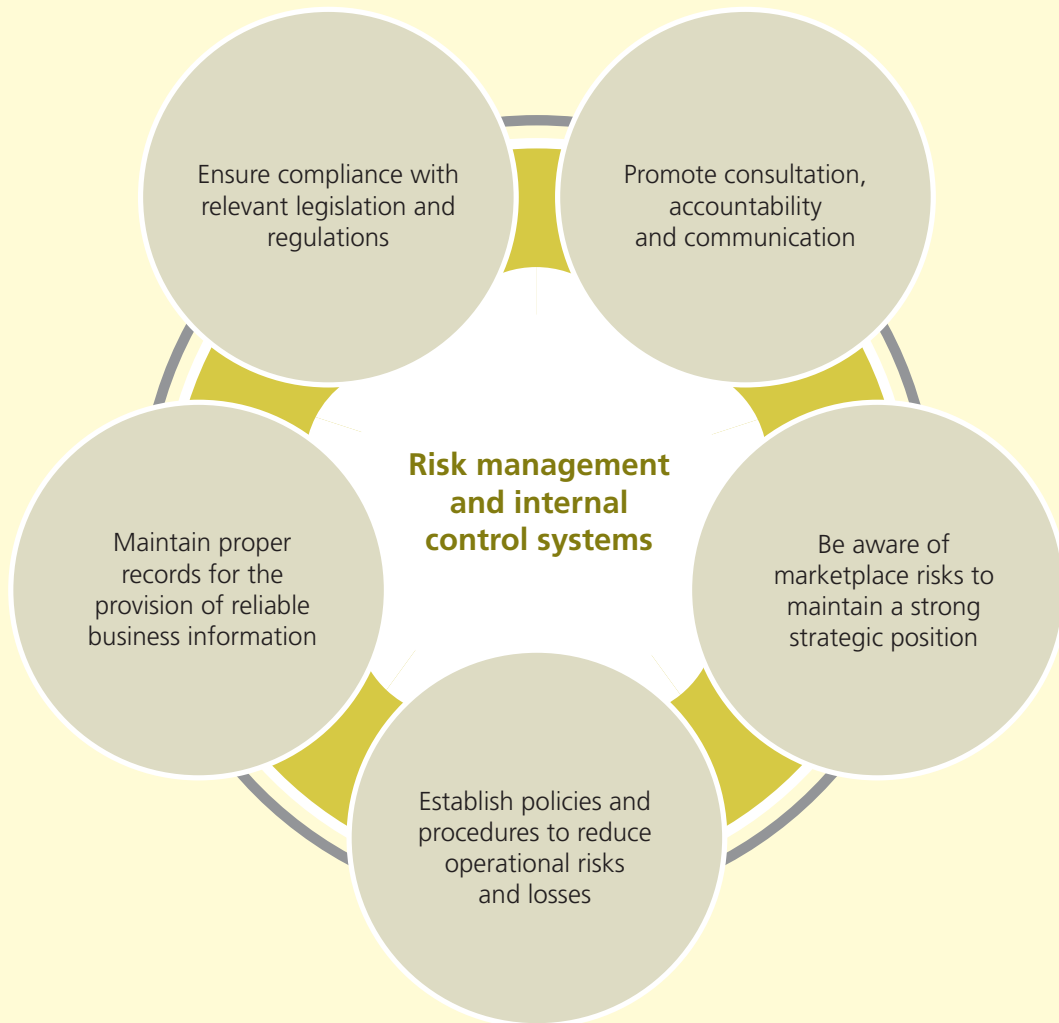
Audit and Non-audit Services	2025 HK\$ million	2024 HK\$ million
Annual audit	11.8	11.2
Interim review	4.2	4.1
Quarterly results review	0.8	0.8
Tax consultancy and advisory	0.7	0.9
Assurance	4.9	—
Total:	22.4	17.0

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control Systems

The Board is responsible for maintaining a sound and effective systems of risk management and internal control and for evaluating their effectiveness, on which a review is conducted at least annually. The systems are designed in the framework as set out below:



Such systems of risk management and internal control are aimed at limiting the risks of the Company to an acceptable level but cannot, in itself, eliminate all risks.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management and Internal Control Systems (Continued)

The key procedures established by the Board to provide effective risk management and internal control include:

Key procedures for providing effective risk management and internal control

A defined management structure and a risk management framework with clear strategy, lines of responsibility and limits of authority

An appropriate organisational structure, and well-defined policy and procedures, which adequately provides the necessary information flow for risk analysis and management decisions

Proper budgetary and management accounting control to ensure efficient allocation of resources and to provide timely financial and operational performance indicators for managing business activities and risks

Effective financial control to ensure the recording and reporting of complete, accurate and timely accounting information for management decision making

Review work conducted by Risk Management Committee and Audit Committee

The Board continues to oversee on an on-going basis, through the Audit Committee, the effectiveness of the systems of risk management and internal control that includes finance, operation, compliance and internal audit. The review process consists of:

Review process of effectiveness of the systems of risk management and internal control

Review of the adequacy of resources, experience, qualifications and training of the Company's accounting, internal audit, financial reporting and ESG functions

Assessment of risks (including ESG risks) by Risk Management Committee

Operational management's assurance of the maintenance of controls

Control issues identified by external auditors during statutory audit

External consultant's review conducted on a periodic basis, or if required, of the effectiveness of the Group's system of internal control in specific areas including compliance, procurement, information technology and anti-money laundering

Compliance review of gaming regulations by both the Compliance Department and Internal Audit Department

Assessment of internal control by the Internal Audit Department

For the year under review, the Board considers that the risk management and internal control systems of the Group are adequate and effective and the Company has complied with the relevant code provisions in the CG Code.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management Committee

The Risk Management Committee has been established to implement a framework for assessing and monitoring risks faced by the Group. The terms of reference require the committee to meet at least quarterly to update the risk register based on inputs from risk owners and classifies and prioritises risks. During each quarter, the Risk Management Committee reviews specific areas of risks that are of concern in respect to financial, operations, compliance, and ESG associated risks, which in turn, are reported to the Audit Committee on a semi-annual basis.

Internal Audit Department

The Internal Audit Department of SJM is tasked with independently examining the sufficiency and efficacy of the Group's risk management and internal control frameworks, and provides assurance to the Audit Committee and executive management on an on-going basis. An annual audit plan is formulated by the Internal Audit Department, taking into account applicable regulatory requirements and risk assessments, for review and approval by the Audit Committee. Once approved, audit work and testing are conducted throughout the fiscal year. The Internal Audit Department communicates any findings or recommendations for corrective action to the Audit Committee and relevant management personnel.

During the year ended 31 December 2025, the Internal Audit Department performed reviews of the effectiveness of the internal control systems of the Group's businesses, with results and conclusions reported to the Audit Committee on a quarterly basis. With regard to the year ended 31 December 2025, no significant internal control deficiencies were identified that would have an adverse impact on the financial position or operations of the Group.

Whistleblowing Policy

The Group is committed to lawful and ethical behavior in all its businesses and requires all members of the Company to act according to all applicable laws, regulations and policies with the highest standard of openness, probity and accountability. To this end, the Board has adopted a Whistleblowing Policy to provide reporting channels and guidance for a whistleblower to report serious concerns about any suspected fraud, malpractice, misconduct or irregularity in the Group directly addressed to the designated investigation officer. The Group will maintain strict confidentiality regarding the whistleblower's identity and reported concerns.

The Audit Committee is responsible for monitoring and reviewing the effectiveness of the Whistleblowing Policy and the actions resulting from the investigations.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Anti-Fraud and Counter-Corruption Policy

The Group is committed to protecting its reputation, revenues, assets and information from any attempt of fraud, corruption and bribery, deceit or related improper conduct by employees or third parties. The Board has adopted an Anti-Fraud and Counter-Corruption Policy in compliance with Code Provision D.2.4 of the CG Code. It outlines the Company's expectations and requirements relating to the prevention, detection, reporting and investigation of any suspected fraud, corruption and bribery, and any other similar irregularities. All of our employees, business partners including joint venture partners, associated companies, contractors and suppliers are encouraged to abide by the requirements of the Anti-Fraud and Counter-Corruption Policy.

Information Disclosure Policy

The Board has adopted the Information Disclosure Policy with the intention of ensuring compliance by the Company with its obligations in respect of protection and timely disclosure of inside information concerning the Group. All disclosures must be timely, accurate and full.

If any employee becomes aware of any new developments or information which could potentially be inside information, he/she shall report such information to his/her department head as soon as possible. The department head must ensure that he/she has appropriate procedures in place within his/her area of responsibility to identify and report information as potentially being inside information and ensure that all such information is reported to him/her immediately so as to allow him/her to report the matter to the Company's Chairman of the Board as soon as possible for forwarding, if appropriate, to the Executive Committee for a determination as to whether the information is indeed inside information.

The Company's policy is for all potential inside information to be reported to the Executive Committee. The Executive Committee is responsible for:

- (i) deciding whether information is inside information;
- (ii) deciding whether the Company is entitled to delay announcement of inside information;
- (iii) approving announcements if required; and
- (iv) deciding to take other action, if appropriate (for example, to seek a trading halt or trading suspension from listing, pending clarification of uncertainties).

Where any potential inside information is reported, the Executive Committee will:

- (i) seek advice from the Company's Chief Financial Officer, Auditors, Financial Advisers, Legal Counsels, Company Secretary and/or other external advisers, as necessary;
- (ii) determine whether the Board should be involved; and
- (iii) co-ordinate the actual form of disclosure.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Procedures for convening a general meeting and for putting forward proposals at a general meeting

Pursuant to Article 49 of the Articles, the Board may, whenever it thinks fit, convene a general meeting. General meetings shall also be convened by the Directors on the requisition of Shareholders pursuant to section 566 of the Hong Kong Companies Ordinance (Cap. 622) ("Hong Kong Companies Ordinance").

According to section 566 of the Hong Kong Companies Ordinance, the Shareholders may request the Directors to call a general meeting of the Company. The Directors are required to call a general meeting if the Company has received requests to do so from Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings. A 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. Requests may consist of several documents in like form. A request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the person or persons making it.

Enquiries and suggestions from Shareholders or investors to the Board are welcomed by mail to the Company's registered office at 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong or via email to ir@sjmholdings.com for the attention of the Investor Relations Department. For putting forward proposals at any general meeting of the Company, Shareholders are invited to send their proposals by mail to the Company's registered office as aforesaid or via email to comsec@sjmholdings.com.

Voting at a general meeting

The rights of Shareholders and the procedures for demanding a poll on resolutions at a general meeting are contained in the Articles. The Listing Rules require that voting is by way of poll at all general meetings of the Company except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Any questions from Shareholders regarding voting by way of poll will be answered after explanation of the procedures.

Poll results will be posted on the websites of the Company and of the Stock Exchange.

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. It is the Company's general practice that the Chairman of the Board as well as Chairmen of the Audit Committee, Nomination Committee and Remuneration Committee, or in their absence, their duly appointed delegates, who are members of the relevant committees, are available to answer questions at the annual general meeting of the Company. At general meetings, individual resolutions are proposed on each substantially separate issue, including the election of individual Directors.

Sufficient notice of general meetings will be given to Shareholders in accordance with the Articles. Besides, the Company will ensure that Shareholders are familiar with the detailed procedures for conducting a poll, and will arrange to address questions from Shareholders in general meetings of the Company.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

According to the dividend policy set out in the Company's initial public offering (the "IPO Offering") prospectus dated 26 June 2008, the Board intends to distribute 50% of the Company's net profit as dividends for periods subsequent to the IPO Offering. The payment and the amount of any dividends will depend on the Company's financial condition, results of operations, cash flow, statutory and regulatory restrictions on the payment of dividends by the Company, future prospects and other factors that the Board may consider relevant. Holders of the Company's Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares.

Dividends may be paid only out of the Company's distributable profits as permitted under Hong Kong law, which does not restrict the payment of dividends to non-resident holders of its securities.

COMPANY SECRETARY

Ms. Kwok Shuk Chong is a full-time employee of the Company with professional qualifications and extensive experience to discharge the functions of Company Secretary of the Company. She is a Chartered Secretary and a Chartered Governance Professional and a fellow member (Practitioner's Endorsement) of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She has more than 30 years of experience in company secretarial practices in professional firms, private and listed groups of companies. Ms. Kwok took no less than 15 hours of relevant professional training in 2025.

The Board is responsible for the approval of the selection, appointment or dismissal of the Company Secretary. The Company Secretary should have day-to-day knowledge of the Company's affairs. She reports to the Chairman of the Board, and is responsible for advising the Board on governance matters and to facilitate induction and professional development for Directors. In addition, the Company Secretary should ensure good information flow within the Board and that the Board policy and procedures are followed.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

Shareholders' Communication Policy

The Company recognises the importance of maintaining on-going and timely communications with Shareholders and the investment community. The Board has adopted a Shareholders' Communication Policy to ensure that the Shareholders are provided with timely, updated, accurate and adequate information about the Company, in order to enable them to form their own judgment and to provide constructive feedback. Such policy will be reviewed annually and updated to ensure its effectiveness.

The Company has established the following channels to communicate with Shareholders and to solicit and understand the views of Shareholders and stakeholders:

- (i) Enquiries and suggestions from Shareholders or investors to the Board are welcomed by mail to the Company's registered office or via email to ir@sjmholdings.com for the attention of the Investor Relations Department. For putting forward proposals at any general meeting of the Company, Shareholders are invited to send their proposals by mail to the Company's registered office or via email to comsec@sjmholdings.com.
- (ii) Corporate Communications as required under the Listing Rules are provided to Shareholders, and where appropriate, other holders of the Company's securities, in hard copy or through electronic means.
- (iii) Corporate Communications and other Company's information as required for posting on the Company's website pursuant to the Listing Rules and applicable laws and regulations to the Company are posted on the Company's website as soon as practicable.
- (iv) Shareholders are welcome to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. They are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for Shareholder questions.
- (v) The Company holds press conferences, analysts' briefings and investor meetings/calls after the announcement of its financial results, and regularly participates in investment forums and briefings hosted by investment banks. Designated senior management maintains regular dialogue with institutional investors, financial media and analysts to keep them abreast of the Company's development.

Taking into account the above variety of communication channels and engagement with Shareholders, the Board considers that the implementation and effectiveness of the Shareholders' Communication Policy conducted during the year is satisfactory.

CORPORATE GOVERNANCE REPORT

CHANGES IN THE COMPANY'S CONSTITUTIONAL DOCUMENTS

There is no amendment to the Articles during the year 2025. The latest version of the Articles is available on the websites of the Company and of the Stock Exchange.

PROPOSED AMENDMENTS TO THE EXISTING ARTICLES

On 5 March 2026, the Board proposed certain amendments (the "Proposed Amendments") to the existing Articles (the "Existing Articles") to bring the Existing Articles in line with the amendments to the Hong Kong Companies Ordinance and the Listing Rules in relation to (i) the treasury shares regime; (ii) the promotion of paperless corporate communication; and (iii) the introduction of hybrid or virtual general meetings, and payment of dividend or other corporate action proceeds to the Shareholders via electronic means. Other amendments to the Existing Articles are also made for consequential and housekeeping changes. Accordingly, the Board proposes to adopt a new set of Articles incorporating the Proposed Amendments (the "New Articles") in substitution for, and to the exclusion of, the Existing Articles.

The Proposed Amendments and the adoption of the New Articles will be subject to approval by the Shareholders by way of special resolutions at the 2026 AGM.

A circular containing, among other things, details of the Proposed Amendments and the adoption of the New Articles, together with a notice of the 2026 AGM, will be despatched to the Shareholders on or around 28 April 2026.

LOOKING FORWARD

We will continue to review and enhance our corporate governance practices taking into account the internal environment of the Group as well as the external regulatory requirements, practices and developments.

For and on behalf of the Board of Directors

SJM Holdings Limited

Ho Chiu Fung, Daisy

Chairman and Executive Director

Hong Kong, 5 March 2026

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

**TO THE MEMBERS OF
SJM HOLDINGS LIMITED**
澳門博彩控股有限公司
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of SJM Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 118 to 219, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of property and equipment and right-of-use assets related to the project of Grand Lisboa Palace Resort ("GLP Project")

We identified the impairment assessment of property and equipment and right-of-use assets related to GLP Project as a key audit matter because the estimation of the recoverable amount of these assets involved significant management judgement and estimation.

As at 31 December 2025, the carrying amounts of property and equipment and right-of-use assets related to GLP Project were HK\$31,765.0 million and HK\$1,737.3 million, respectively, as set out in note 4 to the consolidated financial statements. The management of the Group considered there was indication for impairment for these property and equipment and right-of-use assets and prepared discounted cash flow projections for GLP Project based on the financial budget approved by the management of the Group and engaged an independent professional valuer (the "Valuer") to conduct impairment assessment on their recoverable amount of property and equipment and right-of-use assets as at 31 December 2025. The key assumptions adopted by the management of the Group are the pre-tax discount rate, terminal growth rate and expected changes in revenues and costs in the discounted cash flow projections.

The Group estimated the recoverable amount of the property and equipment and right-of-use assets related to GLP Project based on higher of fair value less costs of disposal and value in use and concluded that the carrying amount of these assets does not exceed their recoverable amount based on value in use. Accordingly, no impairment loss has been recognised as at 31 December 2025 or for the year then ended.

Our procedures in relation to the impairment assessment of property and equipment and right-of-use assets related to GLP Project included:

- Understanding the impairment assessment process of the Group, including the involvement of the Valuer engaged by the management of the Group to estimate the recoverable amount based on the value in use of the property and equipment and right-of-use assets related to GLP Project;
- Evaluating the competence, capabilities and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement;
- Assessing the reasonableness of the key assumptions adopted by the management of the Group, namely the terminal growth rate and expected changes in revenues and costs, in determining the recoverable amount based on the value in use of property and equipment and right-of-use assets related to GLP Project by comparing the management's expectations for the market development to relevant industry growth forecasts;
- Assessing the reasonableness of pre-tax discount rate applied by the management of the Group in the discounted cash flow projections by comparing it to our independent estimation for the discount rate based on market data and certain entity specific input data with the assistance of our valuation specialists; and
- Performing sensitivity analysis to determine the extent of change in pre-tax discount rate and terminal growth rate, either individually or collectively, to assess the potential impact on the value in use.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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 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 judgement and maintain professional skepticism 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.
- 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 group 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.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 the independent auditor's report is Au Mei Yin (practising certificate number: P04754).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

5 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$ million	2024 HK\$ million
Gaming, hotel, catering, retail, leasing and related services revenues	5(a)	28,170.2	28,768.9
Gaming revenue	6	26,203.3	26,846.1
Special gaming tax and special levy		(11,447.7)	(11,528.3)
Hotel, catering, retail, leasing and related services income		14,755.6	15,317.8
Cost of sales and services on hotel, catering, retail, leasing and related services		1,966.9	1,922.8
Other income, gains and losses		(769.1)	(741.0)
Other income, gains and losses		321.3	263.2
Marketing and promotional expenses		(4,678.8)	(5,071.8)
Operating and administrative expenses		(10,253.6)	(9,654.7)
Finance costs	7	(1,654.7)	(1,892.6)
Share of profit of an associate	17	0.7	7.0
Share of profit of a joint venture	18	7.6	8.1
(Loss) profit before taxation	8	(304.1)	158.8
Taxation	10	(53.7)	(52.3)
(Loss) profit for the year		(357.8)	106.5
Other comprehensive expense:			
<i>Item that will not be reclassified to profit or loss:</i>			
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")		(26.3)	(14.7)
Total comprehensive (expense) income for the year		(384.1)	91.8
(Loss) profit for the year attributable to:			
— owners of the Company		(429.0)	3.2
— non-controlling interests		71.2	103.3
		(357.8)	106.5
Total comprehensive (expense) income for the year attributable to:			
— owners of the Company		(455.3)	(11.5)
— non-controlling interests		71.2	103.3
		(384.1)	91.8
(Loss) Earnings per share:			
— Basic	12	HK(6.04) cents	HK0.04 cents
— Diluted	12	HK(6.04) cents	HK0.04 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$ million	2024 HK\$ million
Non-current assets			
Property and equipment	13	40,021.1	37,566.4
Right-of-use assets	14	2,485.3	2,507.7
Gaming concession right	15	1,792.0	2,097.7
Art works and diamonds	16	281.7	281.3
Interest in an associate	17	40.1	39.4
Interest in a joint venture	18	66.0	58.4
Loan to a director	9A	177.5	—
Investments in equity instruments designated at FVTOCI	19	330.7	357.0
Pledged bank deposit	21	970.9	970.9
Other assets	20	1,275.8	1,584.6
		47,441.1	45,463.4
Current assets			
Inventories		147.0	148.1
Trade and other receivables	22	1,540.2	867.6
Pledged bank deposits	21	38.1	37.9
Financial asset at fair value through profit or loss ("FVTPL")	24	40.0	—
Short-term bank deposits	23	225.9	215.0
Bank balances and cash	23	1,775.1	1,992.9
		3,766.3	3,261.5
Current liabilities			
Trade and other payables	25	5,122.0	4,743.5
Taxation payable		48.7	50.1
Bank loans — due within one year	26	3,445.1	1,729.5
Lease liabilities	28	80.0	77.0
Amount due to non-controlling interests of a subsidiary	29	—	333.3
Unsecured notes	27	5,498.2	—
		14,194.0	6,933.4
Net current liabilities		(10,427.7)	(3,671.9)
Total assets less current liabilities		37,013.4	41,791.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$ million	2024 HK\$ million
Non-current liabilities			
Other payables	25	1,951.9	2,278.7
Bank loans — due after one year	26	12,776.9	11,769.7
Unsecured notes	27	3,803.0	9,349.9
Lease liabilities	28	601.2	595.4
Amount due to non-controlling interests of a subsidiary	29	341.9	—
Loan from ultimate holding company	30	2,006.8	2,006.8
Deferred taxation	31	17.7	12.7
Convertible bond	32	1,722.1	1,602.3
		23,221.5	27,615.5
Net assets		13,791.9	14,176.0
Capital and reserves			
Share capital	33	14,415.1	14,415.1
Reserves		(946.3)	(491.0)
Equity attributable to owners of the Company		13,468.8	13,924.1
Non-controlling interests		323.1	251.9
Total equity		13,791.9	14,176.0

The consolidated financial statements on pages 118 to 219 were approved and authorised for issue by the Board of Directors on 5 March 2026 and are signed on its behalf by:

Ho Chiu Fung, Daisy
Director

Fok Tsun Ting, Timothy
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital HK\$ million	Share options reserve HK\$ million	Convertible bond reserve HK\$ million	Investment revaluation reserve HK\$ million	Accumulated losses HK\$ million	Attributable to owners of the Company HK\$ million	Non- controlling interests HK\$ million	Total HK\$ million
At 1 January 2024	14,415.1	384.5	574.7	(219.5)	(1,219.2)	13,935.6	149.6	14,085.2
Profit for the year	—	—	—	—	3.2	3.2	103.3	106.5
Other comprehensive expense for the year	—	—	—	(14.7)	—	(14.7)	—	(14.7)
Total comprehensive (expense) income for the year	—	—	—	(14.7)	3.2	(11.5)	103.3	91.8
Release of lapsed/forfeited share-based payments	—	(367.6)	—	—	367.6	—	—	—
Arising from changes in cash flow estimates on amount due to non-controlling interests of a subsidiary (note 28)	—	—	—	—	—	—	(1.0)	(1.0)
At 31 December 2024	14,415.1	16.9	574.7	(234.2)	(848.4)	13,924.1	251.9	14,176.0
(Loss) profit for the year	—	—	—	—	(429.0)	(429.0)	71.2	(357.8)
Other comprehensive expense for the year	—	—	—	(26.3)	—	(26.3)	—	(26.3)
Total comprehensive (expense) income for the year	—	—	—	(26.3)	(429.0)	(455.3)	71.2	(384.1)
At 31 December 2025	14,415.1	16.9	574.7	(260.5)	(1,277.4)	13,468.8	323.1	13,791.9

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 HK\$ million	2024 HK\$ million
Operating activities		
(Loss) profit before taxation	(304.1)	158.8
Adjustments for:		
Interest income	(56.2)	(101.0)
Interest expenses	1,646.1	1,884.0
Imputed interest on an amount due to non-controlling interests of a subsidiary	8.6	8.6
Share of profit of an associate	(0.7)	(7.0)
Share of profit of a joint venture	(7.6)	(8.1)
Loss on modification of a bank loan	0.3	25.6
Depreciation of property and equipment	1,639.5	1,496.2
Depreciation of right-of-use assets	140.9	130.8
Amortisation of intangible asset	254.3	261.7
Loss on disposals/write-off of property and equipment	3.0	10.7
Gain on early repurchase of unsecured notes	(2.4)	(4.1)
Dividend income	—	(1.4)
Gain on modification of a bank loan	(68.0)	—
Fair value change of money market fund	(1.3)	—
Loss on write-off of inventories	7.9	—
Operating cash flows before movements in working capital	3,260.3	3,854.8
Increase in inventories	(2.0)	(0.2)
Increase in trade and other receivables	(669.2)	(170.4)
Increase in trade and other payables	363.8	409.4
Cash generated from operations	2,952.9	4,093.6
Income tax paid	(50.1)	(36.1)
Net cash generated from operating activities	2,902.8	4,057.5

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
Investing activities			
Withdrawal of short-term bank deposits		215.0	452.6
Interest received		57.5	106.4
Proceeds of rental deposits refunded		3.4	2.1
Proceeds from disposal of property and equipment		1.4	1.7
Dividend received from investments in equity instruments designated at FVTOCI		—	0.6
Advance to a joint venture		(0.1)	—
Advance to ultimate holding company		(0.1)	(0.2)
Placement of pledged bank deposits		(0.2)	(0.2)
Purchase of art works and diamonds		(0.4)	—
Payments for rental deposits		(3.1)	(2.7)
Payment for leasehold lands		—	(16.8)
Placement of money market fund		(38.7)	—
Advance to a director		(177.5)	—
Placement of short-term bank deposits		(225.9)	(215.0)
Deposits paid for acquisitions of property and equipment and right-of-use assets		(385.6)	(1,298.3)
Net cash outflow on acquisition of subsidiaries	40	(1,719.5)	—
Acquisitions of property and equipment		(1,913.3)	(439.0)
Net cash used in investing activities		(4,187.1)	(1,408.8)
Financing activities			
Repayment of bank loans		(2,708.4)	(3,127.3)
Interest paid		(1,509.0)	(1,756.1)
Repayments of lease liabilities		(79.7)	(66.1)
Repayment of payable for gaming concession right		(75.9)	(62.4)
Repayments of unsecured notes		(59.4)	(73.5)
Payment of bank loans arrangement fee		(1.1)	—
Repayment to non-controlling interests of a subsidiary		—	(24.5)
New bank loans raised		5,500.0	1,365.0
Net cash generated from (used in) financing activities		1,066.5	(3,744.9)
Net decrease in cash and cash equivalents		(217.8)	(1,096.2)
Cash and cash equivalents at 1 January		1,992.9	3,089.1
Cash and cash equivalents at 31 December		1,775.1	1,992.9
Analysis of the balances of cash and cash equivalents, representing bank balances and cash		1,775.1	1,992.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

SECTION A

THE COMPANY'S STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

	Notes	2025 HK\$ million	2024 HK\$ million
Non-current assets			
Investments in subsidiaries	45	8,630.9	8,630.9
Amount due from a subsidiary	46	19,173.4	19,173.4
		27,804.3	27,804.3
Current assets			
Other receivables, deposits and prepayments		1.4	1.5
Amounts due from subsidiaries	46	4,599.0	4,868.3
Bank balances and cash		96.6	98.2
		4,697.0	4,968.0
Current liabilities			
Other payables and accruals		11.1	6.0
Amounts due to subsidiaries	46	9,264.5	9,349.8
		9,275.6	9,355.8
Net current liabilities		(4,578.6)	(4,387.8)
Total assets less current liabilities		23,225.7	23,416.5
Non-current liability			
Loan from ultimate holding company	30	2,006.8	2,006.8
Net assets		21,218.9	21,409.7
Capital and reserves			
Share capital	33	14,415.1	14,415.1
Reserves	35	6,803.8	6,994.6
Total equity		21,218.9	21,409.7

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 5 March 2026 and is signed on its behalf by:

Ho Chiu Fung, Daisy
Director

Fok Tsun Ting, Timothy
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

SECTION B

1. GENERAL INFORMATION

SJM Holdings Limited (the “Company”) is a public limited company incorporated in Hong Kong and acts as an investment holding company. The Company’s ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its subsidiaries are principally engaged in the development and operations of casinos and related facilities, and hotel, catering, retail, leasing and related services in Macau Special Administrative Region, the People’s Republic of China (“Macau SAR”). Its immediate and ultimate holding company is Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”), a company established in Macau SAR. The address of the registered office and principal place of business of the Company is disclosed in Corporate Information of the annual report.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors of the Company continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

In preparing the consolidated financial statements, the directors of the Company have carefully considered the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by approximately HK\$10,427.7 million and the Group had capital commitments of HK\$427.2 million.

The Group has available facility from the bank loans facility agreement amounting to HK\$3,570 million as at 31 December 2025. On 15 January 2026, a wholly-owned subsidiary of the Company issued 6.50% senior notes with an aggregate principal amount of US\$540,000,000 (equivalent to approximately HK\$4,202,000,000) due 2031 as disclosed in note 48. The directors of the Company reviewed the Group's cash flow projections which cover a period of not less than 12 months from 31 December 2025 that are of the opinion that the Group will have sufficient liquidity to meet its financial obligations that will be due in the coming 12 months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases* ("HKFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets* ("HKAS 36").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Material accounting policy information

3.2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.1 Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3.2.2 Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3.2.3 Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at deemed cost plus additional capital contribution, less any identified impairment loss. The deemed cost represents the carrying amounts of consolidated net assets of the subsidiaries at the date on which they were transferred to the Company at the time of a group reorganisation in prior accounting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.4 Interest in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When an objective evidence exists, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.5 Interest in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When an objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.6 Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified goods or service before that goods or service is transferred to a customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.6 Revenue from contracts with customers (Continued)

Principal versus agent (Continued)

The Group is an agent if its performance obligation is to arrange for the provision of the specified goods or service by another party. In this case, the Group does not control the specified goods or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The directors of the Company considered that the Group acts as a principal for gaming operations in casinos with services provided by gaming promoters and service providers as the Group controls the specified service to be provided by the Group before services transferred to a customer.

Revenue recognition

The Group's revenue contracts with customers consist of casino, hotel rooms, food and beverage, retail and other transactions.

Gaming revenue is the aggregate net difference between gaming wins and losses. Commissions paid to gaming promoters and rebates paid to patrons are recorded as a reduction to gaming revenue. The Group accounts for gaming revenue on a portfolio basis given the similar characteristics of wagers by recognising net win per gaming day.

For gaming operations that the Group provides complimentary goods and services to gaming customers to incentivise gaming, the Group allocates a portion of the gaming revenue to the respective type of revenue from complimentary goods or services based on its relative stand-alone selling price. Discretionary complimentary services supplied by third parties are recorded as payables to third parties. The Group accounts for complimentary services on a portfolio basis given the similar characteristics of the incentives.

For gaming operations that the Group provides award points to customers under loyalty programs, the Group allocates a portion of the gaming revenue to the loyalty programs liabilities based on its relative stand-alone selling price of such award points (less estimated breakage). Such allocated amount is deferred revenue and recognised as loyalty programs liabilities until customers redeem the award points for free goods and services. Upon redemption, the deferred consideration of each good and service is allocated to the respective type of revenue. Redemption of award points at third party outlets are recorded as payables to third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.6 Revenue from contracts with customers (Continued)

Revenue recognition (Continued)

The transaction price of hotel rooms, food and beverage, and retail transactions is the net amount collected from the customer for such goods and services. The transaction price for such transactions is recorded as revenue when the good or service is transferred or rendered to the customer during their stay at the hotel or when the delivery is made for the food and beverage, retail and other services.

The Group has other contracts that include multiple goods and services, such as packages that bundle food and beverage and other services with hotel stays. For such arrangements, the Group allocates revenue to each good or service based on its relative stand-alone selling price. The Group primarily determines the stand-alone selling price of hotel rooms, food and beverage, and retail transactions based on the amount that the Group charges when each is sold separately in similar circumstances to similar customers.

3.2.7 Property and equipment

Property and equipment are tangible assets that are held for use in the supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

When the buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as right-of-use assets and amortised over a straight line basis over the shorter of its estimated useful life and the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of construction in progress. Construction in progress is carried at cost, less any identified impairment losses. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of buildings commences when they are ready for their intended use.

The cost of leasehold improvements is depreciated on a straight line basis over their respective estimated useful lives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.7 Property and equipment (Continued)

Depreciation is recognised so as to write off the cost of other property and equipment, less their residual values over their estimated useful lives, using the straight line method, at the following rates per annum:

Chips	6.7% – 25%
Furniture, fixtures and equipment	2.4% – 50%
Gaming equipment	20% – 25%
Motor vehicles	14.3% – 20%
Vessels	3.3% – 10%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the item and is recognised in profit or loss.

3.2.8 Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position.

For the leasehold land and buildings in Macau SAR and Hong Kong, where the cost of right-of-use assets cannot be reliably separated from the cost of land and buildings, the entire cost of land and buildings is treated as property and equipment and depreciated on a straight line basis over the estimated useful life of the buildings.

The cost of other buildings in Macau SAR is depreciated over 25 years to 50 years using the straight line method, which represents the shorter of respective lease term or estimated useful life of buildings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.2.10 Special gaming tax and special levy

In December 2022, a subsidiary of the Company, SJM Resorts, S.A. ("SJM") entered into a definitive gaming concession contract (the "New Gaming Concession Contract") with the Macau SAR Government, pursuant to which SJM was granted a 10-year gaming concession commencing on 1 January 2023 and expiring on 31 December 2032, to operate games of fortune and chance or other games in Macau (details are disclosed in note 15). According to the New Gaming Concession Contract, the Group is required to pay a special gaming tax, tourism contribution and cultural contribution, which are equivalent to 35%, 3% and 2% of the gross gaming revenue, respectively. These expenses are recognised as "Special gaming tax and special levy" in profit or loss in the period in which they are incurred.

3.2.11 Intangible asset

In accordance with the requirements of the Macau Gaming Law, since the casino premises, which are owned and operated by the Group as at 31 December 2022, reverted to the Macau SAR Government at the end of the concession period (see details in note 4), SJM paid an annual utilisation fee (the "Utilisation Fee") to the Macau SAR Government for use of the casino premises in the new concession period.

Pursuant to the terms of the New Gaming Concession Contract, SJM is required to pay the Macau SAR Government an annual gaming premium (the "Annual Premium") consisting of a fixed and a variable portion. The fixed portion of the Annual Premium is composed of an annual amount equal to Macau Pataca(s) ("MOP") 30.0 million (equivalent to approximately HK\$29.1 million). The variable portion of the Annual Premium is composed of an annual amount equal to MOP300,000 (approximately HK\$291,000) per gaming table located in special gaming halls reserved exclusively to particular games or players ("VIP table"), MOP150,000 (equivalent to approximately HK\$145,000) per gaming table that is not reserved exclusively to particular games or players ("Mass market table"), and MOP1,000 (equivalent to approximately HK\$970) per gaming machine, including slot machines, operated by SJM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.11 Intangible asset (Continued)

When the Group has a right to operate games of fortune and chance or other games in Macau and the unconditional obligation to make payments under the New Gaming Concession Contract, it recognises an intangible asset at the net present value of the future payments for the Utilisation Fee based on the agreed fee taking into account the inflation adjustment estimated as of the date of initial recognition and Annual Premium based on the existing composition of VIP table, Mass market table and gaming machine, with a corresponding amount recognised as financial liability. The intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation for intangible asset is recognised on a straight-line basis over their estimated useful lives (i.e. 10-year term of the New Gaming Concession Contract). The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Any changes in the estimated future payments (including inflation adjustment, changes in variable premium depending on the actual number of VIP table, Mass market table and gaming machines) will be recognised as an adjustment to the carrying amount of the gaming concession right and corresponding financial liability.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.2.12 Art works and diamonds

Art works and diamonds are stated at cost less accumulated impairment loss.

3.2.13 Inventories

Inventories, which mainly represent food and beverage held for sale, are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling the financial assets and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

- (ii) Equity instruments designated as at FVTOCI

Investments in equity instruments designated at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 Financial Instruments ("HKFRS 9")

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including advances to gaming patrons, other receivables from service providers, other sundry receivables, rental deposits, pledged bank deposits, short-term bank deposits, bank balances, amounts due from an associate/a joint venture/an investee company and loan to a director) and lease receivables which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 Financial Instruments ("HKFRS 9") (Continued)

The Group applies simplified approach to recognise lifetime ECL for advances to gaming patrons and lease receivables. For all other instruments, the Group measures the loss allowance equal to 12m ECL under general approach, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the ability of gaming promoters or service provider to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the gaming promoters or service providers;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the gaming promoters or service providers that results in a significant decrease in the ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of ECL (Continued)

The ECL on advances to gaming patrons, other receivables from services providers, lease receivables, loan to a director and amounts due from an associate/a joint venture/an investee company are assessed individually.

Other sundry receivables, rental deposits, pledged bank deposits, short-term bank deposits and bank balances are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivables is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, loan from ultimate holding company, amount due to non-controlling interests of a subsidiary, unsecured notes, liability component of convertible bond and bank loans are subsequently measured at amortised cost using the effective interest method.

Convertible bond

The component parts of the convertible bond are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible bond (Continued)

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible bond, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The above said fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.14 Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition/modification of financial liabilities (Continued)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3.2.15 Impairment losses on property and equipment, right-of-use assets and intangible asset

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, and intangible asset with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, right-of-use assets, and intangible asset are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.15 Impairment losses on property and equipment, right-of-use assets and intangible asset (Continued)

If the recoverable amount of an asset (or the cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to reduce the carrying amount of assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.2.16 Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.17 Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit/loss for the year. Taxable profit/loss differs from profit/loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in a joint venture and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.17 Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.2.18 Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold land and buildings and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.18 Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes the amounts of the initial measurement of the lease liabilities and any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on the prime rate of Macau SAR.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever (i) the lease payments change due to changes in market rental rates following a market rent review, in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate, or (ii) a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.18 Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentive receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

The Group as a lessor

Classification and measurement of leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.18 Leases (Continued)

The Group as a lessor (Continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

3.2.19 Equity-settled share-based payment transactions

- (a) *Share options granted to directors, employees and other participants of the Group*
Equity-settled share-based payments to directors, employees and other participants providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity (share options reserve). At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

- (b) *Share options granted to other participants*

Equity-settled share-based payment transactions with parties other than directors and employees are measured at the fair values of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the goods or the counterparty renders service. The fair values of the goods or services received are recognised as expenses, unless the goods or services qualify for recognition as assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

3.2.20 Employee benefits

Retirement benefits costs

Payments to defined contribution retirement benefits plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Judgement in determining whether reversion of gaming assets and equipment and ownership rights to the casino properties in Macau to Macau Government upon expiration of the Gaming Concession Contract (as defined below) would result in derecognition

In 2002, Macau SAR Government granted to SJM one of the three concessions for the exploitation of games of fortune and chance or other games in casino in Macau SAR (the "Gaming Concession Contract"), which was expired on 31 December 2022.

Upon expiration of the Gaming Concession Contract, all of SJM's casinos, gaming assets and equipment and ownership rights to the casino properties in Macau were reverted to the Macau Government without compensation to SJM (the "Assets Reverted to the Macau Government").

On 16 December 2022, Macau government had awarded SJM the New Gaming Concession Contract for a 10-year period. On 30 December 2022, SJM signed a deed with the Macau Government where SJM agreed with the Assets Reverted to the Macau Government. Macau Government temporarily transferred the Assets Reverted to the Macau Government to SJM for its operation of games of chance or other games in the casinos during the concession period under the New Gaming Concession Contract.

The management of the Company assessed whether the reversion of gaming assets and equipment and ownership rights to the casino properties in Macau to Macau Government upon expiration of the Gaming Concession Contract would result in derecognition of the Asset Reverted to the Macau Government. The management of the Company believe that SJM will be in a good position for the renewal, extension or application process for gaming concession retendering or extension upon the expiration of the New Gaming Concession Contract. The management of the Company have established that the Group can continue to direct the use of and obtain substantially all of the remaining benefits from the Assets Reverted to the Macau Government and therefore the Group can retain control of the Assets Reverted to the Macau Government. As a result, the management of the Company concluded that the reversion of Assets Reverted to the Macau Government will not result in derecognition and the Group shall continue to recognise the Assets Reverted to the Macau Government in the respective categories of property and equipment.

Determination on recognition of an intangible asset of the gaming concession right

The Group applies judgement to determine the recognition of an intangible asset of the gaming concession right with a corresponding financial liability, representing the right to operate games of fortune and chance or other games in Macau and the unconditional obligations to make payments under the New Gaming Concession Contract, which was estimated as the net present value of the future payments for the Utilisation Fee and Annual Premium based on the existing composition of VIP table, Mass market table and gaming machines.

As at 31 December 2025, the carrying amounts of gaming concession right and payable for gaming concession right are HK\$1,792.0 million (2024: HK\$2,097.7 million) and HK\$2,366.1 million (2024: HK\$2,493.4 million) as set out in notes 15 and 25 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Determination on lease term of contracts with renewal options

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option, specifically, the leases relating to leasehold lands.

The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- contractual terms and conditions for the optional periods compared with market rates (e.g. whether the amount of payments in the optional periods is below the market rates);
- the extent of leasehold improvements undertaken by Group;
- costs relating to termination of the lease (e.g. relocation costs, costs of identifying another underlying asset suitable for the Group's needs);

As at 31 December 2025, the carrying amounts of right-of-use assets and lease liabilities for the lease contracts which the Group is reasonably certain to exercise the renewal option are HK\$2,282.0 million and HK\$535.0 million (2024: HK\$2,238.2 million and HK\$470.8 million) respectively.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of the property and equipment and right-of-use assets related to the project of Grand Lisboa Palace Resort ("GLP Project")

In determining whether property and equipment and right-of-use assets related to GLP Project are impaired, the management of the Group has to exercise significant judgement and make estimation on the recoverable amounts of the property and equipment and right-of-use assets related to GLP Project. Changes in the key assumptions, including the pre-tax discount rate, terminal growth rate and expected changes in revenues in the discounted cash flow projections, could materially affect the recoverable amounts.

The management of the Group considered there was indication for impairment for these property and equipment and right-of-use assets and prepared discounted cash flow projections for GLP Project based on the financial budget approved by the management of the Group and engaged an independent professional valuer to conduct impairment assessment on their recoverable amount of property and equipment and right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of the property and equipment and right-of-use assets related to the project of Grand Lisboa Palace Resort ("GLP Project") (Continued)

At 31 December 2025, the carrying amounts of the property and equipment and right-of-use assets related to GLP Project were HK\$31,765.0 million and HK\$1,737.3 million (2024: HK\$32,151.5 million and HK\$1,783.9 million), respectively.

The Group estimated the recoverable amount of the property and equipment and right-of-use assets related to GLP Project based on higher of fair value less costs of disposal and value in use and concluded that the carrying amount of these assets does not exceed their recoverable amount based on value in use. Accordingly, no impairment has been recognised as at 31 December 2025 or for the year then ended.

Estimates of timing and amount of repayment of amount due to non-controlling interests of a subsidiary

As disclosed in note 29, the amount due to non-controlling interests of a subsidiary as at 31 December 2025 of HK\$341.9 million (2024: HK\$333.3 million) is repayable only when the subsidiary has surplus funds which require significant estimates. Surplus fund represents cash available in the subsidiary after estimated payments of all operating expenses and payables including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest. As such, the carrying amount of such amount due to non-controlling interests of a subsidiary may be adjusted to reflect the revised estimated cash flows when the Group revises its estimates of the surplus funds and consequently the timing and amount of repayment to the non-controlling interests, and will affect the amount of imputed interest to be recognised in profit or loss over the expected life of such amount due to non-controlling interests of a subsidiary.

Useful lives of property and equipment

The Group depreciates property and equipment over their estimated useful lives, using the straight-line method, commencing from the date the property and equipment are ready for the intended use. The useful lives that the Group estimated for property and equipment reflects the Group management's estimate of the period that the Group intends to derive future economic benefits from the use of the assets. Future events could result in a change in the manner in which the Group uses certain assets and could have an impact on the estimated useful lives of such assets. Should there be any changes in such estimates, the depreciation of property and equipment may vary with changes affecting profit or loss in the period of the change.

The management of the Group believe SJM will be successful in extending the term of concession and/or obtaining a new gaming concession when the New Gaming Concession Contract expires. Therefore, the useful lives of property and equipment has taken into consideration of such factor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. OPERATING SEGMENTS

The Group is currently organised into two reportable segments — gaming operations, and hotel, catering, retail and leasing operations. Principal activities of these two reportable segments are as follows:

- (i) Gaming operations — operation of casinos and related facilities
- (ii) Hotel, catering, retail and leasing operations — operation of hotel, catering, retail, leasing and related services

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “CODM”). CODM, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as a group of senior management that makes strategic decisions.

The CODM regularly analyses gaming operations in terms of rolling revenue, non-rolling revenue and electronic gaming revenue and the relevant revenues and operating results are reviewed as a whole for resources allocation and performance assessment. For hotel, catering, retail and leasing operations, the CODM regularly reviews the performance on the basis of the individual hotel. For segment reporting under HKFRS 8 *Operating Segments*, financial information of the Group’s hotels with similar economic characteristics has been aggregated into a single reportable segment named “hotel, catering, retail and leasing operations”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. OPERATING SEGMENTS (Continued)

Segment information about these businesses is presented below:

(a) An analysis of the Group's revenue and results by reportable segments is as follows:

	Segment revenue		Segment results	
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million
Gaming operations: recognised at a point in time	26,203.3	26,846.1	173.8	363.9
Hotel, catering, retail and leasing operations: External sales: Catering and retail operations: recognised at a point in time	778.4	748.9		
Hotel operations: recognised over time	1,042.6	1,013.3		
Leasing operations: revenue from operating leases	145.9	160.6		
	1,966.9	1,922.8		
Inter-segment sales: Catering and retail operations: recognised at a point in time	265.9	226.5		
Hotel operations: recognised over time	144.5	112.8		
	410.4	339.3		
	2,377.3	2,262.1	(362.3)	(96.5)
Eliminations	(410.4)	(339.3)		
	1,966.9	1,922.8		
Total: Revenue from contracts with customers: recognised at a point in time	26,981.7	27,595.0		
recognised over time	1,042.6	1,013.3		
	28,024.3	28,608.3		
Revenue from operating leases: lease payments	145.9	160.6		
	28,170.2	28,768.9		
Reconciliation from segment results to (loss) profit before taxation:			(188.5)	267.4
Unallocated corporate income			11.6	13.8
Unallocated corporate expenses			(135.5)	(137.5)
Share of profit of an associate			0.7	7.0
Share of profit of a joint venture			7.6	8.1
(Loss) profit before taxation			(304.1)	158.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. OPERATING SEGMENTS (Continued)

(a) **An analysis of the Group's revenue and results by reportable segments is as follows: (Continued)**

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit (loss) before taxation from each segment without allocation of corporate income and expenses and share of profit of an associate and a joint venture. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at a price mutually agreed by both parties.

	2025 HK\$ million	2024 HK\$ million
Revenues excluded inter-segment sales:		
Gross gaming revenue (<i>note 6</i>)	28,619.6	28,823.7
Hotel, catering, retail, leasing and related services income	1,966.9	1,922.8
	30,586.5	30,746.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. OPERATING SEGMENTS (Continued)

(b) An analysis of the Group's assets and liabilities by reportable segments is as follows:

	2025 HK\$ million	2024 HK\$ million
ASSETS		
Segment assets:		
— gaming operations	37,129.9	35,117.6
— hotel, catering, retail and leasing operations	12,265.1	10,460.4
	49,395.0	45,578.0
Interest in an associate	40.1	39.4
Interest in a joint venture	66.0	58.4
Unallocated bank deposits, bank balances and cash	111.1	111.2
Other unallocated assets	1,595.2	2,937.9
Group's total	51,207.4	48,724.9
LIABILITIES		
Bank loans:		
— gaming operations	15,857.3	13,094.4
— hotel, catering, retail and leasing operations	364.7	404.8
	16,222.0	13,499.2
Unsecured notes:		
— gaming operations	9,301.2	9,349.9
Convertible bond:		
— gaming operations	1,255.9	1,168.5
— hotel, catering, retail and leasing operations	466.2	433.8
	1,722.1	1,602.3
Other segment liabilities:		
— gaming operations	8,836.7	8,871.0
— hotel, catering, retail and leasing operations	677.9	600.7
	9,514.6	9,471.7
Total segment liabilities	36,759.9	33,923.1
Unallocated liabilities	655.6	625.8
Group's total	37,415.5	34,548.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. OPERATING SEGMENTS (Continued)

(b) An analysis of the Group's assets and liabilities by reportable segments is as follows: (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- (i) other unallocated assets include mainly certain property and equipment, certain right-of-use assets, certain deposits made on acquisitions of property and equipment, art works and diamonds, loan to a director, amounts due from an associate/a joint venture/an investee company, financial asset at FVTPL and investments in equity instruments designated at FVTOCI.
- (ii) unallocated liabilities include mainly certain construction payables, certain lease liabilities and amount due to non-controlling interests of a subsidiary.
- (iii) all assets are allocated to reportable segments, other than interest in an associate/a joint venture, unallocated bank deposits, bank balances and cash and those mentioned in above (i).
- (iv) all liabilities are allocated to reportable segments, other than liabilities not attributable to respective segments as mentioned in above (ii).

(c) Other segment information of the Group

	2025 HK\$ million	2024 HK\$ million
Additions to non-current assets (other than financial instruments):		
— gaming operations	1,049.2	1,259.9
— hotel, catering, retail and leasing operations	2,847.0	717.2
— corporate level*	0.9	14.8
	3,897.1	1,991.9

* Amount includes certain property and equipment, certain right-of-use assets and certain deposits made on acquisitions of property and equipment where the directors of the Company consider it impracticable to divide into individual segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. OPERATING SEGMENTS (Continued)

(c) Other segment information of the Group (Continued)

	2025 HK\$ million	2024 HK\$ million
Depreciation and amortisation:		
— gaming operations	986.9	846.8
— hotel, catering, retail and leasing operations	988.8	977.6
— corporate level	59.0	63.9
	2,034.7	1,888.3
Loss (gain) on disposals/write-off of property and equipment:		
— gaming operations	3.0	10.8
— hotel, catering, retail and leasing operations	—	(0.1)
	3.0	10.7
Gain on early repurchase of unsecured notes:		
— gaming operations	(2.4)	(4.1)
Finance costs:		
— gaming operations	1,537.2	1,780.4
— hotel, catering, retail and leasing operations	26.6	20.7
— corporate level	90.9	91.5
	1,654.7	1,892.6
Interest income:		
— gaming operations	(24.6)	(53.7)
— hotel, catering, retail and leasing operations	(27.8)	(42.3)
— corporate level	(3.8)	(5.0)
	(56.2)	(101.0)
(Gain) loss on modification on bank loans, net:		
— gaming operations	(68.0)	25.6
— hotel, catering, retail and leasing operations	0.3	—
	(67.7)	25.6

All revenues during each of the reporting periods are derived from customers in Macau SAR and almost all of the non-current assets, other than financial instruments, of the Group are located in Macau SAR. None of the customers of the Group contributed more than 10% of the total revenues during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. GAMING REVENUE

	2025 HK\$ million	2024 HK\$ million
Gaming revenue comprises of:		
Rolling gross gaming revenue	2,399.3	2,687.4
Non-rolling gross gaming revenue	23,503.2	23,762.1
Electronic game gross gaming revenue	2,717.1	2,374.2
Gross gaming revenue	28,619.6	28,823.7
Less: Commissions and incentives	(2,416.3)	(1,977.6)
	26,203.3	26,846.1

7. FINANCE COSTS

	2025 HK\$ million	2024 HK\$ million
Interests on:		
— bank loans	742.8	971.4
— unsecured notes	430.3	436.9
— payables for gaming concession right	217.9	230.1
— convertible bond	157.9	147.0
— loan from ultimate holding company	80.0	80.2
— lease liabilities	17.2	18.4
Imputed interest on an amount due to non-controlling interests of a subsidiary	8.6	8.6
	1,654.7	1,892.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8. (LOSS) PROFIT BEFORE TAXATION

	2025 HK\$ million	2024 HK\$ million
<i>(Loss) profit before taxation has been arrived at after charging:</i>		
Directors' remuneration (<i>note 9</i>)	47.9	47.0
Retirement benefits scheme contributions for other staff	221.9	216.7
Less: Forfeited contributions	(10.2)	(12.4)
	211.7	204.3
Other staff costs	6,360.8	6,046.2
Total employee benefit expenses	6,620.4	6,297.5
Auditor's remuneration	21.3	16.0
Amortisation of gaming concession right (included in operating and administrative expenses)	254.3	261.7
Depreciation of property and equipment	1,639.5	1,496.2
Less: Capitalised in construction in progress	(0.4)	(0.4)
	1,639.1	1,495.8
Depreciation of right-of-use assets	140.9	130.8
Loss on modification on a bank loan	0.3	25.6
Loss on disposals/write-off of property and equipment	3.0	10.7
Loss on write-off of inventories	7.9	—
<i>and after crediting:</i>		
Bank interest income	56.2	101.0
Dredging services income	163.7	163.7
Gain on early repurchase of unsecured notes	2.4	4.1
Gain on modification on a bank loan	68.0	—
Gain on fair value changes of financial asset at FVTPL	1.3	—
Dividend income	—	1.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of directors during the year are analysed as follows:

	2025				2024			
	Base fees HK\$ million (Note (a))	Special fees HK\$ million (Note (b))	Other fees HK\$ million (Note (c))	Total HK\$ million	Base fees HK\$ million (Note (a))	Special fees HK\$ million (Note (b))	Other fees HK\$ million (Note (c))	Total HK\$ million
THE COMPANY								
Executive directors:								
Ms. Ho Chiu Fung, Daisy	1.2	0.1	—	1.3	1.2	0.1	—	1.3
Dr. Fok Tsun Ting, Timothy	1.1	0.1	—	1.2	1.1	0.1	—	1.2
Deputada Leong On Kei, Angela	1.1	0.1	—	1.2	1.1	0.1	—	1.2
Mr. Shum Hong Kuen, David	0.6	—	—	0.6	0.6	—	—	0.6
Dr. Chan Un Chan	0.6	—	—	0.6	0.6	—	—	0.6
Non-executive director:								
Mr. Tsang On Yip, Patrick	0.6	—	—	0.6	0.6	—	—	0.6
Independent non-executive directors:								
Mr. Tse Hau Yin (Note (d))	—	—	—	—	0.4	—	—	0.4
Ms. Wong Yu Pok, Marina	0.8	0.1	—	0.9	0.8	0.1	—	0.9
Mr. Yeung Ping Leung, Howard	0.7	0.1	—	0.8	0.8	0.1	—	0.9
Mr. Ho Hau Chong, Norman (Note (e))	0.9	0.1	—	1.0	0.8	0.1	—	0.9
	7.6	0.6	—	8.2	8.0	0.6	—	8.6
SUBSIDIARIES								
Executive directors:								
Ms. Ho Chiu Fung, Daisy	12.5	1.0	0.6	14.1	12.0	1.0	0.6	13.6
Dr. Fok Tsun Ting, Timothy	8.3	0.7	0.4	9.4	8.0	0.7	0.4	9.1
Deputada Leong On Kei, Angela	6.0	0.5	1.7	8.2	5.8	0.5	1.7	8.0
Mr. Shum Hong Kuen, David	3.6	0.3	0.2	4.1	3.2	0.3	0.2	3.7
Dr. Chan Un Chan	3.0	0.3	0.1	3.4	2.8	0.2	0.1	3.1
Non-executive director:								
Mr. Tsang On Yip, Patrick	—	—	0.5	0.5	—	—	0.5	0.5
Independent non-executive directors:								
Mr. Tse Hau Yin (Note (d))	—	—	—	—	—	—	0.4	0.4
	33.4	2.8	3.5	39.7	31.8	2.7	3.9	38.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

	2025				2024			
	Base fees	Special fees	Other fees	Total	Base fees	Special fees	Other fees	Total
	HK\$ million (Note (a))	HK\$ million (Note (b))	HK\$ million (Note (c))	HK\$ million	HK\$ million (Note (a))	HK\$ million (Note (b))	HK\$ million (Note (c))	HK\$ million
THE GROUP								
Executive directors:								
Ms. Ho Chiu Fung, Daisy	13.7	1.1	0.6	15.4	13.2	1.1	0.6	14.9
Dr. Fok Tsun Ting, Timothy	9.4	0.8	0.4	10.6	9.1	0.8	0.4	10.3
Deputada Leong On Kei, Angela	7.1	0.6	1.7	9.4	6.9	0.6	1.7	9.2
Mr. Shum Hong Kuen, David	4.2	0.3	0.2	4.7	3.8	0.3	0.2	4.3
Dr. Chan Un Chan	3.6	0.3	0.1	4.0	3.4	0.2	0.1	3.7
Non-executive director:								
Mr. Tsang On Yip, Patrick	0.6	—	0.5	1.1	0.6	—	0.5	1.1
Independent non-executive directors:								
Mr. Tse Hau Yin (Note (d))	—	—	—	—	0.4	—	0.4	0.8
Ms. Wong Yu Pok, Marina	0.8	0.1	—	0.9	0.8	0.1	—	0.9
Mr. Yeung Ping Leung, Howard	0.7	0.1	—	0.8	0.8	0.1	—	0.9
Mr. Ho Hau Chong, Norman (Note (e))	0.9	0.1	—	1.0	0.8	0.1	—	0.9
	41.0	3.4	3.5	47.9	39.8	3.3	3.9	47.0

Notes:

- (a) Base fee represents a fixed fee paid for the holding of an office as a director and, where appropriate, a board committee member.
- (b) Special fee represents a performance-based discretionary payment.
- (c) Other fees paid to Deputada Leong On Kei, Angela include the fee (including performance-based discretionary payment) acting as the chairman of the Staff Welfare Consultative Committee of SJM, a subsidiary of the Company. Other fees paid to Mr. Tse Hau Yin represent the fee (including performance-based discretionary payment) acting as supervisory committee chairman of SJM and its certain subsidiaries. Other fees paid to Mr. Tsang On Yip, Patrick represent the fee (including performance-based discretionary payment) acting as supervisory committee member of SJM and its certain subsidiaries. Other fees paid to all directors also include various allowances.
- (d) Retired as an independent non-executive director and Chairman of Audit Committee of the Company and appointed as an advisor of the Company on 26 June 2024. He continues to act as the Chairman of Supervisory Committee of SJM and a number of subsidiaries of the Company.
- (e) Elected as an independent non-executive director on 15 June 2022 and Chairman of Audit Committee on 26 June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Executive directors are also senior management of the Group.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The five highest paid individuals of the Group for the year ended 31 December 2025 included three (2024: two) directors of the Company, whose emoluments are disclosed above, and the remaining two (2024: three) are employees of the Group, details of whose emolument are as follows:

	2025 HK\$ million	2024 HK\$ million
Employee:		
Salaries and allowances	21.0	37.4

Their emoluments were within the following bands:

	Number of employees	
	2025	2024
HK\$8,500,001 to HK\$9,000,000	1	—
HK\$10,500,001 to HK\$11,000,000	—	1
HK\$12,000,001 to HK\$12,500,000	1	1
HK\$14,000,001 to HK\$14,500,000	—	1

No emoluments were paid by the Group to the directors and the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office in both years. None of the directors and the five highest paid individuals has waived any emoluments during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9A. LOAN TO A DIRECTOR

On 16 December 2025, SJM lent HK\$177,525,000 to a director of the Group, Deputada Leong On Kei, Angela. As at 31 December 2025, the carrying amount of the loan was HK\$177,525,000 (2024: nil), which was secured by a charge over shares entered into by Deputada Leong On Kei, Angela as chargor and SJM as chargee in respect of the shares of the Company held by Deputada Leong On Kei, Angela, and carried interest at Hong Kong Interbank Offered Rate ("HIBOR") + 2.25% per annum and was repayable on 17 December 2028.

10. TAXATION

	2025 HK\$ million	2024 HK\$ million
Macau SAR Complementary Tax ("CT"):		
— current tax	48.7	50.1
Deferred taxation charge (<i>note 30</i>)	5.0	2.2
	53.7	52.3

No provision for CT on gaming related income has been made for SJM. SJM has applied for obtaining approval from the Financial Services Bureau of the Macau SAR Government for the exemption of CT from 1 January 2023 to 31 December 2032. Pursuant to the approval notice issued by the Macau SAR Government dated 29 January 2024, the Company has been exempted from CT for income generated from gaming operations for the period from 1 January 2023 to 31 December 2027.

In addition, during the year ended 31 December 2023, SJM has applied for obtaining approval for the dividend tax which the shareholders are obligated to pay to Macau SAR Government for dividend distribution (the "Special Complementary Tax") from the Financial Services Bureau of the Macau SAR Government. Pursuant to the approval letter dated 24 January 2024 issued by Financial Services Bureau of the Macau SAR Government, SJM's shareholders are obligated to pay the Special Complementary Tax at an applicable rate of gross gaming revenue for the period from 1 January 2023 to 31 December 2025 regardless of any dividend distributed.

Regarding the other Macau SAR subsidiaries, CT is calculated at the CT rate of 12% on the estimated assessable profit for both periods.

No provision for taxation in other jurisdictions (including Hong Kong) is made as the Group's operations outside Macau SAR have no assessable taxable profits arising from the respective jurisdictions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. TAXATION (Continued)

Tax charge for the year is reconciled to profit (loss) before taxation as follows:

	2025 HK\$ million	2024 HK\$ million
(Loss) profit before taxation	(304.1)	158.8
Tax (credit) charge at the applicable income tax rate of 12%	(36.5)	19.1
Effect of tax exemption granted to the Group	(30.3)	(103.5)
Effect of share of results of an associate and a joint venture	(1.0)	(1.8)
Effect of income not taxable for tax purpose	(4.0)	(2.1)
Effect of expenses not deductible for tax purpose	22.5	77.5
Effect of tax losses not recognised	62.7	44.0
Deductible temporary difference not recognised	0.5	0.6
Utilisation of deductible temporary difference previously not recognised	(2.2)	(0.5)
Utilisation of tax losses previously not recognised	(6.7)	(30.0)
Special Complementary Tax	48.7	49.0
Tax charge for the year	53.7	52.3

11. DIVIDENDS

	2025 HK\$ million	2024 HK\$ million
Final dividend per ordinary share paid: — nil (2024: nil)	—	—

On 5 March 2026, the board of directors of the Company has resolved not to recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. (LOSS) EARNINGS PER SHARE

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

(Loss) profit

	2025 HK\$ million	2024 HK\$ million
(Loss) profit for the purposes of basic and diluted (loss) earnings per share	(429.0)	3.2

Number of shares

	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	7,101,805,366	7,101,805,366

(Loss) earnings per share

	2025	2024
— Basic	HK(6.04) cents	HK0.04 cents
— Diluted	HK(6.04) cents	HK0.04 cents

Note: For the years ended 31 December 2025 and 2024, the diluted (loss) earnings per share does not assume the conversion of the Company's convertible bond because the assumed exercise would result in a decrease in loss per share (2024: an increase in earnings per share) and the exercise of the Company's share options because the exercise price of the share options was higher than the average market price for shares for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. PROPERTY AND EQUIPMENT

	Leasehold land and buildings HK\$ million	Chips HK\$ million	Furniture, fixtures and equipment HK\$ million	Gaming equipment HK\$ million	Leasehold improvements HK\$ million	Motor vehicles HK\$ million	Vessels HK\$ million	Construction in progress HK\$ million	Total HK\$ million
COST									
At 1 January 2024	27,427.3	529.3	21,125.2	716.6	4,188.8	89.4	286.1	1,363.3	55,726.0
Adjustment upon finalisation of costs	—	—	—	—	—	—	—	(0.7)	(0.7)
Additions	23.9	36.3	330.0	132.9	189.6	4.4	—	4.7	721.8
Disposals/write-off	—	—	(240.2)	(3.4)	(164.6)	(4.9)	—	—	(413.1)
Transfers	1.5	—	2.5	—	4.2	—	—	(8.2)	—
At 31 December 2024	27,452.7	565.6	21,217.5	846.1	4,218.0	88.9	286.1	1,359.1	56,034.0
Adjustment upon finalisation of costs	—	—	—	—	—	—	—	(3.6)	(3.6)
Additions	723.2	70.6	729.2	100.3	760.2	3.1	—	0.4	2,387.0
Additions from acquisition of subsidiaries	1,709.7	—	4.7	—	0.8	—	—	—	1,715.2
Disposals/write-off	—	(106.5)	(126.2)	(10.1)	(92.4)	(5.4)	—	—	(340.6)
Transfers	995.4	—	361.0	—	(0.5)	—	—	(1,355.9)	—
At 31 December 2025	30,881.0	529.7	22,186.2	936.3	4,886.1	86.6	286.1	—	59,792.0
DEPRECIATION AND IMPAIRMENT									
At 1 January 2024	3,947.8	477.7	8,044.0	577.6	4,127.9	59.9	137.2	—	17,372.1
Provided for the year	640.4	8.8	748.2	59.7	22.2	7.6	9.3	—	1,496.2
Eliminated on disposals/write-off	—	—	(227.9)	(3.4)	(164.5)	(4.9)	—	—	(400.7)
At 31 December 2024	4,588.2	486.5	8,564.3	633.9	3,985.6	62.6	146.5	—	18,467.6
Provided for the year	661.2	12.9	794.2	78.8	75.4	7.7	9.3	—	1,639.5
Eliminated on disposals/write-off	—	(106.5)	(121.9)	(10.1)	(92.4)	(5.3)	—	—	(336.2)
At 31 December 2025	5,249.4	392.9	9,236.6	702.6	3,968.6	65.0	155.8	—	19,770.9
CARRYING VALUES									
At 31 December 2025	25,631.6	136.8	12,949.6	233.7	917.5	21.6	130.3	—	40,021.1
At 31 December 2024	22,864.5	79.1	12,653.2	212.2	232.4	26.3	139.6	1,359.1	37,566.4

At 31 December 2025, the carrying values of the property and equipment of HK\$31,765.0 million (2024: HK\$32,151.5 million) represented the property and equipment of GLP Project.

For the year ended 31 December 2024, other staff costs of HK\$0.4 million (2025: nil) have been capitalised in construction in progress. For the year ended 31 December 2025, depreciation expenses of property and equipment of HK\$0.4 million (2024: HK\$0.4 million) have been capitalised in construction in progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. RIGHT-OF-USE ASSETS

	Leasehold lands HK\$ million	Leasehold land and properties HK\$ million	Total HK\$ million
COST			
At 1 January 2024	2,685.7	229.9	2,915.6
Adjustment to lease modification	—	(0.3)	(0.3)
Additions	16.8	138.5	155.3
Early termination/end of lease contracts	—	(44.3)	(44.3)
At 31 December 2024	2,702.5	323.8	3,026.3
Adjustment to lease modification	—	13.3	13.3
Additions	53.1	17.3	70.4
Additions from acquisition of subsidiaries	34.8	—	34.8
Early termination/end of lease contracts	—	(41.4)	(41.4)
At 31 December 2025	2,790.4	313.0	3,103.4
DEPRECIATION			
At 1 January 2024	323.1	109.0	432.1
Charge for the year	62.7	68.1	130.8
Early termination/end of lease contracts	—	(44.3)	(44.3)
At 31 December 2024	385.8	132.8	518.6
Charge for the year	63.4	77.5	140.9
Early termination/end of lease contracts	—	(41.4)	(41.4)
At 31 December 2025	449.2	168.9	618.1
CARRYING VALUES			
At 31 December 2025	2,341.2	144.1	2,485.3
At 31 December 2024	2,316.7	191.0	2,507.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. RIGHT-OF-USE ASSETS (Continued)

	2025 HK\$ million	2024 HK\$ million
Expense relating to short-term leases	16.1	16.5
Total cash outflow for leases	108.2	96.2

At 31 December 2025, the carrying values of the right-of-use assets of HK\$1,737.3 million (2024: HK\$1,783.9 million) represented the right-of-use assets related to GLP Project.

During the years ended 31 December 2025 and 2024, SJM entered into several agreements with landlords in terminating lease terms before original maturity dates during the respective years.

For both years, the Group leases certain leasehold lands, commercial properties and carparks for its operations. Lease contract are entered into for fixed term from 1 to 25 years. Certain leases of leasehold lands in Macau SAR are negotiated for an initial term of 25 years with extension options exercisable by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns commercial properties. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests and fixed payments are paid annually. The leasehold land components of these owned properties are not presented separately only if the payments made cannot be allocated reliably.

15. GAMING CONCESSION RIGHT

	2025 HK\$ million	2024 HK\$ million
Carrying amount at 1 January	2,097.7	2,297.1
Amortisation	(254.3)	(261.7)
Adjustment	(51.4)	62.3
Carrying amount at 31 December	1,792.0	2,097.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. GAMING CONCESSION RIGHT (Continued)

In December 2022, SJM entered into the New Gaming Concession Contract with the Macau SAR Government, pursuant to which SJM was granted a 10-year gaming concession commencing on 1 January 2023 and expiring on 31 December 2032, to operate games of fortune and chance or other games in Macau. SJM is authorised to operate 1,250 gaming tables and 1,700 gaming machines under the New Gaming Concession Contract.

In accordance with the requirements of the Macau Gaming Law, since the casino premises, which are owned and operated by the Group as at 31 December 2022, reverted to the Macau SAR Government at the end of the concession period, SJM paid the Utilisation Fee to the Macau SAR Government for use of the casino premises in the new concession period. On 30 December 2022, the Macau SAR Government has established in the deed of reversion regarding, among other things, the Utilisation Fee for the casino spaces at Casino Grand Lisboa, Casino Grand Lisboa Palace, Casino Lisboa and Casino Oceanus at Jai Alai, which were reverted to the Macau SAR Government. SJM paid the Utilisation Fee of approximately MOP68.8 million (equivalent to approximately HK\$66.8 million), subject to inflation adjustment to the Macau SAR Government from 2023 (i.e., the first year) to 2025 (i.e., the third year). From 2026 (i.e., the fourth year) onward, the annual utilisation fee will be adjusted to approximately MOP229.3 million (equivalent to approximately HK\$222.6 million), subject to inflation adjustment. The Utilisation Fee for the first year corresponds to the area of the casinos multiplied by MOP750 per square meter (equivalent to approximately HK\$728 per square meter), with those for the second and third years being updated based on the value of the previous year and in accordance with the average price index in Macau; and the Utilisation Fee for the fourth year corresponds to the area of the casinos multiplied by MOP2,500 per square meter (equivalent to approximately HK\$2,427 per square meter), with those for the subsequent years being updated based on the value of the previous year and in accordance with the average price index in Macau.

Pursuant to the terms of the New Gaming Concession Contract, SJM is required to pay the Macau SAR Government the Annual Premium consisting of a fixed and a variable portion. The fixed portion of the Annual Premium is composed of an annual amount equal to MOP30.0 million (equivalent to approximately HK\$29.1 million). The variable portion of the Annual Premium is composed of an annual amount equal to MOP300,000 (approximately HK\$291,000) per VIP table, MOP150,000 (equivalent to approximately HK\$145,000) per Mass market table, and MOP1,000 (equivalent to approximately HK\$970) per gaming machine, including slot machines, operated by SJM.

In addition to the above payments, SJM has committed to certain investments in gaming and non-gaming projects. SJM has committed to invest an aggregate of MOP16,433 million (equivalent to approximately HK\$15,955 million) (the "Basic Investment") during the life of the New Gaming Concession Contract of which MOP14,400 million (equivalent to approximately HK\$13,981 million) is in non-gaming for both capital investment and events, and MOP2,033 million (equivalent to approximately HK\$1,974 million) is in gaming for capital investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. GAMING CONCESSION RIGHT (Continued)

As at 1 January 2023, an intangible asset of gaming concession right of MOP2,635.9 million (approximately HK\$2,559.1 million), representing the right to operate games of fortune and chance or other games in Macau SAR and the unconditional obligation to make payments under the New Gaming Concession Contract for the operation of casino games of fortune and other games of chance in casinos dated 16 December 2022 between the Macau SAR Government and SJM for the new concession period which commences from 1 January 2023 to 31 December 2032, was initially recognised, which was estimated as the net present value of the future payments for the Utilisation Fee and the Annual Premium, with a corresponding amount recognised as financial liabilities set out in note 25.

The gaming concession right will be amortised on a straight-line basis over the 10-year term of the New Gaming Concession Contract. The future payments of Utilisation Fee will be adjusted according to inflation adjustment and the future payments of the variable premium associated with the gaming concession right will be determined using the actual number of gaming tables at the rate per gaming table and the actual number of gaming machines. Any changes in the estimated future payments (including inflation adjustment, changes in variable premium depending on the actual number of VIP table, mass market table and gaming machines) will be recognised as an adjustment to the carrying amount of the gaming concession right and corresponding financial liability. During the year ended 31 December 2025, a negative adjustment to the carrying amount of the gaming concession right of HK\$51.4 million (2024: a positive adjustment of HK\$62.3 million) had been recognised.

16. ART WORKS AND DIAMONDS

The amounts represent the aggregate cost of art works and diamonds held by the Group. In the opinion of the directors of the Company, the recoverable amounts of the art works and diamonds are at least their carrying amounts at the end of both reporting periods.

17. INTEREST IN AN ASSOCIATE

	2025 HK\$ million	2024 HK\$ million
Cost of unlisted investment	25.0	25.0
Discount on acquisition	6.8	6.8
Share of post-acquisition profits, net of distributions	8.3	7.6
	40.1	39.4

The cost of investment in an associate represents the Group's 49% quota capital in an entity, Zhen Hwa Harbour Construction Company Limited, which is established in Macau SAR and engaged in the provision of construction services in Macau SAR and investment holding business.

The associate is accounted for using the equity method in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

	2025 HK\$ million	2024 HK\$ million
Current assets	350.4	461.5
Non-current assets	92.3	92.0
Current liabilities	(358.1)	(472.7)
Revenue	122.8	137.8
Profit for the year	3.0	13.3

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate and share of profit recognised in the consolidated financial statements:

Reconciliation of interest in an associate

	2025 HK\$ million	2024 HK\$ million
Net assets of an associate	84.6	80.8
Unrecognised share of gain of an associate <i>(Note)</i>	(5.6)	(4.1)
Adjusted net assets of an associate	79.0	76.7
Proportion of the Group's ownership interest in an associate	49%	49%
Effect of fair value adjustments at acquisition	38.7 1.4	37.6 1.8
Carrying amount of the Group's interest in an associate	40.1	39.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. INTEREST IN AN ASSOCIATE (Continued)

Reconciliation of share of profit of an associate

	2025 HK\$ million	2024 HK\$ million
Results for the year of an associate	3.0	13.3
Unrecognised share of results for the year <i>(Note)</i>	(1.5)	(0.1)
Unrealised losses for the year	—	1.1
Adjusted profit for the year of an associate	1.5	14.3
Proportion of the Group's ownership interest in an associate	49%	49%
Share of profit of an associate	0.7	7.0

Note: The Group's share of accumulated losses on a construction project is limited to a fixed amount as agreed with the holding company of the associate.

18. INTEREST IN A JOINT VENTURE

	2025 HK\$ million	2024 HK\$ million
Cost of unlisted investment	39.7	39.7
Share of post-acquisition profits, net of dividends received	26.3	18.7
	66.0	58.4

The cost of investment in a joint venture represents the Group's 49% quota capital in an entity, Chong Fung Real Estate Investment Limited, which is established in Macau SAR and engaged in property investment business in Macau SAR.

According to the legal form and terms of the contractual arrangements, each of the two joint venturers that have joint control of the arrangement have rights to the net assets of the arrangement, hence it is regarded as a joint venture.

At the end of the reporting period, included in the cost of investment is goodwill of HK\$34.3 million (2024: HK\$34.3 million) arising on acquisition of the joint venture.

The joint venture is accounted for using the equity method in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. INTEREST IN A JOINT VENTURE (Continued)

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards.

	2025 HK\$ million	2024 HK\$ million
Current assets	185.3	168.9
Non-current assets	20.9	21.8
Current liabilities	(141.6)	(141.6)
Revenue	14.4	14.4
Profit for the year	15.5	16.6
The above profit for the year includes the following:		
Depreciation	0.9	0.9
Interest income	5.1	5.8

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

	2025 HK\$ million	2024 HK\$ million
Net assets of a joint venture	64.6	49.1
Proportion of the Group's ownership interest in a joint venture	49%	49%
	31.7	24.1
Goodwill	34.3	34.3
Carrying amount of the Group's interest in a joint venture	66.0	58.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. INVESTMENTS IN EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 31 December 2025, the amounts comprise equity shares listed in Hong Kong of HK\$16.5 million (2024: HK\$42.8 million) and unlisted equity shares in a private entity established in the British Virgin Islands of HK\$314.2 million (2024: HK\$314.2 million) that are carried at fair value. These investments are not held for trading, instead, they are held for long-term strategic purposes. The management has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

20. OTHER ASSETS

	2025 HK\$ million	2024 HK\$ million
Deposits made on acquisitions of property and equipment and right-of-use assets	1,122.2	1,432.5
Rental deposits	11.5	10.1
Amount due from an associate	88.4	88.4
Amount due from a joint venture	14.7	14.6
Amount due from an investee company	39.0	39.0
	1,275.8	1,584.6

The amounts due from an associate/a joint venture/an investee company are unsecured, interest-free and have no fixed repayment terms. The management of the Group expects that these amounts will not be realised within 12 months from the end of the reporting period, hence, these amounts are classified as non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. PLEDGED BANK DEPOSITS

	2025 HK\$ million	2024 HK\$ million
Non-current portion:		
Bank deposit pledged:		
— to secure a bank facility <i>(Note)</i>	970.9	970.9
Current portion:		
Bank deposits pledged:		
— to secure bank facilities	36.6	36.5
— in favour of the Macau SAR court against any future legal proceedings of labour disputes	1.1	1.0
— others	0.4	0.4
	38.1	37.9

Note: The amount represents a deposit pledged to secure the bank facility granted to SJM. The bank facility represents a guarantee amounting to HK\$970.9 million which is in favour of the Macau SAR government against the legal and contractual financial obligations of SJM under the New Gaming Concession Contract.

At 31 December 2025, the pledged bank deposits carry fixed interest rate ranging from 1.50% to 2.90% (2024: 3.10% to 3.80%) per annum.

Details of impairment assessment of pledged bank deposits for the year ended 31 December 2025 are set out in note 42.

22. TRADE AND OTHER RECEIVABLES

	2025 HK\$ million	2024 HK\$ million
Advances to gaming patrons, net	341.4	153.9
Lease receivables	193.3	213.4
Other receivables from service providers, net	391.7	—
Prepayments	303.4	231.8
Other sundry receivables	310.4	268.5
	1,540.2	867.6

As at 1 January 2024, the carrying amount of advances to gaming patrons was HK\$38.0 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. TRADE AND OTHER RECEIVABLES (Continued)

Advances to gaming patrons mainly include pre-approved interest-free revolving credit lines and short-term temporary interest-free advances. Advances are only granted to gaming patrons with good credit histories and financial track records. The Group has enforceable right and intends to offset the advances deposits from relevant gaming patrons. The Group generally allows a credit period of 15 days to 90 days on issuance of markers to gaming patrons. As at 31 December 2025, included in the Group's advances to gaming patrons with aggregate carrying amount of HK\$156.3 million (2024: HK\$28.7 million) which are past due as at the reporting date. Out of the past due balances, HK\$81.8 million (2024: HK\$8.5 million) has been past due 90 days or more and is not considered as in default as there has not been a significant change in credit quality and the amounts are still considered recoverable.

The following is the aging analysis of advances to gaming patrons at the end of the reporting period based on the date of credit granted:

	2025 HK\$ million	2024 HK\$ million
Age		
0 to 30 days	158.3	30.0
31 to 60 days	33.1	99.3
61 to 90 days	27.9	16.1
Over 90 days	122.1	8.5
	341.4	153.9

The lease receivables are partly arising from rent-free periods provided to the tenants.

As at 31 December 2025, other receivables from service providers represent certain costs to be reimbursed from a service provider (2024: nil). With the consent of service provider, the Group can offset the outstanding balances against commission and service fee payables to or deposits from relevant service provider. In the event that a service provider fails to repay, the Group has the right, pursuant to the relevant service provider agreement, to offset or withhold the payables to that service provider, realise cheques and execute guarantees, if any.

Other sundry receivables mainly include deposits paid for rentals and operating supplies, interest receivables and credit card receivables.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2025 are set out in note 42.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. TRADE AND OTHER RECEIVABLES (Continued)

Prepayments and other sundry receivables of the Group which included certain balances between the Group and related companies are detailed as follows:

	2025 HK\$ million	2024 HK\$ million
STDM and its associates (as defined under Chapter 14A of the Listing Rules), excluding the Group	134.3	178.3
An associate and a joint venture of the Group	3.0	3.0
Entities in which STDM, certain directors of the Company and of its subsidiaries and/or their close family members have control/significant influence/beneficial interests	62.9	63.7
	200.2	245.0

23. SHORT-TERM BANK DEPOSITS/BANK BALANCES AND CASH

At 31 December 2025, the short-term bank deposits carry fixed interest rates ranging from 1.80% to 2.15% (2024: 3.10% to 4.00%) per annum with original maturity of 6 months (2024: 3 months to 6 months) and are classified as current assets since their remaining maturity is within 12 months from the end of the reporting period.

At 31 December 2025, bank balances carry effective interest rates ranging from 2.00% to 2.80% (2024: 1.00% to 4.10%) per annum.

24. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial asset at FVTPL HK\$ million
At 1 January 2024 and 31 December 2024	—
Purchase of money market fund	38.7
Fair value change of money market fund	1.3
At 31 December 2025	40.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. TRADE AND OTHER PAYABLES

	2025 HK\$ million	2024 HK\$ million
Trade payables	207.4	395.6
Special gaming tax payable	873.3	955.1
Chips in circulation	310.3	386.7
Chips in custody and deposits received from gaming patrons and gaming promoters	573.9	502.4
Payables for acquisition of property and equipment	448.9	456.1
Construction payables	78.5	81.9
Accrued staff costs	1,183.3	855.2
Accrued operating expenses	73.7	59.8
Payable for gaming concession right	2,366.1	2,493.4
Withholding tax payable	23.2	22.8
Other sundry payables and accruals	935.2	813.2
	7,073.9	7,022.2
Less: Non-current portion of other payables and payable for gaming concession right (<i>Note</i>)	(1,951.9)	(2,278.7)
	5,122.0	4,743.5

Note: Non-current portion of other payables comprise of deposits received for rentals of HK\$24.7 million (2024: HK\$69.0 million) and payable for gaming concession right of HK\$1,927.2 million (2024: HK\$2,209.7 million) at 31 December 2025. These liabilities are classified as non-current based on the contractual or scheduled repayment terms.

The following is the aging analysis of trade payables at the end of the reporting period based on the invoice date:

	2025 HK\$ million	2024 HK\$ million
Age		
0 to 30 days	179.8	363.1
31 to 60 days	25.5	29.3
61 to 90 days	1.4	2.5
Over 90 days	0.7	0.7
	207.4	395.6

The average credit period on trade payables is 90 days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. TRADE AND OTHER PAYABLES (Continued)

Trade and other payables of the Group included certain balances between the Group and related companies are detailed as follows:

	2025 HK\$ million	2024 HK\$ million
STDM and its associates (as defined under Chapter 14A of the Listing Rules), excluding the Group	117.0	106.3
An associate and a joint venture of the Group	10.5	14.1
Entities in which STDM, certain directors of the Company and of its subsidiaries and/or their close family members have control/significant influence/beneficial interests	111.2	99.1
	238.7	219.5
	2025 HK\$ million	2024 HK\$ million
The payable for gaming concession right are repayable:		
Within one year	438.9	283.7
Within a period of more than one year but not exceeding two years	400.0	409.8
Within a period of more than two years but not exceeding five years	999.6	1,024.3
Within a period of more than five years	527.6	775.6
	2,366.1	2,493.4
Less: Amounts due within one year shown under current liabilities	(438.9)	(283.7)
Amounts shown under non-current liabilities	1,927.2	2,209.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. BANK LOANS

	2025 HK\$ million	2024 HK\$ million
The syndicated secured bank loans are repayable:		
Within one year	3,445.1	1,729.5
Within a period of more than one year but not exceeding two years	1,297.3	1,719.7
Within a period of more than two years but not exceeding five years	11,479.6	10,050.0
	16,222.0	13,499.2
Less: Amounts due within one year shown under current liabilities	(3,445.1)	(1,729.5)
Amounts shown under non-current liabilities	12,776.9	11,769.7

Variable-rate bank loans comprise:

	Carrying amounts	
	2025 HK\$ million	2024 HK\$ million
Secured bank loans for GLP Project ("GLP Bank Loans")		
HK\$ bank loan at 1-month HIBOR + 1.25% to 2.25% per annum	15,084.8	12,405.2
MOP bank loan at 1-month Macau Interbank Offered Rate ("MAIBOR") + 1.25% to 2.25% per annum	772.5	689.2
	15,857.3	13,094.4
Secured bank loans for Ponte 16 ("P16 Bank Loans")		
HK\$ bank loan at 1-month HIBOR + 2.50% per annum	364.7	404.8
Total bank loans	16,222.0	13,499.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. BANK LOANS (Continued)

GLP Bank Loans

During the year ended 31 December 2025, the Group recorded a gain of HK\$68.0 million (2024: loss of HK\$25.6 million) on modification of the GLP Bank Loans facilities because of the modified repayment schedule of the GLP Bank Loans facilities.

At 31 December 2025, the effective interest rates of the secured bank loans is 4.85% (2024: 6.53%) per annum. The purpose of the secured syndicated loan facilities is for financing the GLP Project.

At 31 December 2025, the GLP Bank Loans are secured by certain non-gaming property and equipment and right-of-use assets of the Group with carrying values of HK\$33,935.2 million and HK\$1,574.0 million respectively (2024: secured by certain non-gaming property and equipment and right-of-use assets of the Group with carrying values of HK\$32,999.7 million and HK\$1,616.2 million respectively).

In addition, the other key terms and securities for such bank loans pledged are set out as follows:

- (i) an assignment of all receivables of SJM and its certain subsidiaries, if default;
- (ii) floating charges over all assets (except immovable property and gaming equipment), legal charges over certain bank accounts and charges of all intellectual properties and rights of SJM and its certain subsidiaries;
- (iii) assignments of all the rights and benefits of the SJM and certain subsidiaries under all insurance policies relating to certain properties held by the Group, if default;
- (iv) share pledges over the shares of the Company and certain subsidiaries; and
- (v) a legal promissory note (i.e. notarised livranca) for HK\$24,668 million (31 December 2024: HK\$20,900 million) issued by SJM and endorsed by the Company and certain subsidiaries of SJM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. BANK LOANS (Continued)

P16 Bank Loans

During the year ended 31 December 2025, the Group entered into a supplementary agreement with banks to revise the terms of previous facility agreement. Pursuant to the supplementary agreement, the maturity of the Group's P16 Bank Loans facility was revised from June 2025 to June 2026. The purpose for the facilities are for the use of non-gaming working capital. The Group recorded a loss of HK\$0.3 million (2024: nil) on modification of the P16 Bank Loans.

At 31 December 2025, the effective interest rate of the secured bank loans is 5.56% (2024: 7.10%) per annum. The main purpose of the loans is to finance the payment of the land premium and the related cost for any land concession modification in respect of the phase 3 development project at Ponte 16 and settle certain loans from non-controlling shareholders.

At 31 December 2025, the P16 Bank Loans are secured by certain property and equipment and right-of-use assets of the Group with carrying values of HK\$367.3 million (2024: HK\$373.8 million) and HK\$65.8 million (2024: HK\$68.0 million), respectively. In addition, the other key terms and securities for such bank loans pledged are set out as follows:

- (i) financial guarantees with promissory notes given by certain subsidiaries and the non-controlling shareholders amounting to HK\$1,000 million (2024: HK\$1,000 million) and HK\$490 million (2024: HK\$490 million), respectively;
- (ii) an assignment of all receivables and income from gaming and hotel operation of Pier 16 – Property Development Limited ("Pier 16 – Property") and its subsidiaries, if default;
- (iii) floating charges over all assets (except immovable property) and legal charges over certain bank accounts of certain subsidiaries;
- (iv) assignments of all the rights and benefits of insurance policies relating to certain properties held by the Group, if default; and
- (v) share pledges over the shares of certain subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. UNSECURED NOTES

	2025 HK\$ million	2024 HK\$ million
US\$500,000,000 unsecured notes carry fixed coupon rate of 4.50% per annum, payable semi-annually with maturity in 2026 at carrying amounts (“2026 US\$ Senior Notes”)	3,949.6	3,942.4
US\$500,000,000 unsecured notes carry fixed coupon rate of 4.85% per annum, payable semi-annually with maturity in 2028 at carrying amounts	3,803.0	3,861.3
HK\$1,250,000,000 unsecured notes carry fixed coupon rate of 3.90% per annum, payable semi-annually with maturity in 2026 at carrying amounts	1,255.9	1,253.8
MOP300,000,000 unsecured notes carry fixed coupon rate of 3.90% per annum, payable semi-annually with maturity in 2026 at carrying amounts	292.7	292.4
	9,301.2	9,349.9
Less: Amounts due within one year shown under current liabilities	(5,498.2)	—
Amounts shown under non-current liabilities	3,803.0	9,349.9

The proceeds from the issuance of unsecured notes are intended to use for refinancing the syndicated secured bank loans and for general corporate purposes of the Group.

The unsecured notes contain special put options, which will be exercisable only after 20 days of triggering events relating to the loss of gaming concession in Macau SAR and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Group, which the Group would be required to make an offer to purchase all outstanding unsecured notes at a purchase price equal to 100% of the principal amount thereof plus accrued and unpaid interest within 50 days after the date of the offer. As at 31 December 2025 and 2024, no triggering events have occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

28. LEASE LIABILITIES

	2025 HK\$ million	2024 HK\$ million
Lease liabilities payable:		
Within one year	80.0	77.0
Within a period of more than one year but not exceeding two years	40.5	69.5
Within a period of more than two years but not exceeding five years	64.0	69.2
Within a period of more than five years	496.7	456.7
	681.2	672.4
Less: Amount due for settlement within 12 months shown under current liabilities	(80.0)	(77.0)
Amount due for settlement after 12 months shown under non-current liabilities	601.2	595.4

The weighted average incremental borrowing rate applied to lease liabilities is 2.58% (2024: 2.66%).

Restrictions or covenants on leases

Lease liabilities of HK\$681.2 million are recognised with related right-of-use assets of HK\$2,485.3 million as at 31 December 2025 (2024: lease liabilities of HK\$672.4 million are recognised with related right-of-use assets of HK\$2,507.7 million). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The related leased assets may not be used as security for borrowing purposes.

As at 31 December 2025, the amounts are secured by rental deposits with carrying values of HK\$11.7 million (2024: HK\$13.6 million).

29. AMOUNT DUE TO NON-CONTROLLING INTERESTS OF A SUBSIDIARY

At the end of the reporting period, the amount is unsecured and interest-free. The Group agreed with the non-controlling shareholders of that subsidiary that the Group will only repay the amount based on the sufficiency of its surplus funds. The surplus funds represent the cash available in the relevant subsidiary of the Group after estimated payments of all operating expenses and payables including but not limited to bank loans and third party loans which are due for repayments together with the accrued interests. Therefore, the Group revises its estimates on the timing and amounts of repayments to the non-controlling shareholders of that subsidiary and adjusts the carrying amounts in accordance with the revised estimated cash flows on regular basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. AMOUNT DUE TO NON-CONTROLLING INTERESTS OF A SUBSIDIARY (Continued)

During the year ended 31 December 2025, imputed interest of HK\$8.6 million (2024: HK\$8.6 million) on the amount due to the non-controlling interests of a subsidiary of HK\$341.9 million (2024: HK\$333.3 million) has been recognised at an effective interest rate of approximately 2.57% (2024: 2.57%) per annum. At 31 December 2025, the principal amount was HK\$341.9 million (2024: HK\$341.9 million). During the year ended 31 December 2024, these carrying amounts were adjusted by HK\$1.0 million (2025: nil) because of changes in cash flow estimates, computed based on the present value of future cash outflows discounted at the original effective interest rate. The amount is expected to be repayable in 2027 and therefore classified as non-current liabilities as at 31 December 2025 (2024: current liabilities).

30. LOAN FROM ULTIMATE HOLDING COMPANY

The principal amount of HK\$2,000 million was non-trade in nature, unsecured, carried at a fixed interest rate of 4% per annum. The interest of 4% will be paid semi-annually up until the settlement date. The loan amount would be repayable in full on 1 December 2028. At 31 December 2025, the loan amount was classified as non-current liabilities.

31. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities need to be offset for both years.

The following are the major deferred tax (liabilities) assets recognised and movements thereon during the year:

	Accelerated tax depreciation	Tax losses	Right-of-use assets	Lease liabilities	Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
At 1 January 2024	(45.8)	35.3	(41.2)	41.2	(10.5)
(Charge) credit to profit or loss (<i>note 10</i>)	(30.7)	28.5	(7.5)	7.5	(2.2)
At 31 December 2024	(76.5)	63.8	(48.7)	48.7	(12.7)
(Charge) credit to profit or loss (<i>note 10</i>)	(72.6)	67.6	6.3	(6.3)	(5.0)
At 31 December 2025	(149.1)	131.4	(42.4)	42.4	(17.7)

At 31 December 2025, the Group has unrecognised tax losses of HK\$1,620.3 million (2024: HK\$2,227.4 million) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. These unrecognised tax losses will expire in three years from the year of assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. CONVERTIBLE BOND

Champion Power Global Limited, a subsidiary of the Company, issued HK\$1,906 million, 2% convertible bond at a par value of HK\$100,000 each to STDM on 22 June 2022. The convertible bond is denominated in Hong Kong dollars. The convertible bond entitles STDM to convert them into ordinary shares of the Company at any time between the date of issue of the notes and 7 days prior to their settlement date on 22 June 2027 at a conversion price of HK\$4.07 per conversion share, being adjusted to HK\$3.78 as a result of the Rights Issue completed on 21 September 2022. If the notes have not been converted or redeemed, they will be redeemed on 22 June 2027 at par with accrued and unpaid interest. Interest of 2% will be paid annually up until the settlement date.

At initial recognition, the equity component of the convertible bond were separated from the liability component. The equity element is presented in equity heading "convertible bond reserve". The effective interest rate of the liability component is 9.54%.

The movement of the liability and equity component of the convertible bond since the issuance of the convertible bond to 31 December 2025 is set out below:

	Liability Component HK\$ million	Equity Component HK\$ million
At 1 January 2024	1,493.4	574.7
Interest expenses	147.0	—
Interest repayment	(38.1)	—
At 31 December 2024	1,602.3	574.7
Interest expenses	157.9	—
Interest repayment	(38.1)	—
At 31 December 2025	1,722.1	574.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. SHARE CAPITAL

	Issued and fully paid	
	Number of shares	Amount HK\$ million
<i>Ordinary shares with no par value</i>		
At 1 January 2024, 31 December 2024 and 31 December 2025	7,101,805,366	14,415.1

34. SHARE OPTION SCHEME

According to an ordinary resolution passed at the annual general meeting held on 13 May 2009, the Company adopted a share option scheme (the "Scheme"), which lapsed automatically on 13 May 2019 upon the expiry of 10-year period, for the purpose of providing incentives to participants to contribute to the Group and/or to enable the Group to recruit high-calibre employees and/or attract human resources that are valuable to the Group. Under the Scheme, the directors might grant options to any employees, officers, agents, consultants or representatives of the Company or any subsidiary, including directors of the Company and any subsidiary (the "Participants") who, as the directors might determine in their absolute discretion, are regarded as valuable human resources of the Group. Following the expiry of the Scheme, no further share options can be granted thereunder but the outstanding share options granted under the Scheme shall continue to be valid and exercisable.

Approximately one-third of the options granted are exercisable for a period of nine years commencing on the date each falling six months, 1.5 years and 2.5 years after the date of grant. All options granted are expiring on the last day of the said nine-year period; where the acceptance date should not be later than 28 days from the date of grant. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the option shares is not less than the higher of (i) the closing price of the shares on the date of grant and; (ii) the average closing price of the shares on the five trading days immediately preceding the date of grant. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed in nominal amount of 10% of the issued share capital of the Company at the date of adoption of the Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital from time to time.

The maximum entitlement of each Participant, excluding substantial shareholders and independent non-executive directors, in any 12-month period (including the date of grant) is 1% of the number of shares in issue as at the date of grant. No grant may be made to substantial shareholders and independent non-executive directors of the Company or their respective associates if such grant would result in the shares issued and falling to be issued upon the exercise of such options proposed to be granted and all other options already granted and to be granted (a) representing in aggregate over 0.1% of the number of shares then in issue; and (b) having an aggregate value, based on the closing price of the shares on each relevant date on which the grant of such options is made, is in excess of HK\$5 million, unless such grant has first been approved by the independent shareholders in general meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE OPTION SCHEME (Continued)

A summary of the movements of the outstanding options during the year ended 31 December 2025 under the Scheme is as follows:

Type of participants	Date of grant	Vesting period	Exercise period	Exercise price per share HK\$	Number of share options			Outstanding at 31.12.2024 and 31.12.2025
					Outstanding at 1.1.2024	Reclassified in 2024	Lapsed/forfeited in 2024	
Directors	15.6.2015	15.6.2015 to 14.12.2015	15.12.2015 to 14.12.2024	9.183	13,018,690	(178,690)	(12,840,000)	—
	15.6.2015	15.6.2015 to 14.12.2016	15.12.2016 to 14.12.2024	9.183	13,018,690	(178,690)	(12,840,000)	—
	15.6.2015	15.6.2015 to 14.12.2017	15.12.2017 to 14.12.2024	9.183	13,017,620	(177,620)	(12,840,000)	—
	22.6.2017	22.6.2017 to 21.12.2018	22.12.2018 to 21.12.2026	7.785	535,000	—	—	535,000
	22.6.2017	22.6.2017 to 21.12.2019	22.12.2019 to 21.12.2026	7.785	1,070,000	—	—	1,070,000
	21.6.2018	21.6.2018 to 20.12.2018	21.12.2018 to 20.12.2027	9.588	1,070,000	—	—	1,070,000
	21.6.2018	21.6.2018 to 20.12.2019	21.12.2019 to 20.12.2027	9.588	1,070,000	—	—	1,070,000
	21.6.2018	21.6.2018 to 20.12.2020	21.12.2020 to 20.12.2027	9.588	1,070,000	—	—	1,070,000
Employees	15.6.2015	15.6.2015 to 14.12.2015	15.12.2015 to 14.12.2024	9.183	17,039,750	—	(17,039,750)	—
	15.6.2015	15.6.2015 to 14.12.2016	15.12.2016 to 14.12.2024	9.183	17,044,030	—	(17,044,030)	—
	15.6.2015	15.6.2015 to 14.12.2017	15.12.2017 to 14.12.2024	9.183	16,965,920	—	(16,965,920)	—
Other participants	15.6.2015	15.6.2015 to 14.12.2015	15.12.2015 to 14.12.2024	9.183	892,380	178,690	(1,071,070)	—
	15.6.2015	15.6.2015 to 14.12.2016	15.12.2016 to 14.12.2024	9.183	11,592,380	178,690	(11,771,070)	—
	15.6.2015	15.6.2015 to 14.12.2017	15.12.2017 to 14.12.2024	9.183	11,590,240	177,620	(11,767,860)	—
					118,994,700	—	(114,179,700)	4,815,000
Weighted average exercise price per share					HK\$9.18	—	HK\$9.18	HK\$8.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE OPTION SCHEME (Continued)

On 26 June 2024, one director of the Company retired but remained as an advisor of the Company and continues to act as the chairman of Supervisory Committee of SJM and its certain subsidiaries in Macau SAR. The classification of outstanding number of such retired director's share options are reclassified to service providers' section.

At the end of the reporting period, 4,815,000 (2024: 4,815,000) share options are exercisable.

During the year ended 31 December 2025, the Group has not recognised expenses (2024: nil) in relation to share options granted by the Company.

35. RESERVES

	Share options reserve	Retained profits	Total
	HK\$ million	HK\$ million	HK\$ million
THE COMPANY			
At 1 January 2024	384.5	7,166.6	7,551.1
Loss and total comprehensive expense for the year	—	(556.5)	(556.5)
Release of lapsed/forfeited share-based payments	(367.6)	367.6	—
At 31 December 2024	16.9	6,977.7	6,994.6
Loss and total comprehensive expense for the year	—	(190.8)	(190.8)
At 31 December 2025	16.9	6,786.9	6,803.8

36. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2025, property and equipment totalling HK\$695.9 million (2024: HK\$183.5 million) were acquired by utilising deposits made on acquisitions of property and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37. CAPITAL COMMITMENTS

	2025 HK\$ million	2024 HK\$ million
Contracted for but not provided in the consolidated financial statements	427.2	759.6

At 31 December 2024, capital expenditure in respect of acquisitions of property and equipment committed to acquire from related parties amounted to HK\$149.4 million (2025: nil).

38. OPERATING LEASING ARRANGEMENTS

The Group as lessor

Certain premises in the Group's properties and equipment have committed lessees ranging from 1 to 12 years respectively (2024: 1 to 12 years), and the rentals are pre-determined at fixed amounts except for certain leases of which contingent rentals are charged based on the percentage of sales. The lease commitments presented below is based on the existing committed monthly minimum lease payments.

Undiscounted lease payments receivable on leases are as follows:

	2025 HK\$ million	2024 HK\$ million
Within one year	121.7	130.5
In the second year	106.0	112.2
In the third year	96.0	23.9
In the fourth year	85.4	22.2
In the fifth year	78.8	18.9
After five years	117.6	78.7
	605.5	386.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

39. RETIREMENT BENEFITS SCHEMES

Employees employed by the Group's operations in Macau SAR are members of government-managed social benefits schemes operated by the Macau SAR government. The Macau SAR operations are required to pay a monthly fixed contribution to the social benefits schemes to fund the benefits. The only obligation of the Group with respect to the social benefits schemes operated by the Macau SAR government is to make the required contributions under the schemes.

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of a trustee. The Group contributes 5% of the relevant payroll costs to the MPF Scheme, which is matched with mandatory contribution of all employees. For certain employees, the maximum monthly contribution was limited to HK\$1,500 per employee.

The Group operates a defined contribution retirement scheme for all qualifying employees since 2003. The assets of the scheme are held separately from those of the Group in funds under the control of independent trustees. The retirement scheme cost recognised in profit or loss represents contributions payable to the funds by the Group at rates specified in the rules of the scheme.

The Group operates a Non-mandatory Central Provident Fund (the "CPF") for all qualifying employees since 2020. The assets of the scheme are held separately from those of the Group in funds under the control of independent trustees. The Group contributes 5% of the relevant payroll costs to the CPF, which is matched with contribution of all relevant employees.

Where there are employees of the Group who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

40. ACQUISITION OF SUBSIDIARIES

On 20 November 2025, SJM and its direct subsidiary entered into an acquisition agreement with Goldarch Holdings Limited, Solar King Investments Limited and Deputada Leong On Kei, Angela to acquire the entire issued share capital of Arc of Triumph Development Company Limited (the "Target Company") for a nominal purchase price of MOP180,000 (approximately HK\$174,757). As part of the transaction, SJM and its direct subsidiary also procured the repayment of the Target Company's bank loan up to an amount of HK\$1,749,825,243, resulting in a total consideration of HK\$1,750,000,000 and lent a loan of HK\$177,525,000 to Deputada Leong On Kei, Angela (as set out in note 9A) in order to repay the remaining bank loan of the Target Company. The Acquisition was completed on 17 December 2025. Further details of this discloseable and connected transaction are set out in the Company's announcements dated 20 November 2025, 15 December 2025 and 26 December 2025, and the Company's circular dated 28 November 2025.

The Group elected to apply the optional concentration test in accordance with HKFRS 3 "Business Combinations" and concluded that the land and building components of the Target Group, namely Hotel L'Arc located in Macau SAR, together with the in-place leases, are considered a single identifiable asset. Consequently, the Group determined that substantially all of the fair value of the gross assets (excluding cash and cash equivalents) acquired is concentrated in a group of similar identifiable assets and concluded that the acquired set of activities and assets is not a business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

40. ACQUISITION OF SUBSIDIARIES (Continued)

The assets and liabilities recognised at the date of Acquisition

	HK\$ million
Property and equipment	1,715.2
Right-of-use assets	34.8
Trade and other receivables	3.2
Inventory	4.8
Cash and cash equivalents	30.5
Trade and other payables	(41.6)
Total consideration on Acquisition, excluding transaction costs	1,746.9

	HK\$ million
Net cash outflows arising on acquisition of Target Group:	
Consideration paid in cash	1,750.0
Less: Cash and cash equivalents acquired	(30.5)
	1,719.5

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of bank loans, unsecured notes, lease liabilities, amount due to non-controlling interests of a subsidiary, loan from ultimate holding company, payable for gaming concession right (included in trade and other payables), convertible bond and equity attributable to owners of the Company, comprising share capital and reserves as disclosed in these consolidated financial statements.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends and new share issues, as well as raising bank borrowings and issuing new debt or the redemption of existing debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

Financial instruments are fundamental to the Group's daily operations. The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(b) Categories of financial instruments

	2025 HK\$ million	2024 HK\$ million
Financial assets		
Financial asset at FVTPL	40.0	—
Investments in equity instruments designated at FVTOCI	330.7	357.0
Amortised cost	4,530.7	3,899.8
	4,901.4	4,256.8
Financial liabilities		
Amortised cost	33,570.0	31,094.8

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 3.

(c) Credit risk management and impairment assessment

As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the Group's statement of financial position.

The Group has concentration of credit risk as 35% (2024: 83%) of the advances and receivables are due from the Group's ten largest patrons (2024: four largest patrons). Other than concentration of credit risk on advances to gaming patrons, the Group does not have any other significant concentration of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(c) Credit risk management and impairment assessment (Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for the patrons and service providers. The Group may at its discretion extend credit periods for certain patrons and service provider with long-term relationship and good repayment patterns. The Group assessed the ECL for advances to gaming patrons, other receivables from service providers and lease receivables individually as at 31 December 2025 and 31 December 2024.

During the year ended 31 December 2025 and 2024, no addition or reversal of impairment allowance for advances to gaming patrons, other receivables from service providers was provided. As at 31 December 2025, loss allowance with an aggregate balance of HK\$523.2 million (2024: HK\$523.2 million) represents individually credit-impaired advances to gaming patrons and other receivables from service providers which are impaired as the management considered the outstanding balances from these gaming patrons and service providers were uncollectible given that one or more events of default occurred.

No impairment allowance is recognised for the non-credit-impaired advances to gaming patrons, other receivables from service providers and lease receivables since the loss given default and exposure at default are significantly reduced as those advances to gaming patrons are subject to certain offsetting and enforceable netting agreements, certain service providers provided bank guarantees and rental deposits received to the Group as well as due to the low probability of default of the patrons and service providers based on historical credit loss experience. The management has also assessed all available forward-looking information, including but not limited to expected growth rate and future development of gaming industry, and concluded that there is no significant credit risk.

For the interest receivables and credit card receivables included in other sundry receivables, pledged bank deposits, short-term bank deposits and bank balances, no allowance for impairment was made since the management considers the probability of default is negligible as such amounts are receivable from or placed in banks in Macau SAR and Hong Kong having good reputation and are considered to have low credit risk.

For rental deposits, the management considered the historical experience and forward-looking information and assessed the risk of default as low, no impairment allowance is made during the year.

For the amounts due from an associate/a joint venture/an investee company, other amounts in other sundry receivables and loan to a director, no allowance for impairment was made since the management considers the probability of default is minimal after assessing the counterparties' financial background and creditability and/or exposure at default is minimal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(d) Interest rate risk management

The Group is exposed to cash flow interest rate risk in relation to its bank balances, loan to a director and bank loans. The Group is also exposed to fair value interest rate risk in relation to its fixed-rate bank deposits, pledged bank deposits, short-term bank deposits, unsecured notes, payable for gaming concession right (included in trade and other payables), convertible bond, loan from ultimate holding company and lease liabilities. The Group currently does not have a policy on hedging of interest rate risks. However, the management monitors interest rate exposures and will consider hedging significant interest rate risk should the need arise.

The Group's exposure to interest rate risk on financial liabilities is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR/MAIBOR arising from bank loans.

The sensitivity analyses below have been determined based on the exposure to interest rates for loan to a director, bank balances and bank loans. The analyses were prepared assuming these balances outstanding at the end of the reporting period were outstanding for the whole year. 5 basis points and 50 basis points (2024: 5 basis points and 50 basis points) increase, respectively, represent management's assessment of the reasonably possible change in interest rates.

Interest rates had been 5 or 50 basis points higher/lower for bank balances, loan to a director and bank loans, as appropriate, and all other variables were held constant, the Group's post-tax loss for the year would increase by HK\$79.8 million (2024: post-tax profit for the year would decrease by HK\$66.9 million). This is mainly attributable to the Group's exposure to interest rates on its bank balances and bank loans with variable rate.

	2025 HK\$ million	2024 HK\$ million
Increase in loss for the year (2024: decrease in profit for the year)	(79.8)	(66.9)

If interest rates had been lower in an opposite magnitude and all other variables held constant, the potential effect on the results would be equal and opposite.

In the management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(e) Price risk management

The Group is exposed to equity price risk on the investments in listed equity securities measured at FVTOCI, operating in gaming, entertainment and hotel industry sector. The Group currently does not have a policy to hedge such risk. In addition, the Group also invested in certain unquoted equity securities for investees operating in gaming, entertainment and hotel industry sector for long-term strategic purposes which were designated at FVTOCI. The Group has designated a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

The sensitivity analyses below have been determined based on the exposure to equity price risk on the equity securities in investments in equity securities designated at FVTOCI at the end of the reporting period. If the fair value on such equity securities had been 10% (2024: 10%) higher/lower, the potential effect on the investment revaluation reserve is as follows:

If the prices of the respective equity instruments had been 10% (2024: 10%) higher/lower, the total comprehensive expense would decrease/increase by HK\$33.1 million (2024: the total comprehensive income would increase/decrease by HK\$35.7 million) as a result of the changes in fair value of equity securities designated at FVTOCI.

In the management's opinion, the sensitivity analysis is unrepresentative of the price risk as the year end exposure does not reflect the exposure during the year.

(f) Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The management of the Group are taking active steps to improve the future liquidity position of the Group by generating sufficient operating funds internally and utilising undrawn banking facilities.

The following table details the Group's remaining contractual maturities of financial liabilities that are exposed to liquidity risk based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group could be required to pay. The maturity dates for other financial liabilities are based on agreed payment terms. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount of interest payment is estimated based on the interest rate at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(f) Liquidity risk management (Continued)

	Weighted average effective interest rate	Not more	Over	1 year to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
		3 months or on demand	3 months but not more than 1 year				
At 31 December 2025							
Trade payables	—	206.7	0.7	—	—	207.4	207.4
Chips in circulation	—	310.3	—	—	—	310.3	310.3
Other payables	—	1,067.5	—	24.7	—	1,092.2	1,092.2
Payable for gaming concession right	9.31%	300.9	147.5	1,793.6	896.8	3,138.8	2,366.1
Amount due to non-controlling interests of a subsidiary	2.57%	—	—	350.7	—	350.7	341.9
Loan from ultimate holding company	4.00%	—	80.0	2,160.2	—	2,240.2	2,006.8
Bank loans	4.88%	454.1	3,650.1	13,628.3	—	17,732.5	16,222.0
Unsecured notes	4.64%	4,053.3	1,748.9	4,007.8	—	9,810.0	9,301.2
Convertible bond	9.54%	—	38.1	1,944.1	—	1,982.2	1,722.1
Lease liabilities	2.58%	23.1	73.6	159.6	697.4	953.7	681.2
		6,415.9	5,738.9	24,069.0	1,594.2	37,818.0	34,251.2
At 31 December 2024							
Trade payables	—	387.7	7.9	—	—	395.6	395.6
Chips in circulation	—	386.7	—	—	—	386.7	386.7
Other payables	—	344.7	613.9	33.4	35.6	1,027.6	1,027.6
Payable for gaming concession right	9.31%	147.8	145.3	1,836.2	1,377.2	3,506.5	2,493.4
Amount due to non-controlling interests of a subsidiary	2.57%	—	341.9	—	—	341.9	333.3
Loan from ultimate holding company	4.00%	—	80.0	2,240.2	—	2,320.2	2,006.8
Bank loans	6.54%	450.9	2,119.0	13,337.0	—	15,906.9	13,499.2
Unsecured notes	4.68%	179.3	239.4	9,792.3	—	10,211.0	9,349.9
Convertible bond	9.54%	—	38.1	1,982.2	—	2,020.3	1,602.3
Lease liabilities	2.66%	23.3	70.8	191.5	682.3	967.9	672.4
		1,920.4	3,656.3	29,412.8	2,095.1	37,084.6	31,767.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement of financial instruments

The Group's investments in equity instruments designated at FVTOCI and financial asset at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 inputs are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 December 2025	31 December 2024		
	HK\$ million	HK\$ million		
Financial asset at FVTPL				
Money market fund	40.0	—	Level 2	Quoted prices in an inactive market
Investments in equity instruments designated at FVTOCI				
Listed equity securities	16.5	42.8	Level 1	Quoted bid prices in an active market
Unlisted equity securities	314.2	314.2	Level 2	Market approach: Net asset value with main multiple being Price-to-Book multiples of comparable companies

There were no transfers between Level 1 and 2 during the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement of financial instruments (Continued)

In estimating the fair value of unlisted equity securities, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified third party valuers to perform the valuation. The management of the Group works closely with the qualified third party valuers to establish the appropriate valuation techniques and inputs to the model. The management of the Group reports the findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the unlisted equity securities.

Information about the valuation techniques and inputs used in determining the fair value of unlisted equity securities are disclosed above.

The estimated fair value of the Group's unsecured notes as at 31 December 2025 listed on the Stock Exchange and MOX were HK\$7,508.2 million (2024: HK\$7,382.9 million) and HK\$1,532.7 million (2024: HK\$1,500.9 million) respectively. The estimated fair value of unsecured notes listed on the Stock Exchange were derived from the quoted prices that were observable from an inactive market which is classified as Level 2 in the fair value hierarchy. The estimated fair value of unsecured notes listed on MOX were derived from discounted cash flows which is classified as Level 3 in the fair value hierarchy. The most significant input is the discount rates of the instruments.

Except for unsecured notes, the management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows (used in) from financing activities.

	Bank loans	Unsecured notes	Amount due to non-controlling interests of a subsidiary	Loan from ultimate holding company	Convertible bond	Interest payables	Payable for gaming concession right	Lease liabilities	Total
	HK\$ million (note 26)	HK\$ million (note 27)	HK\$ million (note 29)	HK\$ million (note 30)	HK\$ million (note 32)	HK\$ million (Note)	HK\$ million (Note)	HK\$ million (note 28)	HK\$ million
At 1 January 2024	15,235.9	9,413.7	348.2	2,006.8	1,493.4	0.2	2,493.5	595.5	31,587.2
Net financing cash flows	(1,762.3)	(496.6)	(24.5)	(80.2)	(38.1)	(971.0)	(292.5)	(79.7)	(3,744.9)
Loss on modification of bank loans, net	25.6	—	—	—	—	—	—	—	25.6
Lease modification (note 14)	—	—	—	—	—	—	—	(0.3)	(0.3)
New leases entered	—	—	—	—	—	—	—	138.5	138.5
Interest expenses	—	436.9	8.6	80.2	147.0	971.4	230.1	18.4	1,892.6
Gain on early repurchase of unsecured notes	—	(4.1)	—	—	—	—	—	—	(4.1)
Adjustment to future payments (note 15)	—	—	—	—	—	—	62.3	—	62.3
Arising from changes in cash flow estimates on amount due to non-controlling interests of a subsidiary (note 29)	—	—	1.0	—	—	—	—	—	1.0
At 31 December 2024	13,499.2	9,349.9	333.3	2,006.8	1,602.3	0.6	2,493.4	672.4	29,957.9
Net financing cash flows	2,790.5	(476.6)	—	(80.0)	(38.1)	(743.4)	(293.8)	(92.1)	1,066.5
Gain on modification of bank loans, net	(67.7)	—	—	—	—	—	—	—	(67.7)
Lease modification (note 14)	—	—	—	—	—	—	—	13.3	13.3
New leases entered	—	—	—	—	—	—	—	70.4	70.4
Interest expenses	—	430.3	8.6	80.0	157.9	742.8	217.9	17.2	1,654.7
Gain on early repurchase of unsecured notes	—	(2.4)	—	—	—	—	—	—	(2.4)
Adjustment to future payments (note 15)	—	—	—	—	—	—	(51.4)	—	(51.4)
At 31 December 2025	16,222.0	9,301.2	341.9	2,006.8	1,722.1	—	2,366.1	681.2	32,641.3

Note: The amount is included in trade and other payables as set out in note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. TRANSACTIONS WITH RELATED PARTIES AND/OR CONNECTED PARTIES

- (a) Other than the transactions and balances with related parties disclosed in respective notes in the consolidated financial statements, during the year, the Group had the following significant transactions with related parties and/or connected parties (as defined under Chapter 14A of the Listing Rules):

Relationship	Nature of transactions	2025 HK\$ million	2024 HK\$ million	
STDM and its associates, (as defined under Chapter 14A of the Listing Rules) excluding the Group ("STDM Group")	Non-exempt continuing connected transactions under Chapter 14A of the Listing Rules			
	Laundry services (note 44(e))	25.4	22.9	
	Entertainment (note 44(e))	3.3	5.4	
	Hotel accommodation (note 44(e))	63.5	49.3	
	Hotel management and operation (note 44(e))	4.7	5.2	
	Maintenance services (note 44(e))	11.9	9.1	
	Promotional and advertising services (note 44(e))	19.1	18.2	
	Rental income (note 44(c))	32.4	79.7	
	Property rentals (note 44(d))	0.1	0.1	
	Transportation (note 44(e))	0.9	2.3	
	Exempt continuing connected transactions under Chapter 14A of the Listing Rules			
	Loan interest (note 30)	80.0	80.2	
	Others (note 44(f))	7.8	10.8	
	Non-exempt connected transactions under Chapter 14A of the Listing Rules			
	Acquisition of subsidiaries (note 40)	1,750.0	—	
	Acquisition of subsidiaries (note 44(m))	—	31.5	
	Acquisition of property and equipment (note 44(n))	529.0	—	
Acquisition of property and equipment (note 44(l))	149.4	—		
Deposit paid for acquisition of property (note 44(l))	—	16.6		
Certain directors of the Company and/or of its subsidiaries and their associates (as defined under Chapter 14A of the Listing Rules)	Non-exempt continuing connected transactions under Chapter 14A of the Listing Rules			
	Service fees paid to a service provider in relation to the promotion of a casino (note 44(k))	669.0	607.3	
	Service fees paid to a service provider in relation to the promotion of a casino (note 44(o))	200.5	N/A	
	Property rentals (note 44(g))	0.2	7.4	
	Exempt continuing connected transactions under Chapter 14A of the Listing Rules			
	Others (note 44(f))	35.1	23.7	
	Non-exempt connected transactions under Chapter 14A of the Listing Rules			
	Right-of-use assets — HKFRS 16 (note 44(g))	—	136.3	
	Entities other than above in which STDM, certain directors of the Company and of its subsidiaries and/or their close family members have control/significant influence/ beneficial interests	Insurance expenses	140.6	111.6
		Promotion and advertising expenses	0.2	0.5
Others		4.2	11.1	
A joint venture	Property rentals (note 44(j))	14.4	14.4	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. TRANSACTIONS WITH RELATED PARTIES AND/OR CONNECTED PARTIES (Continued)

- (b) In 2002, SJM was granted the Gaming Concession Contract to operate casinos in Macau SAR as mentioned in note 4. For this purpose, SJM has been borrowing casino chips from STDM for the purpose of its business operation since SJM, as a new concessionaire from 2002, did not have sufficient casino chips to meet its business needs. According to the Gaming Concession Contract, SJM is permitted to use STDM's casino chips, both in treasury and those put in circulation by STDM prior to 1 April 2002 and should honour such casino chips. In order to regulate the borrowing and use of STDM chips, the Group entered into an agreement with STDM dated 18 June 2008 (the "Chips Agreement") regarding the honouring and borrowing of STDM chips. Under the Chips Agreement, the Group has agreed to honour the STDM chips in circulation upon their redemption by patrons or clients. In addition, STDM has agreed to reimburse the STDM chips presented by the Group to STDM, by paying to the Group in cheque the aggregate face value of chips so presented within the same quarter when such presentation takes place. During the year ended 31 December 2025, the net amount received or receivable on reimbursement of STDM chips in circulation amounted to HK\$0.2 million (2024: HK\$0.2 million).
- (c) SJM entered into an agreement dated 21 January 2020 ("NYH Agreement") with NYH Gestão de Vendas a Retalho Limitada ("NYH"), an indirect wholly-owned subsidiary of STDM, for which SJM grant the rights to use the shop to NYH for the purpose of operating a department store at the premises located in Grand Lisboa Palace Resort. The term of the lease will be 12 years and 6 months commencing on 27 July 2021. The amounts of transactions during the period were disclosed in note 44(a) above. On 5 March 2026, SJM and NYH mutually agreed and entered into a termination agreement, pursuant to which, among other things, the NYH Agreement will be terminated with effect from 1 January 2027.
- (d) The Company entered into an agreement dated 18 June 2008 with STDM for the leasing of properties by STDM or the members of the STDM Group to the Group (the "PLMA with STDM"). The term of each implementing lease will be for a term commencing on a date specified in the relevant implementing lease and ending on a date not later than 31 March 2020. The PLMA with STDM was renewed on 23 December 2019 for a term of period from 1 April 2020 to 31 December 2022 with similar terms as the previous agreement. The PLMA with STDM was further renewed on 2 March 2023 for a term of period from 1 January 2023 to 31 December 2025 with similar terms as the previous agreement. The amount of transactions during the period were disclosed in note 44(a) above.

The amount disclosed in note 44(a) represents the property rentals with related parties and/or connected parties for the addition of right-of-use assets and expenses relating to the relevant short-term leases.

During the year ended 31 December 2025, the lease transactions with related parties represent incurred expenses relating to the relevant short-term leases of HK\$0.1 million (2024: HK\$0.1 million) and interest expenses of HK\$0.1 million (2024: HK\$0.3 million) on the relevant lease liabilities with carrying amount of HK\$0.2 million as at 31 December 2025 (2024: HK\$6.0 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. TRANSACTIONS WITH RELATED PARTIES AND/OR CONNECTED PARTIES (Continued)

- (e) The Company entered into an agreement dated 18 June 2008 with STDM for the provision of products and services by STDM and its associates (the "Products and Services Master Agreement"). The types of products and services include hotel accommodation, hotel management and operation, entertainment and staff messing, dredging services, transportation, promotional and advertising services, travel agency services and maintenance services. On 19 June 2011, the Company entered into a renewed products and services master agreement with STDM (the "Renewed Master Agreement") for the provision of products and services as described in the Products and Services Master Agreement. The Renewed Master Agreement expired on 31 December 2013, and was renewed on 6 January 2014, 26 January 2017 and 23 December 2019, each for a term of three years starting from 1 January 2014, 1 January 2017 and 1 January 2020, respectively, with similar terms for the provision of products and services for five categories: hotel accommodation, entertainment, transportation, hotel management and operation and maintenance services. The Renewed Master Agreement was further renewed on 2 March 2023 for a term of period from 1 January 2023 to 31 December 2025 with similar terms as the previous agreement with addition of laundry services and promotional and advertising services. The Renewed Master Agreement was further renewed on 5 March 2026 for a term of period from 1 January 2026 to 31 December 2026 with similar terms as the previous agreement except re-classification of the entertainment services by the food and beverage products and services.
- (f) These are individually de minimis transactions as defined under Rule 14A.76 of the Listing Rules, which are continuing connected transactions on normal commercial terms, exempt from reporting, annual review, announcement and independent shareholders' approval requirements as defined under Rule 14A.76(1) of the Listing Rules.
- (g) The Company entered into an agreement dated 22 November 2013 with a director of the Company for the leasing of properties by the director and/or her associates to the Group (the "PLMA with Deputada Leong") effective from 1 January 2014. The term of each implementing lease was for a term commencing on a date specified in the relevant implementing lease and ended on a date not later than 31 December 2016. On 14 December 2016, the Company renewed the PLMA with Deputada Leong which expired on 31 December 2019. The PLMA with Deputada Leong was further renewed on 23 December 2019 for a term of three years from 1 January 2020 with similar terms as the previous agreement, and was further renewed on 3 March 2023 for a term of period from 1 January 2023 to 31 December 2025 with similar terms as the previous agreement. The amount of transactions during the period were disclosed in note 44(a) above.

The amount disclosed in note 44(a) represents the property rentals with related parties and/or connected parties for the additions of right-of-use assets and expenses relating to the relevant short-term leases.

During the year ended 31 December 2024, the lease transactions represent addition of right-of-use assets of HK\$136.3 million (2025: nil). During the year ended 31 December 2025, incurred expenses relating to the relevant short-term leases of HK\$0.2 million (2024: HK\$7.4 million) and interest expenses of HK\$3.1 million (2024: HK\$3.3 million) on the relevant lease liabilities with carrying amount of HK\$64.6 million as at 31 December 2025 (2024: HK\$108.0 million).

As detailed in the Company's announcement dated 31 May 2024, the Company entered into a sublease contract with the sublessor of Jai Alai building for the period from 1 April 2024 to 31 March 2027. The amounts of transactions during the period were disclosed in note 44(a) above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. TRANSACTIONS WITH RELATED PARTIES AND/OR CONNECTED PARTIES (Continued)

- (h) Save as disclosed in note 26, in addition to the securities provided by the Group to the relevant banks, the non-controlling interests of a subsidiary also provided securities to secure the syndicate secured bank loans of the Group. At the end of the reporting period, the key terms and securities pledged are set out as follows:
 - (i) financial guarantee with promissory note of HK\$490 million (2024: HK\$490 million); and
 - (ii) share pledges over all shares in Pier 16 – Property and its subsidiaries.
- (i) In November 2007, the then immediate holding company, STDM – Investments Limited (“STDM-I”), provided a surety (the “STDM-I Surety”) in favour of the Company for the due and punctual payment of obligations the Company may incur in relation to:
 - (i) penalties incurred by the Company for any non-criminal violations of relevant laws or regulations pertaining to anti-money laundering, where such violations occurred prior to the listing of the ordinary shares of the Company on the Stock Exchange; and
 - (ii) losses or contingency provisions incurred by the Company in connection with any judgement of any lawsuit, as set out in the paragraph headed “Litigation” in Appendix VII to the Company’s prospectus dated 26 June 2008, to which the Company is a party and which is pending at the time of listing of the ordinary shares of the Company on the Stock Exchange.

STDM has informed the Company in August 2011 that the board of directors of STDM was satisfied that upon liquidation of STDM-I, which occurred during the year ended 31 December 2011, the Company (as beneficiary of the STDM-I Surety) would remain entitled to claim directly against STDM under the same terms and conditions as originally established in the STDM-I Surety.

- (j) The amount disclosed in note 44(a) represents the property rentals with related parties and/or connected parties for the expenses relating to the relevant short-term leases.
- (k) SJM entered into an agreement with L’Arc Entertainment Group Company Limited (“L’Arc Entertainment”) dated 21 September 2009 and supplemented by addendums dated 27 January 2010, 22 October 2010, 4 February 2016, 4 January 2017, 18 December 2017, 6 May 2020 and 17 June 2022 regarding the provision of the services and licensing for occupation and use of the designated area in the L’Arc Hotel to SJM for the operation of a casino until 31 December 2022 (the “L’Arc Services Agreement”). From the effective date of the completion of the acquisition of the shares of L’Arc Entertainment by an executive director of the Company on 17 May 2021, L’Arc Entertainment has become a company indirectly wholly controlled by the executive director and a connected person of the Group under the Listing Rules by virtue of it being an associate of the executive director. In this regard, the continuing transactions for the service fees in relation to the promotion of a casino paid to/reimbursed from L’Arc Entertainment under the L’Arc Services Agreement have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules and related party transaction since 17 May 2021. The agreement with L’Arc Entertainment was further renewed on 30 December 2022, regarding the services and licensing for occupation and use of designated area in L’Arc Hotel to SJM for the operation of a casino until 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. TRANSACTIONS WITH RELATED PARTIES AND/OR CONNECTED PARTIES (Continued)

- (l) As detailed in the Company's announcement dated 21 May 2024, the Group entered into a promissory agreement to acquire Kam Pek Community Centre ("Kam Pek") with STDM at a cash consideration of HK\$166 million. During the year ended 31 December 2024, the Group had paid the deposit for acquisition of Kam Pek amounting to HK\$16.6 million. During the year ended 31 December 2025, the Group settled the remaining consideration and the acquisition was completed. The seller in the acquisition is a connected person of the Company, and hence the acquisition constituted a connected transaction pursuant to Chapter 14A of the Listing Rules.
- (m) As detailed in the Company's announcement dated 21 May 2024, the Group entered into transfer agreements to acquire the entire equity interests in SJM European Fine Cuisine Company Limited (formerly known as "NYH European Fine Cuisine Company Limited") ("SJM Euro") and SJM Italian Fine Cuisine Company Limited (formerly known as "NYH Italian Fine Cuisine Company Limited") ("SJM Italian") with STDM and the members of the STDM Group at a cash consideration of HK\$18.9 million and HK\$12.6 million respectively. SJM Euro and SJM Italian are principally engaged in the food and beverage service in Grand Lisboa Palace Resort and were acquired with the objective of improving the Group's food and beverage service. The acquisitions were completed on the same date.
- (n) As detailed in the Company's announcement dated 28 August 2025, the Group entered into a promissory agreement in respect of the acquisition of certain areas of Hotel Lisboa located in Macau SAR from STDM with a consideration of HK\$529 million. The acquisition was completed in November 2025. The seller in the acquisition is a connected person of the Company, and hence the acquisition constituted a connected transaction pursuant to Chapter 14A of the Listing Rules.
- (o) SJM entered into an agreement with Tin Hou Limited ("Tin Hou") dated 30 December 2022 regarding the provision of the services and licensing for occupation and use of the designated area in the Gaming Area in Grand Emperor Hotel to SJM for the operation of a casino until 31 December 2025 (the "Tin Hou Services Agreement"). As detailed in the Company's announcement dated 4 March 2025, based on the annual results of the Company for the year ended 31 December 2024, certain subsidiaries of the Company are no longer classified as insignificant subsidiaries under Rule 14A.09 of the Listing Rules. As Tin Hou is a company indirectly controlled over 50% by a private discretionary trust which is set up by a family member of a director of those subsidiaries of the Company, pursuant to Rule 14A.12(2)(b) of the Listing Rules, Tin Hou has become a connected person of the Company at the subsidiary level under the Listing Rules. As such, arrangements under the Tin Hou Services Agreement which was entered into in 2022 and amended in 2023 between SJM and Tin Hou have become continuing connected transactions for the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

45. INVESTMENTS IN SUBSIDIARIES

	2025 HK\$ million	2024 HK\$ million
Unlisted shares, at cost	8,535.4	8,535.4
Deemed capital contribution in relation to issue of convertible bond by a subsidiary	95.5	95.5
	8,630.9	8,630.9

Details of the Company's principal subsidiaries at the end of the reporting period are set out in note 47.

46. AMOUNTS DUE FROM SUBSIDIARIES/AMOUNTS DUE TO SUBSIDIARIES

The amounts due from subsidiaries are unsecured. Included in the balances is an amount of HK\$19,173.4 million (2024: HK\$19,173.4 million) which is expected to be realised after 12 months from the end of the reporting period, hence, the amount is classified as non-current asset, out of which HK\$9,301.2 million (2024: HK\$9,349.9 million) carries interest ranging from 3.90% to 4.85% and out of which HK\$9,872.2 million (2024: HK\$9,823.5 million) is interest-free and repayable on demand. The remaining balances are interest-free and expected to be realised within 12 months from the end of the reporting period.

As at 31 December 2025, the amounts due to subsidiaries are unsecured, carry interest ranging from 3.90% to 4.85% (2024: 3.90% to 4.85%) and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at the end of the reporting period is as follows:

(a) General information of subsidiaries

Name of subsidiary	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ quota capital	Attributable proportion of nominal value of issued share capital/ quota capital held by the Group		Principal activity
			2025	2024	
Arc of Triumph Development Company Limited	Macau SAR	Quota capital: MOP180,000	100%	N/A (Note (f))	Property construction and real estate development and property acquisition and management
Arc of Triumph Hotel Management Company Limited	Macau SAR	Quota capital: MOP25,000	100%	N/A (Note (f))	Hotel operations
Bondwell Limited	Hong Kong SAR	Ordinary share: HK\$1	100%	100%	Property holding
Brilliant Sky International Limited	Macau SAR	Quota capital: MOP25,000	100%	100%	Provision of marketing and promotion services
Brilliant Sky Investments Limited	British Virgin Islands/ Macau SAR	Share: US\$1	100%	100%	Investment holding
Brilliant Talent Hospitality Services Limited	Macau SAR	Quota capital: MOP25,000	100%	100%	Provision of hospitality services
Champion Moments Limited	British Virgin Islands/ Hong Kong SAR	Share: US\$1	100%	100%	Provision of treasury services
Champion Path Holdings Limited	British Virgin Islands/ Hong Kong SAR	Share: US\$1	100%	100%	Provision of treasury services
Champion Power Global Limited	British Virgin Islands/ Hong Kong SAR	Share: US\$1	100%	100%	Provision of treasury services
Cotai Magnific View-Property Development Company Limited	Macau SAR	Ordinary shares: MOP1,000,000	100%	100%	Preparation for property development
GLP Hospitality Services Limited	Macau SAR	Quota capital: MOP500,000	100%	100%	Provision of management services for hotel operations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ quota capital	Attributable proportion of nominal value of issued share capital/ quota capital held by the Group		Principal activity
			2025	2024	
GLP Shopping Mall Management Limited	Macau SAR	Quota capital: MOP500,000	100%	100%	Provision of management services for shopping mall
Grand Lisboa – Hotel Administration Company Limited	Macau SAR	Ordinary shares: MOP1,000,000	100%	100%	Hotel operations
Grand Lisboa – Property Investment Company Limited	Macau SAR	Ordinary shares: MOP1,000,000	100%	100%	Property holding
Harbour Tide Limited	British Virgin Islands/ Macau SAR	Share: US\$1	100%	100%	Property holding
Honour State International Limited	British Virgin Islands/ Hong Kong SAR	Share: US\$1	100%	100%	Securities holding
Le Royal Arc Property Management Company Limited	Macau SAR	Quota capital: MOP250,000	100%	N/A (Note (f))	Provision of property management services
Macau Dredging Services Limited	Macau SAR	Quota capital: MOP1,000,000	100%	100%	Provision of dredging services
Nam Van Lake View Investment Limited	Macau SAR	Quota capital: MOP1,000,000	100%	100%	Property holding
New Hop Wo Catering Company Limited	Macau SAR	Quota capital: MOP100,000	100%	100%	Provision of food and beverage services
Pier 16 – Entertainment Group Corporation Limited	Macau SAR	Quota capital: MOP25,000	51%	51%	Provision of management services for casino operations
Pier 16 – Management Limited	Macau SAR	Quota capital: MOP25,000	51%	51%	Hotel operations
Pier 16 – Property Development Limited	Macau SAR	Ordinary shares: MOP10,000,000	51%	51%	Property holding
SJM – Customer Services (HK) Limited	Hong Kong SAR	Ordinary share: HK\$1	100%	100%	Provision of customer services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ quota capital	Attributable proportion of nominal value of issued share capital/ quota capital held by the Group		Principal activity
			2025	2024	
SJM European Fine Cuisine Company Limited (formerly known as "NYH European Fine Cuisine Company Limited")	Macau SAR	Quota capital: MOP25,000	100%	100%	Provision of food and beverage services
SJM – F&B Services Limited	Macau SAR	Quota capital: MOP25,000	100%	100%	Provision of food and beverage services
SJM Holdings Management Services Limited	Hong Kong SAR	Ordinary shares: HK\$2	100%	100%	Provision of management services
SJM International Limited	British Virgin Islands/ Hong Kong SAR	Share: US\$1	100%	N/A (Note (e))	Provision of treasury services
SJM – Investment Limited	Macau SAR	Quota capital: MOP1,000,000	100%	100%	Investment holding
SJM Italian Fine Cuisine Company Limited (formerly known as "NYH Italian Fine Cuisine Company Limited")	Macau SAR	Quota capital: MOP25,000	100%	100%	Provision of food and beverage services
SJM Retail Services Private Limited	Macau SAR	Quota capital: MOP25,000	100%	100%	Provision of retail services
SJM – Project Management Services (HK) Limited	Hong Kong SAR	Ordinary share: HK\$1	100%	100%	Provision of human resources and project management services
SJM Resorts, S.A.	Macau SAR	Ordinary shares: Type A shares MOP4,250,000,000 Type B shares: MOP750,000,000	100%	100%	Casino operations and investment holding
Vast Field Investments Limited	British Virgin Islands/ Hong Kong SAR	Ordinary shares: US\$1	100%	100%	Investment holding

N/A = not applicable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Notes:

- (a) Pursuant to the relevant requirements under Macau SAR law, SJM's ordinary shares are divided into two categories, namely, Type A shares and Type B shares representing 85% and 15% equity interests in SJM respectively. Holders of Type A shares have voting control of SJM in its shareholders' meeting. Except for one Type A share directly held by a wholly-owned subsidiary of the Company, the Company holds all the remaining Type A shares, whilst Type B shares are held by the managing director of SJM, pursuant to the relevant requirements under Macau SAR law. As Type B shares have restricted rights and only entitle the holder of Type B shares to an aggregate amount of MOP1 of dividend payable, the Company is effectively entitled to a 100% economic interest in SJM.
- (b) Except for Champion Path Holdings Limited, Champion Moments Limited, Champion Power, SJM Holdings Management Services Limited, SJM International Limited and SJM, all other principal subsidiaries listed above are indirectly held by the Company.
- (c) The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.
- (d) None of the subsidiaries had any debt securities outstanding at the end of the year except for Champion Path Holdings Limited and Champion Moments Limited has issued unsecured notes and Champion Power has issued convertible bond, in which none of the interest was held by the Group.
- (e) SJM International Limited was incorporated on 4 November 2025.
- (f) Arc of Triumph Development Company Limited, Arc of Triumph Hotel Management Company Limited and Le Royal Arc Property Management Company Limited were acquired on 17 December 2025. Details of the Acquisition are set out in note 40.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

At the end of both reporting periods, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries are operated in Macau SAR. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation or establishment/operations	Number of subsidiaries	
		2025	2024
Gaming related operations	Macau SAR	1	1
Investment holdings and others/ Inactive	British Virgin Islands/Macau SAR	14	14
	British Virgin Islands/Hong Kong	4	3
	Hong Kong	14	13
	Macau SAR	3	3
	Singapore	1	1
	South Korea	1	1
	Thailand	1	—
	People's Republic of China	1	—
		39	35
		40	36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of a non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				HK\$ million	HK\$ million	HK\$ million	HK\$ million
Pier 16 – Property Development Limited	Macau SAR	49%	49%	71.2	103.3	323.1	251.9

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Pier 16 – Property

	2025 HK\$ million	2024 HK\$ million
Current assets	247.4	235.2
Non-current assets	1,001.1	1,027.7
Current liabilities	(412.9)	(1,104.7)
Non-current liabilities	(723.3)	(20.5)
Equity attributable to owners of Pier 16 – Property	112.3	137.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

Pier 16 – Property (Continued)

	2025 HK\$ million	2024 HK\$ million
Revenue	594.4	641.2
Cost of sales and expenses	(541.3)	(427.7)
Profit for the year	145.3	210.8
Profit attributable to owners of Pier 16 – Property	145.3	210.8
Net cash inflow from operating activities	278.6	232.3
Net cash outflow from investing activities	(81.8)	(456.5)
Net cash (outflow) inflow from financing activities	(81.5)	162.8
Net cash inflow (outflow)	115.3	(61.4)

48. SUBSEQUENT EVENTS

- (a) On 5 January 2026, a wholly-owned subsidiary of the Company, Champion Path Holdings Limited (“Champion Path”), offered to purchase (the “Offer”) for cash any and all outstanding 2026 US\$ Senior Notes validly tendered at a purchase price of US\$1,000 per US\$1,000 principal amount of the 2026 US\$ Senior Notes pursuant to the terms and conditions set out in the Offer to Purchase. On 19 January 2026, Champion Path accepted and repurchased US\$170,115,000 in aggregate principal amount of the 2026 US\$ Senior Notes validly tendered pursuant to the Offer and the repurchased 2026 US\$ Senior Notes were subsequently cancelled. The remaining outstanding US\$329,885,000 in aggregate principal amount of 2026 US\$ Senior Notes matured on 27 January 2026.
- (b) On 15 January 2026, a wholly owned subsidiary of the Company, SJM International Limited, issued 6.50% senior notes with an aggregate principal amount of US\$540,000,000 (equivalent to approximately HK\$4,202,000,000) due 2031. The details are set out in the Company’s announcements dated 9 and 16 January 2026.
- (c) On 5 March 2026, Clean Living (Macau) Limited (“Clean Living”) and SJM entered into an agreement pursuant to which Clean Living agreed to provide outsource laundry services of linens, uniforms and other laundry items of Grand Lisboa Hotel, Casino Oceanus and Jai Alai Hotel to SJM for a term of one year from 1 January 2026. Further details of this transaction are set out in the Company’s announcement dated 5 March 2026.

FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2021 HK\$ million	2022 HK\$ million	2023 HK\$ million	2024 HK\$ million	2025 HK\$ million
RESULTS					
Gaming, hotel, catering, retail, leasing and related services revenues	10,076.0	6,678.6	21,623.2	28,768.9	28,170.2
Gaming revenue	9,607.9	6,092.0	20,059.2	26,846.1	26,203.3
(Loss) profit before taxation	(4,176.7)	(7,787.5)	(1,838.9)	158.8	(304.2)
Taxation	(21.4)	(61.1)	(36.1)	(52.3)	(53.7)
(Loss) profit for the year	(4,198.1)	(7,848.6)	(1,875.0)	106.5	(357.9)
(Loss) profit attributable to					
— owners of the Company	(4,143.7)	(7,798.4)	(2,009.8)	3.2	(429.1)
— non-controlling interests	(54.4)	(50.2)	134.8	103.3	71.2
	(4,198.1)	(7,848.6)	(1,875.0)	106.5	(357.9)

	As at 31 December				
	2021 HK\$ million	2022 HK\$ million	2023 HK\$ million	2024 HK\$ million	2025 HK\$ million
ASSETS AND LIABILITIES					
Total assets	49,906.2	52,647.7	49,739.7	48,724.9	51,207.4
Total liabilities	(29,501.1)	(36,634.3)	(35,654.5)	(34,548.9)	(37,415.5)
Net assets	20,405.1	16,013.4	14,085.2	14,176.0	13,791.9

CORPORATE INFORMATION

CHAIRMAN EMERITUS

The late Dr. Ho Hung Sun, Stanley

BOARD OF DIRECTORS

Chairman and Executive Director

Ms. Ho Chiu Fung, Daisy

Co-Chairmen and Executive Directors

Dr. Fok Tsun Ting, Timothy

Deputada Leong On Kei, Angela

Executive Directors

Dr. Chan Un Chan

Mr. Shum Hong Kuen, David

Non-executive Director

Mr. Tsang On Yip, Patrick

Independent Non-executive Directors

Mr. Ho Hau Chong, Norman

Ms. Wong Yu Pok, Marina

Mr. Yeung Ping Leung, Howard

AUDIT COMMITTEE

Mr. Ho Hau Chong, Norman (*Committee Chairman*)

Ms. Wong Yu Pok, Marina

Mr. Yeung Ping Leung, Howard

NOMINATION COMMITTEE

Ms. Ho Chiu Fung, Daisy (*Committee Chairman*)

Dr. Fok Tsun Ting, Timothy

Mr. Ho Hau Chong, Norman

Ms. Wong Yu Pok, Marina

Mr. Yeung Ping Leung, Howard

REMUNERATION COMMITTEE

Ms. Wong Yu Pok, Marina (*Committee Chairman*)

Ms. Ho Chiu Fung, Daisy

Deputada Leong On Kei, Angela

Mr. Ho Hau Chong, Norman

Mr. Yeung Ping Leung, Howard

COMPANY SECRETARY

Ms. Kwok Shuk Chong

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Macau) Limited

Bank of China Limited

BNP Paribas

Industrial and Commercial Bank of China (Asia) Limited

Chong Hing Bank Limited

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

18th Floor, China Merchants Tower, Shun Tak Centre,

Nos. 168 – 200 Connaught Road Central, Hong Kong

Tel: (852) 3960 8000 Fax: (852) 3960 8111

Website: <https://www.sjmholdings.com>

Email (Investor Relations): ir@sjmholdings.com

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712 – 1716, 17th Floor, Hopewell Centre,

183 Queen's Road East, Wanchai, Hong Kong

General enquiry:

Tel: (852) 2862 8555 Fax: (852) 2865 0990

Webpage: https://www.computershare.com/hk/en/online_feedback

Change of means of receipt of Corporate Communication:

Email: sjm.ecom@computershare.com.hk Tel: (852) 2862 8688

LISTING INFORMATION

Share listing: Hong Kong Stock Exchange (Main Board)

Listing date: 16 July 2008

Stock short name: SJM Holdings

Stock code: 880 (Hong Kong Stock Exchange)

0880.HK (Reuters)

880:HK (Bloomberg)

Board lot: 1,000 shares

Designated Securities Eligible for Short Selling

Eligible Stock for both "buy" and "sell" of

Southbound Trading of Shanghai-Hong Kong Stock Connect
and Shenzhen-Hong Kong Stock Connect

Constituent of the following indexes:

Hang Seng Composite Index

Hang Seng Composite Industry Index – Consumer Discretionary

Hang Seng Composite MidCap/LargeCap & MidCap/

MidCap & SmallCap Index(es)

Hang Seng Large-Mid Cap (Investable)/Equal Weighted Factor

Mix (QVLM)/Risk Parity Factor Mix (QVLM) Index(es)

Hang Seng Large-Mid Cap Dividend Yield/Low Size/

Low Volatility/Momentum/Quality/Value

Comprehensive Index(es)

Hang Seng SCHK HK Companies/Consumption Select/Consumer

Discretionary/Culture & Entertainment/Consumption

(Investable)/Consumer Discretionary (Investable)/

Tourism Index(es)

Hang Seng Stock Connect Greater Bay Area Composite/

Consumer Services/Quality Life Index(es)

Hang Seng Stock Connect Hong Kong/

MidCap & SmallCap Index(es)

DEFINITIONS

In this report, unless the context states otherwise, the following expressions shall have the following meanings:

“12m ECL”	:	12-month ECL
“2025 AGM”	:	the annual general meeting of the Company held on Tuesday, 10 June 2025
“2026 AGM”	:	the annual general meeting of the Company to be held on Tuesday, 9 June 2026
“2026 HK\$ Senior Notes”	:	HK\$1,250,000,000 3.90% Senior Notes Due 2026 issued by Champion Moments on 12 May 2021 which are listed on MOX
“2026 MOP Senior Notes”	:	MOP300,000,000 3.90% Senior Notes Due 2026 issued by Champion Moments on 12 May 2021 which are listed on MOX
“2026 US\$ Senior Notes”	:	US\$500,000,000 4.50% Senior Notes Due 2026 issued by Champion Path on 27 January 2021 which are listed on the Stock Exchange
“2028 US\$ Senior Notes”	:	US\$500,000,000 4.85% Senior Notes Due 2028 issued by Champion Path on 27 January 2021 which are listed on the Stock Exchange
“2031 US\$ Senior Notes”	:	US\$540,000,000 6.50% Senior Notes Due 2031 issued by SJM International on 15 January 2026 which are listed on the Stock Exchange
“Acquisition”	:	the acquisition of the entire issued share capital in the Target Company by SJM Investment and SJM as purchasers from Goldarch Holdings Limited and Solar King Investments Limited as vendors contemplated under the Acquisition Agreement
“Acquisition Agreement”	:	the agreement dated 20 November 2025 entered into between SJM Investment and SJM as purchasers, Deputada Leong On Kei, Angela as guarantor and Goldarch Holdings Limited and Solar King Investments Limited as vendors in respect of the Acquisition
“Acquisition Facility”	:	credit facility of SJM for the Acquisition
“Adjusted EBITDA”	:	earnings or losses after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain/loss on modification of bank loans, gain on early repurchase of unsecured notes, gain on fair value changes of financial asset at fair value through profit or loss, dividend income and pre-opening expenses

DEFINITIONS

“Adjusted EBITDA Margin”	:	Adjusted EBITDA divided by total net revenue
“Adjusted Property EBITDA”	:	earnings or losses before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, share-based payments, bank charges for bank loans, gain/loss on modification of bank loans, gain on early repurchase of unsecured notes, gain on fair value changes of financial asset at fair value through profit or loss, dividend income, pre-opening expenses and corporate costs, and before elimination of inter-company consumption
“ADR”	:	average daily rate
“Annual Premium”	:	annual gaming premium payable by SJM to the Macau Government pursuant to the terms of the New Gaming Concession Contract, consisting of a fixed and a variable portion
“Articles” or “Existing Articles”	:	articles of association of the Company
“Assets Reverted to the Macau Government”	:	upon expiration of the Gaming Concession Contract, all of SJM’s casinos, gaming assets and equipment and ownership rights to the casino properties in Macau were reverted to the Macau Government without compensation to SJM
“Auditor”	:	Deloitte Touche Tohmatsu, the auditor of the Company
“Basic Investment”	:	investment in aggregate of MOP14,033 million (equivalent to approximately HK\$13,624 million) committed by SJM during the life of the New Gaming Concession Contract, of which MOP12,000 million (equivalent to approximately HK\$11,651 million) is in non-gaming for both capital investment and events, and MOP2,033 million (equivalent to approximately HK\$1,974 million) is in gaming for capital investment
“Board”	:	the board of directors of the Company
“CG Code”	:	Corporate Governance Code set out in Appendix C1 of the Listing Rules
“Champion Moments”	:	Champion Moments Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“Champion Path”	:	Champion Path Holdings Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“Champion Power”	:	Champion Power Global Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“Chips Agreement”	:	the agreement dated 18 June 2008 entered into between STDM and SJM to regulate the honouring, borrowing and use of the casino chips of STDM for the purposes of SJM’s gaming operations
“Clean Living”	:	Clean Living (Macau) Limited, a wholly-owned subsidiary of STHL

DEFINITIONS

“Code”	:	HKICPA’s Code of Ethics for Professional Accountants
“CODM”	:	the chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable segments, and has been identified as a group of senior management that makes strategic decisions
“Commencement Date”	:	the commencement date of NYH Agreement, being 27 July 2021
“Company”	:	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the HKSE Main Board
“Completion”	:	completion of the Acquisition
“connected person(s)”	:	has the meaning ascribed to it under the Listing Rules
“Convertible Bond”	:	the convertible bond issued by Champion Power to STDM on 22 June 2022 in the principal amount of HK\$1,906 million at 2.0% coupon rate with five-year maturity
“CPF”	:	Non-mandatory Central Provident Fund operated by the Group for all qualifying employees since 2020
“CPPCC”	:	Chinese People’s Political Consultative Conference
“CT”	:	Complementary Tax of the Macau SAR for taxable profits
“CTA Tour”	:	Chinese Tennis Association Tour
“DICJ Approval”	:	the requisite approval to operate casino games of fortune at Casino L’Arc Macau as a self-owned, self-managed and self-operated casino by SJM from the Gaming Inspection and Coordination Bureau of Macau (Direcção de Inspeção e Coordenação de Jogos)
“Director(s)”	:	director(s) of the Company
“ECL”	:	expected credit loss
“ECTAA”	:	European Travel Agents’ and Tour Operators’ Associations
“EGM”	:	the extraordinary general meeting of the Company held on Monday, 15 December 2025
“ESG”	:	environmental, social and governance
“Financial Statements”	:	audited consolidated financial statements of the Company for the year ended 31 December 2025
“FVTOCI”	:	fair value through other comprehensive income
“FVTPL”	:	fair values through profit or loss

DEFINITIONS

“Gaming Concession Contract”	:	the gaming concession contract for the operation of casino games dated 28 March 2002 entered into between the Macau Government and SJM (as amended and supplemented by supplemental agreements between the same parties dated 19 April 2005, 26 September 2013, 23 January 2017, 15 March 2019 and 23 March 2020) and as extended up to 26 June 2022 by a concession extension contract dated 15 March 2019 and further extended up to 31 December 2022 by the concession amendment contract dated 23 June 2022
“GGR”	:	gross gaming revenue
“GLP Bank Loans”	:	secured bank loans for Grand Lisboa Palace Resort Macau
“GLP Project”	:	the project of Grand Lisboa Palace Resort Macau
“Grand Lisboa”	:	Grand Lisboa Macau
“Grand Lisboa Palace Resort” or “GLP”	:	Grand Lisboa Palace Resort Macau, a casino, hotel and entertainment complex on a parcel of land in Cotai, Macau SAR leased by Macau SAR Government to SJM for 25 years starting from 15 May 2013
“Group”	:	the Company and its subsidiaries
“Guarantee”	:	the continuous provision of the guarantee by the Company in respect of the syndicated loan facilities of up to HK\$19 billion (pursuant to a facility agreement entered into in June 2022 between SJM and a banking syndicate led by Industrial and Commercial Bank of China (Macau), Limited), which was then increased to HK\$22.425 billion (pursuant to a supplemental agreement entered into in November 2025 between the same parties)
“Harbour Tide”	:	Harbour Tide Limited, a subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“Hengqin Property”	:	the strata office units on 12 levels from Level 21 to Level 29 and Level 31 to Level 33 of the office tower and a retail unit in a mixed-use development project comprising office, hotel, retail and apartment units now known as Xin De Kou An Shang Wu Zhong Xin* (信德口岸商務中心) situated at No. 28 Xinde Jie, Hengqin New District, Zhuhai, the People’s Republic of China * for identification purposes only
“HIBOR”	:	Hong Kong Interbank Offered Rate
“HKAS”	:	Hong Kong Accounting Standard
“HKFRS(s)”	:	Hong Kong Financial Reporting Standard(s)
“HKICPA”	:	Hong Kong Institute of Certified Public Accountants
“HKSAs”	:	Hong Kong Standards on Auditing

DEFINITIONS

“HKSE Main Board”	:	Main Board of the Stock Exchange
“Hong Kong” or “Hong Kong SAR”	:	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Companies Ordinance”	:	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“ICBC”	:	Industrial and Commercial Bank of China (Macau) Limited
“ICBC Loan”	:	the aggregated amount outstanding as at the date of the Acquisition Agreement owing by the Target Company to ICBC pursuant to a facility agreement between ICBC and the Target Company dated 22 November 2021 (as subsequently amended and/or supplemented)
“IFA”	:	Amasse Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the independent shareholders of the Company in respect of the Acquisition Agreement and the Loan
“Interest Payment Date”	:	15 January and 15 July in each year commencing on 15 July 2026, in respect of 2031 US\$ Senior Notes
“IPO Offering”	:	initial public offering by the Company on 26 June 2008
“IVS”	:	Individual Visit Scheme
“Jai Alai Premises”	:	a specific portion of the Jai Alai building leased by Macau Jai Alai to SJM
“JASC”	:	Centro Comercial Jai-Alai, Limitada (in Portuguese) Jai-Alai Shopping Centre Company Limited (in English), a company incorporated under the laws of Macau and an indirect wholly-owned subsidiary of STDM
“Kam Pek”	:	Kam Pek Market (formerly known as “Kam Pek Community Centre”)
“L’Arc Entertainment”	:	L’Arc Entertainment Group Company Limited, a company indirectly wholly owned by Deputada Leong On Kei, Angela
“L’Arc Services Agreement”	:	the agreement entered into between SJM and L’Arc Entertainment dated 21 September 2009 and supplemented by addendums dated 27 January 2010, 22 October 2010, 4 February 2016, 4 January 2017, 18 December 2017, 6 May 2020 and 17 June 2022 regarding the provision of the services and licensing for occupation and use of the designated area in the L’Arc Hotel to SJM for the operation of a casino until 31 December 2022, and renewed on 30 December 2022 for a three-year term from 1 January 2023 to 31 December 2025 and amended by the first addendum dated 3 April 2023, and had been terminated in its entirety

DEFINITIONS

“Laundry Services”	:	laundry services of linens, uniforms and other laundry items of Grand Lisboa hotel, Casino Oceanus and Jai Alai Hotel
“Listing Rules”	:	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	:	the secured loan made by SJM to Deputada Leong On Kei, Angela in the principal amount of HK\$177,525,000 repayable by Deputada Leong On Kei, Angela on the date of the third anniversary following Completion
“Loan Agreement”	:	the loan agreement dated 16 December 2025 entered into between Deputada Leong On Kei, Angela and SJM in relation to the Loan made by SJM to Deputada Leong On Kei, Angela
“Macao”, “Macau” or “Macau SAR”	:	the Macau Special Administrative Region of the People’s Republic of China
“Macau Jai Alai”	:	Sociedade de Pelota Basca de Macau, S.A. (in Portuguese) Macau Jai Alai Company Limited (in English), a company owned as to approximately 97% by Deputada Leong On Kei, Angela, a Director
“MAIBOR”	:	Macau Interbank Offered Rate
“Market Price”	:	the price charged by independent third parties who are independent of and not connected with the Company and/or STHL in their ordinary and usual course of business for the provision of the same or comparable type of products or services in the place (or its vicinities) where such products or services are provided
“Mass maket table”	:	gaming table that is not reserved exclusively for particular games or players
“Maturity Date”	:	maturity date of the Convertible Bond, being the date of the fifth anniversary of the issue date of the Convertible Bond
“MGTO”	:	Macao Government Tourism Office
“MICE”	:	Meetings, Incentives, Conferences and Exhibitions
“Model Code”	:	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
“MOX”	:	Chongwa (Macao) Financial Asset Exchange Co., Ltd.
“MPF Scheme”	:	Mandatory Provident Fund Scheme operated by the Group for all qualifying employees in Hong Kong
“New Articles”	:	the new articles of association of the Company incorporating the Proposed Amendments to be adopted by the Company at the 2026 AGM
“New Gaming Concession Contract”	:	the gaming concession contract for the operation of casino games of fortune and other games of chance in casinos dated 16 December 2022 entered into between the Macau Government and SJM for the new concession period which commences from 1 January 2023 to 31 December 2032

DEFINITIONS

- “NYH” : NYH Gestão de Vendas a Retalho Limitada, an indirect wholly-owned subsidiary of STDM
- “NYH Agreement” : the agreement dated 21 January 2020 entered into between SJM (as the owner) and NYH (as the retailer) in relation to grant of rights to use the Shop for operating a department store, and will be terminated with effect from 1 January 2027
- “NYH Termination Agreement” : the termination agreement dated 5 March 2026 entered into between SJM and NYH, pursuant to which the NYH Agreement will be terminated with effect from 1 January 2027
- “Oceanus Building” : the building in which Casino Oceanus resides
- “Offer” : offer to purchase for cash by Champion Path of any and all outstanding 2026 US\$ Senior Notes (subject to the offer restrictions referred to in “Offer and Distribution Restrictions”), on the terms and subject to the conditions set out in the Offer to Purchase
- “Offer to Purchase” : Offer to Purchase dated 5 January 2026 issued to the holders of the 2026 US\$ Senior Notes who are non-U.S. persons located outside the United States of America (as those terms are defined in Regulation S under the United States Securities Act of 1933, as amended) by Champion Path in connection with the Offer
- “On-lending of Proceeds” : net proceeds of the Senior Notes Issuance proposed to be on-lent by SJM International in one or more tranches to SJM, which is unsecured, interest-free, with no fixed repayment schedule and be repayable on demand by SJM International
- “Options” : share options which the Directors may grant to any participants of the Scheme
- “P16 Bank Loans” : secured bank loans for Ponte 16
- “Pier 16 – Property” : Ponte 16 – Desenvolvimento Predial, S.A. (in Portuguese) Pier 16 – Property Development Limited (in English), a 51% subsidiary of the Company incorporated in Macau with limited liability
- “PLMA with Deputada Leong” : the premises leasing master agreement entered into between the Company and Deputada Leong On Kei, Angela, a Director, dated 22 November 2013 for the leasing of properties by her and/or her associates (as defined in the Listing Rules) to the Group for a term of three years from 1 January 2014, and renewed on 14 December 2016 and further renewed on 23 December 2019 and 3 March 2023 for a term of three years from 1 January 2023
- “PLMA with STDM” : the premises leasing master agreement entered into between the Company and STDM dated 18 June 2008 and renewed on 23 December 2019 and 2 March 2023 for the leasing of properties by STDM or the members of the STDM Group to the Group for a term of three years from 1 January 2023

DEFINITIONS

“Products and Services Master Agreement”	:	the agreement entered into between the Company and STDM on 18 June 2008 for the provision of products and services by STDM and/or its associates (as defined in the Listing Rules) to the Group
“Project Company”	:	澳娛綜合(珠海橫琴)投資有限公司, a wholly-owned subsidiary incorporated by SJM Investment (a subsidiary of the Company and SJM) and joined as a purchaser to the acquisition agreement for acquisition of Hengqin Property after its incorporation
“Property in Hotel Lisboa”	:	100/1,617 of the total area of Hotel Lisboa, located at Avenida de Lisboa Nos. 2 – 4, Macau
“Proposed Amendments”	:	the proposed amendments to the Existing Articles as set out in Appendix I to the circular of the Company to be issued on or around 28 April 2026
“Purchasers”	:	SJM Investment and SJM, being the purchasers in respect of the Acquisition
“Relevant Period”	:	the term of PLMA with Deputada Leong, being 1 January 2023 to 31 December 2025
“Renewed Master Agreement”	:	the products and services master agreement dated 19 June 2011 entered into between the Company and STDM in relation to the renewal of the Products and Services Master Agreement which was further renewed on 6 January 2014, 26 January 2017, 23 December 2019, 2 March 2023 and 5 March 2026
“Reporting Period”	:	the period for the year ended 31 December 2025
“RevPAR”	:	revenue per available room
“Rights Issue”	:	the issue by way of rights of the rights Shares to the qualifying Shareholders on the basis of one rights Share for every four existing Shares held on 29 August 2022 (the record date) at the subscription price HK\$2.08 per rights Share
“San Ma Lo”	:	Avenida de Almeida Ribeiro in Macau
“Scheme”	:	share option scheme of the Company adopted on 13 May 2009 which lapsed on 13 May 2019
“Senior Notes Issuance”	:	the issuance of 2031 US\$ Senior Notes in an aggregate amount of US\$540 million by SJM International in January 2026
“Services”	:	services provided by L’Arc Entertainment to SJM pursuant to the L’Arc Services Agreement, and had been ceased on 17 December 2025
“SFO”	:	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	:	ordinary share(s) in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	:	holder(s) of the Share(s)
“Share Purchase Price”	:	the purchase price of all the issued shares of the Target Company, being their nominal value of MOP180,000 (or approximately HK\$174,757)
“Shop”	:	a shop on the second floor of the shopping mall in GLP leased by NYH from SJM
“Shun Tak” or “STHL”	:	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the HKSE Main Board (Stock Code: 242)
“SJM”	:	SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. since 9 June 2021), a limited liability company by shares (“ <i>sociedade anónima</i> ”) incorporated under the laws of Macau and a subsidiary of the Company
“SJM Euro”	:	SJM Cozinha Fina Europeia Companhia Limitada (in Portuguese) SJM European Fine Cuisine Company Limited (in English) (name changed from NYH Cozinha Fina Europeia Companhia Limitada (in Portuguese) NYH European Fine Cuisine Company Limited (in English) since 15 August 2025), a subsidiary of the Company, incorporated with limited liability by quotas under the laws of Macau
“SJM International”	:	SJM International Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“SJM Investment”	:	SJM – Investimentos Limitada (in Portuguese) SJM – Investment Limited (in English), a limited liability company by quotas incorporated under the laws of Macau and an indirect subsidiary of the Company
“SJM Italian”	:	SJM Cozinha Fina Italiana Companhia Limitada (in Portuguese) SJM Italian Fine Cuisine Company Limited (in English) (name changed from NYH Cozinha Fina Italiana Companhia Limitada (in Portuguese) NYH Italian Fine Cuisine Company Limited (in English) since 15 August 2025), a subsidiary of the Company, incorporated with limited liability by quotas under the laws of Macau
“Special Complementary Tax”	:	the dividend tax which SJM’s shareholders are obligated to pay to the Finance Services Bureau of Macau SAR Government for dividend distributed from SJM
“STDM”	:	Sociedade de Turismo e Diversões de Macau, S.A. (in Portuguese) Macau Tourism and Amusement Company Limited (in English), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau, and the controlling Shareholder
“STDM Group”	:	STDM and its associates (as defined in the Listing Rules), excluding the Group

DEFINITIONS

“STDM Loan”	: HK\$2,000,000,000 inter-company loan advanced or agreed to be advanced by STDM in favour of the Company pursuant to a loan agreement dated 3 August 2022 (as may be amended or supplemented from time to time), which is currently repayable on 1 December 2028
“STDM Loan Repayment Amount”	: aggregate principal amount of the STDM Loan repaid, prepaid or reduced by the Company or any of its subsidiaries (whether through a single transaction or a series of transactions) using its or their internal funds
“STDM-I”	: Investimentos – STDM, Limitada (in Portuguese) STDM – Investments Limited (in English), a subsidiary of STDM and the former immediate holding company of the Company liquidated on 15 August 2011
“STDM-I Surety”	: a surety provided by STDM-I in favour of the Company for the due and punctual payment of certain obligations of the Company may incur
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Target Company”	: Arc of Triumph Development Company Limited, a company incorporated in Macau
“Target Group”	: Target Company together with Arc of Triumph Hotel Management Company Limited and Le Royal Arc Property Management Company Limited, both being companies incorporated in Macau
“Term”	: the term of NYH Agreement, being 12 years and 6 months
“Termination”	: the mutual agreement of SJM and NYH to terminate the NYH Agreement with effect from 1 January 2027 in accordance with the NYH Termination Agreement
“Tin Hou”	: Tin Hou Limited, a company incorporated in Macau and an indirect wholly-owned subsidiary of Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability with its shares listed on the HKSE Main Board (Stock Code: 296), which is indirectly controlled over 50% by a private discretionary trust set up by a family member of a director of certain subsidiaries of the Company
“Tin Hou Services”	: selling, promotion, publicity, customer development and introduction, coordination of activities as well as other mutually agreed services to be provided or borne by Tin Hou under the agreement entered into between SJM and Tin Hou dated 30 December 2022 (as amended by the first addendum dated 26 April 2023) regarding provision of Tin Hou Services and use of space to SJM in the gaming area of Grand Emperor Hotel, and terminated on 31 October 2025
“Transfer”	: transfer of surplus funds by the Company to SJM for general working capital purposes

DEFINITIONS

“Transfer Agreement”	:	the transfer agreement dated 26 May 2022 entered into among Harbour Tide, the Company, Champion Power, JASC and STDM in relation to the provision of the letter of commitment by JASC to the Macau Government for reversion of the gaming area of Oceanus Building to the Macau Government and the acquisition of the non-gaming area of Oceanus Building by Harbour Tide from JASC pursuant to the terms and conditions of the Transfer Agreement
“Utilisation Fee”	:	the annual utilisation fee payable by SJM to the Macau Government for use of the casino premises during the term of the New Gaming Concession Contract
“Vendors”	:	Goldarch Holdings Limited and Solar King Investments Limited, companies incorporated in the British Virgin Islands with limited liability which are indirectly wholly-owned by Deputada Leong on Kei, Angela, being the vendors in respect of the Acquisition
“VIP table”	:	gaming table located in special gaming halls reserved exclusively to particular games or players
“ZHST”	:	Zhuhai Hengqin Shun Tak Property Development Company Limited* (珠海橫琴信德房地產開發有限公司), a company incorporated in the People’s Republic of China with limited liability and a wholly-owned subsidiary of STHL * <i>for identification purposes only</i>
“HK\$”	:	Hong Kong dollar(s), the lawful currency of Hong Kong
“MOP”	:	Macau pataca(s), the lawful currency of Macau
“N/A”	:	not applicable
“NM”	:	not meaningful
“RMB”	:	Renminbi, the lawful currency of the People’s Republic of China
“US\$”	:	United State dollar(s), the lawful currency of the United States of America
“%”	:	per cent.
“pts”	:	points



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