LET Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1383)

LEISURE ENTERTAINMENT TASTE

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Annual Report 2024

Content

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lo Kai Bong *(Chairman)*
Mr. Lam Hung Tuan *(appointed on 10 March 2025)*

Independent Non-Executive Directors

Mr. Tou Kin Chuen *(resigned on 15 January 2024; appointed on 2 May 2024; resigned on 5 November 2024; and appointed on 10 March 2025)*
Dr. Wu Kam Fun Roderick *(resigned on 15 January 2024)*
Mr. Lo Wai Tung John *(resigned on 15 January 2024; appointed on 2 May 2024; resigned on 5 November 2024; and appointed on 10 March 2025)*
Mr. Fu Chi King Johnson *(appointed on 2 May 2024 and resigned on 9 August 2024)*
Mr. Kwok Kai Bun Bennie *(appointed on 9 August 2024 and resigned on 11 November 2024)*
Ms. Chan Suet Ngan *(appointed on 10 March 2025)*

COMPANY SECRETARY

Mr. Chiu King Yan

AUDITOR

Crowe (HK) CPA Limited
Registered Public Interest Entity Auditors

REGISTERED OFFICE

P.O. Box 31119,
Grand Pavilion, Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205 Cayman Islands
(from 7 February 2023 to 16 September 2024)

Citrus Grove, Ground Floor,
106 Goring Avenue, George Town,
Grand Cayman,
Cayman Islands *(with effect from 25 October 2024)*

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1705, 17/F., West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

In Hong Kong:

Dah Sing Bank, Limited
Bank of Communications Co., Ltd. Hong Kong Branch
Bank of Communications (Hong Kong) Limited

In the Philippines:

Union Bank of the Philippines
China Banking Corporation

In the Russian Federation:

PJSC Bank Primorye
PJSC Sberbank
Alfa-Bank

In Japan:

Sumitomo Mitsui Banking Corporation

STOCK CODE

1383 (Listed on the Hong Kong Stock Exchange)

WEBSITE

www.letgroupholdings.com

INVESTOR RELATIONS

For other information relating to the Company, please contact
Investor Relations Department
Tel: (852) 2598 1180
Fax: (852) 2598 1185
Email: ir@letgroupholdings.com

RESULTS

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue – Contracts with customers	**414,505**	369,127	372,306	294,308	181,858
Revenue – Leases	**–**	–	–	–	–
Total Revenue	**414,505**	369,127	372,306	294,308	181,858
Change in fair value of convertible bonds	**–**	–	–	–	240,183
Change in fair value of derivative financial instruments	**197**	(541)	12,167	825,835	1,530,268
Loss on remeasurement of existing interest in an associate upon business combination	**–**	–	–	–	(122,404)
Gain on bargain purchase on acquisition of subsidiaries	**–**	–	–	–	348,283
Loss on disposal of subsidiaries	**–**	(2,396)	–	–	–
Gain on disposal of an associate	**–**	–	–	594	–
Impairment loss on interest in an associate	**–**	–	–	–	(53,295)
Reversal of (impairment loss) on equity loans to a joint venture	**–**	137,842	(17,643)	(119,717)	–
Reversal of (impairment loss) on loans to a joint venture	**–**	207,153	(12,155)	(194,212)	–
Reversal of (impairment loss) on amounts due from a joint venture	**–**	67,526	(44,538)	(22,906)	–
Impairment loss on property, operating right and equipment	**–**	(483,107)	–	(287,119)	–
Share of losses of associates	**–**	–	–	(520)	(24,092)
Share of loss of a joint venture	**–**	–	(160,854)	(437,952)	(277,483)
Reversal of share of loss of a joint venture	**232,899**	112,327	–	–	–
Net loss on deregistration of a joint venture	**(8,947)**	–	–	–	–
Finance costs	**(14,423)**	(34,054)	(192,656)	(207,961)	(329,053)
Profit (loss) before taxation	**37,827**	52,459	(361,774)	(481,200)	1,277,229
Income tax (expense) credit	**(40,953)**	(26,319)	17,462	(22,947)	(3,596)
(Loss) profit for the year					
– Continuing operations	**(3,126)**	26,140	(344,312)	(504,147)	1,273,633
– Discontinued operations	**–**	(2,045)	137,644	34,750	(402,067)
Net (loss) profit for the year	**(3,126)**	24,095	(206,668)	(469,397)	871,566

Group Financial Summary

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**6,337,536**	5,582,461	5,405,874	5,615,172	7,056,422
Current assets	**1,304,796**	1,501,877	1,382,392	2,716,659	3,674,442
Current liabilities	**(588,412)**	(257,651)	(1,317,758)	(2,017,404)	(2,068,882)
Non-current liabilities	**(2,550,766)**	(2,263,316)	(1,160,275)	(1,487,659)	(3,195,483)
Non-controlling interests	**(1,091,898)**	(1,161,786)	(1,280,860)	(1,387,634)	(1,651,986)
Equity attributable to equity holders of the Company	**3,411,256**	3,401,585	3,029,373	3,439,134	3,814,513

Chairman's Statement

Dear valued shareholders and stakeholders,

I would like to express my sincere appreciation for your unwavering support to LET Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**LET Group**"). As we navigate the complexities and opportunities of today's market, our Group is currently undergoing asset restructuring. Through restructuring our assets with the highest and best use principle in mind, we will concentrate our resources in the Philippines gaming market, specifically on the development of the LETX Resort, also known as the Westside City Project. We firmly believe that this project is the cornerstone of our future success, as we strive to seize new growth opportunities in the Philippine integrated resort market.

On the financing side, LET Group has obtained loan facility from a local financial institution through LET Group's subsidiary, Suntrust Resort Holdings, Inc. in 2023, that provides the necessary capital to deliver a world-class integrated resort experience unparalleled in the region. A local bank's approval of the project, based on its familiarity with the local business environment, can be regarded as a vote of confidence that bolsters investor sentiment. This serves as a recognition for LETX Resort (Westside City Project), as well as for the Group's managerial expertise and operational capabilities. As at the end of 2024, PHP1.10 billion has been drawn by Suntrust under the loan facility for the development of the LETX Resort. In addition, the Group divested the non-core joint venture investment and the recouped investment fund has been reallocated to fund the development of LETX Resort (Westside City Project).

Relative to more mature gaming markets in Asia, the Philippines presents significant potential for the growth of a novel destination for integrated resorts. PAGCOR has reported impressive total industry gross gaming revenue (GGR) in the Philippines of PHP372.3 billion (approximately USD6.4 billion) in 2024, surpassing 2023 by 30.5% and is currently one of the fastest-growing gaming hubs in Asia. This presents an opportunity for us to tap into a rapidly growing gaming hub in Asia and drive future growth. Our decisions are carefully evaluated and aligned with our long-term vision.

LETX Resort fully held under Suntrust Resort Holdings, Inc. ("**Suntrust**"), a majority-owned subsidiary of LET Group, is progressing rapidly. LETX Resort is constructing at full speed with local team members on the ground propelling the opening of the integrated resort forward. While the Group is undergoing asset restructuring, we reassure you that these corporate actions will not interfere with our future growth plans. We will be allocating human and capital resources towards developing the Philippines integrated resort under Suntrust.

I would also like to reassure shareholders that the decision to recent corporate actions regarding to the Group's asset restructuring are made with the best interests of the Company as a whole in mind. We continuously evaluate market conditions, reassess our strategies, and adapt to ensure long-term success and sustainable growth. I am confident that the Philippine integrated resort market holds considerable promise for LET Group's future.

Chairman's Statement

I recognise that investing in a company requires significant financial and time commitment to realise returns. Nonetheless, I ask that you place your faith in our vision and join us on this exciting journey. With formidable gaming sector expertise, a gifted leadership and employee base, and compelling avenues for growth, LET Group stands ready to embark on a new chapter of success in Asian gaming with the opening of the Westside City Project soon.

Thank you for your enduring partnership and support.

Sincerely,

Mr. Lo Kai Bong
Chairman
LET Group Holdings Limited

FINANCIAL REVIEW

The Group recorded a profit attributable to equity holders of the Company of approximately HK$54.7 million for the year ended 31 December 2024 ("**FY2024**"), significantly reduced from the profit attributable to equity holders of the Company of approximately HK$278.5 million for the year ended 31 December 2023 ("**FY2023**"). Consolidated Adjusted EBITDA from continuing operations was approximately positive HK$59.4 million versus approximately positive HK$33.9 million for FY2023.

The profit for the year attributable to equity holders of the Company for FY2024 was mainly attributable to (i) the reversal of share of loss of a joint venture of approximately HK$232.9 million; and (ii) partially offset by (a) the net exchange losses of approximately HK$169.1 million; and (b) the net loss on deregistration of a joint venture of approximately HK$8.9 million.

In FY2024, the 77.5%-owned integrated resort of Summit Ascent Holdings Limited ("**Summit Ascent**", together with its subsidiaries as "**Summit Ascent Group**") located in the Integrated Entertainment Zone of the Primorye Region (the "**IEZ Primorye**") in the Russian Federation, Tigre de Cristal, contributed revenue from gaming and hotel operations of approximately HK$414.5 million to the Group, and a contribution of approximately HK$483 million total gross gaming revenue ("**GGR**") to the Group.

Group Key Financial Data

	FY2024 **HK$'000**	FY2023 HK$'000
Revenue:		
Operation of integrated resort in the Russian Federation		
– Tigre de Cristal:		
– Gaming operations	**377,069**	335,688
– Hotel operations	**37,436**	33,439
	414,505	369,127
Other segment:		
– Property development	**–**	–
Total revenue from continuing operations	**414,505**	369,127
Consolidated Adjusted EBITDA from continuing operations	**59,409**	33,890

FINANCIAL REVIEW (Cont'd)

Group Key Financial Data (Cont'd)

The following is a reconciliation of (loss) profit for the year to Consolidated Adjusted EBITDA from continuing operations of the Group:

	FY2024 **HK$'000**	FY2023 HK$'000
(Loss) profit for the year	**(3,126)**	24,095
Add (deduct):		
Loss for the year from discontinued operation	**–**	2,045
Income tax expense	**40,953**	26,319
Change in fair value of derivative financial instruments	**(197)**	541
Loss on disposal of a subsidiary	**–**	2,396
Loss on disposal of property, operating right and equipment	**426**	683
Reversal of impairment loss on equity loans to a joint venture	**–**	(137,842)
Reversal of impairment loss on loans to a joint venture	**–**	(207,153)
Reversal of impairment loss on amounts due from a joint venture	**–**	(67,526)
Impairment loss on property, operating right and equipment	**–**	483,107
Reversal of share of loss of a joint venture	**(232,899)**	(112,327)
Net loss on deregistration of a joint venture	**8,947**	–
Finance costs	**14,423**	34,054
Interest income and imputed interest income on loans to a joint venture	**–**	(27,112)
Gain on early repayment of loans to a joint venture	**–**	(98,439)
Written-off of other payables	**–**	(9,307)
Gain on forfeiture of deposits from the sale of properties	**–**	(37,828)
Other operating expenses	**–**	2,910
Depreciation and amortisation	**61,807**	79,192
Exchange losses, net	**169,075**	76,082
Consolidated Adjusted EBITDA from continuing operations	**59,409**	33,890

FINANCIAL REVIEW (Cont'd)

Revenue

Revenue from continuing operations in FY2024 was approximately HK$414.5 million, increased by approximately HK$45.4 million or 12.3% when compared to approximately HK$369.1 million in FY2023. Such increase was mainly attributable to the increase in revenue from Summit Ascent Group in FY2024.

(i) **Operation of integrated resort in the Philippines** – through an indirect 51% owned subsidiary of the Company, Suntrust, the Group is currently developing a 5-star hotel and casino complex at the Entertainment City, Manila, the Philippines (the "**Main Hotel Casino**" or the "**Westside City Project**") of which Suntrust would be the sole and exclusive operator and manager to operate and manage the Main Hotel Casino upon commencement of operation of the Main Hotel Casino in Q4 2025 according to the development plan as of 31 December 2024. As at 31 December 2024, the construction of structural works and major facade systems up to roof level have been completed. The mechanical, electrical, and plumbing and fire protection systems in major plantrooms have been substantially completed and part of the system has commenced testing and commissioning. Architectural builders and fit-out works, external civil and landscape works are in progress. Based on the latest PAGCOR approved Project Implementation Plan, the expected completion and opening of the Main Hotel Casino is targeted for the third quarter of 2026. No revenue was recognised during the year.

(ii) **Operation of integrated resort in the Russian Federation** – Summit Ascent, the 69.66% owned subsidiary of the Company, contributed revenue from gaming and hotel operations in the IEZ Primorye in the Russian Federation through its approximately 77.5% owned subsidiary of approximately HK$414.5 million to the Group during FY2024 (FY2023: approximately HK$369.1 million).

(iii) **Property development** – the Group engaged in the development and sales of properties and hotel premises in Japan, and had two property development projects located in Japan as at 31 December 2024. In FY2024, both projects were in the development planning stage, hence no revenue was generated from this segment.

Other income, gains and losses

The decrease in other income, gains and losses during FY2024 was mainly due to the net exchange losses recognised in FY2024 of approximately HK$169.1 million (FY2023: approximately HK$76.1 million) which was primarily due to the translation of assets and liabilities which are denominated in foreign currencies during the year and there was no gain on early repayment of loans to a joint venture during FY2024 (FY2023: approximately HK$98.4 million).

Selling and distribution expenses

Selling and distribution expenses remained stable in FY2024, which comprised mainly salaries and benefits of sales and marketing staff, advertising and promotion expenses.

Administrative expenses

Administrative expenses, which comprised mainly salaries and benefits of employees, legal and professional fees, and depreciation and amortisation. The increase in administrative expenses during FY2024 was mainly due to the increase in staff costs and operating costs of Suntrust Group.

FINANCIAL REVIEW (Cont'd)

Other operating expenses

The other operating expenses decreased in FY2024 as there were no significant legal and professional fees or tax incurred during FY2024, whereas certain legal and professional fees or tax whereas certain legal and professional fees or tax arising from intercompany loan incurred in FY2023.

Change in fair value of derivative financial instruments

It mainly represented the change in fair value of Summit Ascent CB and put option. The fair values of the derivative financial instruments as at 31 December 2024 were assessed by independent professional valuers.

Loss on disposal of a subsidiary

During FY2023, the Group disposed of its entire equity interest in Faith Best Asia (HK) Limited, a wholly-owned subsidiary of the Company, at the consideration of HK$19,950,000.

Reversal of share of loss of a joint venture/Net loss on deregistration of a joint venture

The amount represented the reversal of share of loss of the Group's joint venture, which is owned by Star Admiral Limited ("**Star Admiral**", an indirect wholly-owned subsidiary of the Company). The principal asset of Star Admiral is approximately 34% indirect equity interest in the integrated resort development project located in Hoi An South, Quang Nam Province, Vietnam ("**Hoiana**"). Hoiana was opened for preview on 28 June 2020. As a tourist-dependent property, Hoiana was in loss making position during FY2024. During FY2024, the Group recorded reversal of share of loss of a joint venture of approximately HK$232.9 million as compared to approximately HK$112.3 million during FY2023, which represents a reversal of the share of loss of the joint venture recognised in previous years resulting from the repayment of equity loans to a joint venture.

During FY2024, the board of directors of the joint venture resolved to proceed voluntary dissolution of the joint venture. Voluntary dissolution of the joint venture has completed in December 2024, and the joint venture was deregistered accordingly, and a net loss from deregistration of the joint venture of approximately HK$8.9 million was recognised after taking into account of the reclassification adjustments for the cumulative exchange differences of approximately HK$77.6 million.

Reversal of impairment losses on equity loans to a joint venture, loans to/amounts due from a joint venture

As at 31 December 2021, Star Admiral, an indirect wholly-owned subsidiary of the Company has made advances to Gold Yield Enterprises Limited ("**GYE**"), a 50% owned joint venture of the Group, in the aggregate amount of approximately US$64,955,799 (equivalent to approximately HK$507,086,000) ("**Advances A**"). Such Advances A have been provided by the Group to GYE to support the development of Hoiana. The Advances A have been provided on a pro-rata basis by reference to the percentage of shareholdings held by the Group in GYE which are interest-free, unsecured and no fixed repayment term.

In addition, Star Admiral has advanced loans in the aggregate principal amount of US$34,045,000 (equivalent to approximately HK$263,849,000 at the drawdown date) to GYE ("**Advances B**"). Advances B are interest bearing at 1.5% per annum, unsecured and repayable after 5 years from the first drawdown date of the facilities.

FINANCIAL REVIEW (Cont'd)

Reversal of (impairment losses) on equity loans to a joint venture, loans to/amounts due from a joint venture (Cont'd)

Furthermore, Star Admiral has advanced loan in the aggregate principal amount of US$30,000,000 (equivalent to approximately HK$232,500,000 at the drawdown date) to GYE ("**Advance C**") in July 2020. Advance C is interest bearing at 14% per annum, unsecured and repayable after 12 months from the first drawdown date of the facility and the maturity date may be extended up to 28 February 2022. GYE has not repaid Advance C together with interest accrued thereon by the due date (i.e. 28 February 2022) and such amount became immediately payable. Advance C has not yet been repaid by 28 February 2022 and is interest bearing at 25% per annum with effect from 1 March 2022.

On 17 March 2023, certain outstanding amount of the Advances A, the whole outstanding amount of Advances B and C and interest accrued thereon in the aggregate amount of approximately US$114.8 million (equivalent to approximately of HK$895.4 million at the repayment date) has been repaid by GYE. Further details of the repayment were disclosed in the announcement of the Company dated 19 March 2023.

During FY 2023, the management of the Group considered the credit quality of the equity loans to a joint venture improved and therefore the Group reversed the previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-month ECL.

In determining the expected loss rates of loans to and amounts due from the joint venture, the financial position and performance of the joint venture and its subsidiaries including but not limited to financial information, business prospects and business forecasts of the joint venture and its subsidiaries were assessed and a credit rating was assigned. The ECL and expected loss rates of loans to and amounts due from the joint venture as at 31 December 2022 were determined by reference to the valuation carried out by an independent professional valuer.

On 18 April 2024, all the remaining outstanding amount of the Advances A of approximately US$31.2 million (equivalent to approximately of HK$243.4 million at the repayment date) has been repaid by GYE. Further details of the repayment were disclosed in the announcement of the Company dated 18 April 2024.

During FY 2023, the Group has recorded reversal of impairment losses on the equity loans to a joint venture, loans to a joint venture and amounts due from a joint venture of approximately HK$137.8 million, HK$207.2 million and HK$67.5 million respectively.

Management Discussion and Analysis

FINANCIAL REVIEW (Cont'd)

Impairment loss on property, operating right and equipment

As of 31 December 2023, the valuation date of the valuation report of Summit Ascent in relation to property, operating right and equipment for 2023 (the "**2023 SA Valuation Report**"), the management of Summit Ascent adopted revised assumptions in the 2023 SA Valuation Report reflecting the suspension of development plan of Tigre de Cristal Phase II (the "**TdC Phase II**"), which is significantly different from the assumptions used in the previous valuation report of Summit Ascent in relation to property, operating right and equipment for 2021. During FY2023, an impairment loss of approximately HK$483.1 million was recognised after the reassessment of the fair values of Summit Ascent Group's property, operating right and equipment in relation to Tigre de Cristal and the changes in cash flow projections.

Finance costs

Finance costs for FY2024 comprise mainly (i) interest on lease liabilities; (ii) interest on bank and other borrowings; and (iii) interest on loan from immediate holding company. The decrease in finance costs during FY2024 was mainly attributable to the decrease in interest on other borrowings.

Income tax expense

Income tax expense comprises current tax and the increase for FY2024 was mainly due to the Philippines withholding tax on gross interest income earned by Summit Ascent Group on intragroup convertible bonds and borrowings advanced to Suntrust in FY2024 and Russian withholding taxes on the dividend declared by the company incorporated in the Russian Federation to non-resident foreign corporations in the Russian Federation in FY2024.

SEGMENT ANALYSIS

In FY2024 and FY2023, revenue from gaming and hotel operations in the Russian Federation accounted for 100% of total revenue from continuing operations of the Group. No revenue was generated from the property development segment in FY2024 and FY2023.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Bank balances and cash, as at 31 December 2024 amounted to approximately HK$905.0 million (31 December 2023: HK$1,210.9 million).

The Group had total bank borrowing for a term of 8 years of approximately HK$1,412.8 million as at 31 December 2024 which was denominated in Philippines Peso ("**PHP**") (31 December 2023: approximately HK$1,172.7 million). The Group's bank borrowing carried interest at fixed interest rate, which is interest bearing based on a 5-year Bloomberg Valuation Services reference rate plus an agreed interest premium factor, subject to repricing after 5 years since the initial drawdown.

The Group had other borrowing being a loan facility for a term of 6 months of HK$137.5 million as at 31 December 2024 (31 December 2023: Nil) which was obtained by the Group during 31 December 2024.

The Group's other borrowing carried interest at fixed interest rate, which is interest bearing at 12% per annum and compounded monthly. The other borrowing has been matured on 17 December 2024, the outstanding principal and interest thereon has not yet been repaid by the Company as of 31 December 2024.

As at 31 December 2024, the Group had a loan from immediate holding company for a term of 5 years of US$6.0 million (equivalent to approximately HK$46.3 million) at fixed interest rate, which is unsecured, interest bearing at 5.5% per annum (31 December 2023: approximately HK$46.9 million).

The Group had loans from non-controlling shareholders of a subsidiary of approximately HK$7.4 million as at 31 December 2024 (31 December 2023: approximately HK$14.7 million), which is unsecured, interest-free and will not be repaid unless there are sufficient free cash flows generated from the operations to make the repayment.

The Group had convertible bonds and derivative financial instruments liabilities of approximately HK$21.9 million (31 December 2023: approximately HK$20.5 million) and approximately HK$1.4 million (31 December 2023: approximately HK$2.2 million), respectively.

The gearing ratio, expressed as a percentage of total bank and other borrowings, loan from immediate holding company, loans from non-controlling shareholders of a subsidiary, convertible bonds and derivative financial instruments liabilities divided by consolidated total equity of the Group as at 31 December 2024 is approximately 36.1% (31 December 2023: 27.5%).

As at 31 December 2024, the Group had current assets of approximately HK$1,304.8 million (31 December 2023: approximately HK$1,501.9 million) and current liabilities of approximately HK$588.4 million (31 December 2023: approximately HK$257.7 million).

As at 31 December 2024, the aggregate perpetual securities facilities with principal amount of up to HK$6,000.0 million have been granted by a related company to the Group, of which approximately HK$5,408.0 million have been issued. During FY2023, the perpetual securities with an outstanding principal amount of HK$12.0 million were redeemed. As at 31 December 2024, the outstanding principal amount of perpetual securities was HK$5,396.0 million (31 December 2023: HK$5,396.0 million).

CHARGE ON ASSETS

As at 31 December 2024, bank borrowing of approximately HK$1,412.8 million (31 December 2023: approximately HK$1,172.7 million) was secured by (1) all assets of Suntrust with a carrying amount of approximately HK$6,166 million as at 31 December 2024 (31 December 2023: 5,628 million) and material contracts entered into by Suntrust in relation to the construction of the Main Hotel Casino; (2) certain shares of the subsidiary of the Company; and (3) a first charge and an assignment over all present and future convertible bonds issued by Suntrust that subscribed by the Group.

As at 31 December 2024, an other borrowing of HK$137.5 million was secured by certain shares of subsidiaries of the Company and debentures incorporating a first fixed charge and a first floating charge over certain undertaking, property and assets of the Group and certain subsidiaries of the Company with a carrying value of approximately HK$149 million as at 31 December 2024.

As at 31 December 2023, the indirect equity interest of approximately 34% in Hoi An South Development Limited ("**HASD**") was pledged to a bank for the banking facilities granted to HASD.

As at 31 December 2023, the indirect equity interest of approximately 68% in Hoi An South investment Pte. Limited, the immediate holding company of HASD, was pledged to certain independent lenders for loans granted to GYE, and the approximately 66% equity interest of HASD were pledged to certain lenders for loans granted to HASD.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The functional currency of the Company and the presentation currency of the consolidated financial statements of the Company are in HK$. The income and expenses, assets and liabilities and interest in a joint venture of the Company and its subsidiaries which are denominated in currencies other than the functional currency are converted into HK$ for financial reporting purpose. Fluctuations in exchange rates may have an impact on the Group's financial position and results. The Group monitors the exposure to fluctuations in exchange rates and takes appropriate measures to mitigate and manage the risk on a timely and effective manner. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as at 31 December 2024.

In respect of Summit Ascent, the significant fluctuation in the exchange rate of the Russian Ruble ("**RUB**") due to the Russia-Ukraine conflict since late February 2022 would lead to a significant fluctuation in the Group's asset values denominated in RUB when the consolidated financial statements of the Group are presented in HK$.

CONTINGENT LIABILITIES

For the details of contingent liabilities, please refer to Note 33 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

1. On 15 January 2024, Oriental Regent Limited ("**ORL**"), an indirect non-wholly owned subsidiary of the Company, as seller, entered into a binding agreement with to an independent third party buyer (the "**Buyer**") incorporated in the Russian Federation for the sale and purchase of the entire equity interest G1 Entertainment Limited Liability Company ("**G1 Entertainment**") at a consideration of US$116 million (subject to adjustment). This sale and purchase agreement was terminated on 19 February 2024. Details of which are set out in the announcements of the Company dated 17 January 2024 and 22 February 2024.

2. On 14 May 2024, Suntrust and China Communications Services Philippines Corporation ("**Contractor (CCSPC)**"), a company incorporated in the Philippines and an independent third party entered into (i) the Letter of Award in respect of the Design, Supply, and Delivery of Structured Cabling System dated 14 May 2024 (the "**DSD Agreement**") pursuant to which Suntrust appointed Contractor (CCSPC) as the contractor to undertake the design, supply and delivery of structured cabling system set out in DSD Agreement of the Main Hotel Casino, at the contract sum of PHP332,264,950.12 (equivalent to approximately HK$45,516,000) and (ii) the Letter of Award in respect of the installation of Structured Cabling System dated 14 May 2024 (the "**Installation Agreement**") issued by Suntrust to Contractor (CCSPC) and accepted and confirmed by Contractor (CCSPC) in relation to the installation of structured cabling system set out in the Installation Agreement of the Main Hotel Casino, at the contract sum of PHP135,382,787 (equivalent to approximately HK$18,546,000). Details of which are set out in the announcements of the Company dated 14 May 2024 and 17 May 2024.

3. On 16 May 2024, Suntrust and Gomeco Metal Corporation ("**Gomeco**"), a company incorporated in the Philippines and an independent third party, entered into (i) the supply agreements pursuant to which Suntrust appointed Gomeco as the contractor to undertake the supply works for the Main Hotel Casino at the aggregate contract sum of PHP10,294,582 (equivalent to approximately HK$26,068,000) and (ii) the installation agreements pursuant to which Suntrust appointed Gomeco as the contractor to undertake the installation works for the Main Hotel Casino at the aggregate contract sum of PHP6,689,080 (equivalent to approximately HK$917,000). Details of which are set out in the announcement of the Company dated 16 May 2024.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Cont'd)

4. On 12 July 2024, (i) Suntrust and Empire Automation Philippines Inc. ("**Contractor (Empire Philippines)**") entered into a memorandum of agreement ("**Supply Agreement I**") pursuant to which Suntrust appointed the Contractor (Empire Philippines) as the contractor to undertake the supply and delivery of certain equipment ("**Equipment I**") at the contract sum of US$376,782.44 (equivalent to approximately HK$2,938,900) under the Supply Agreement I; (ii) Suntrust and Empire Automation (Singapore) Pte. Ltd. ("**the Contractor (Empire Singapore)**") entered into memorandum of agreement ("**Supply Agreement II**") pursuant to which Suntrust appointed the Contractor (Empire Singapore) to undertake the supply and delivery of certain equipment ("**Equipment II**") at the contract sum of US$4,363,032.32 (equivalent to approximately HK$34,031,700); and (iii) Suntrust and the Contractor (Empire Philippines) entered into installation works agreement ("**Installation Agreement**") in respect of the installation of Equipment I and Equipment II pursuant to which Suntrust appointed the Contractor (Empire Philippines) as the contractor to undertake the installation works for the relevant project at the contract sum of US$1,522,079.03 (equivalent to approximately HK$11,872,200) under the Installation Agreement. Details of which are set out in the announcement of the Company dated 12 July 2024.

5. On 16 July 2024, (i) Suntrust and Systech Lighting & Controls Inc. (the "**Contractor**") entered into a memorandum of agreement (the "**Supply Agreement**") pursuant to which Suntrust appointed the Contractor as the contractor to undertake the supply and delivery of certain equipment at the contract sum of PHP144,731,206.80 (equivalent to approximately HK$19,298,000) under the Supply Agreement; and (ii) Suntrust and the Contractor entered into a memorandum of agreement (the "**Systech Installation Agreement**") pursuant to which Suntrust appointed the Contractor as the contractor to undertake the installation of certain equipment for the relevant at the contract sum of PHP11,768,793.20 (equivalent to approximately HK$1,569,000) under the Systech Installation Agreement. Details of which are set out in the announcement of the Company dated 16 July 2024.

6. On 15 August 2024, Suntrust and the E.E. Black Ltd. ("**Contractor EE Black**"), a foreign company incorporated in Hawaii, U.S. and conducts business in the Philippines and an independent third party entered into (i) the Letter of Award in respect of the supply and delivery of commercial construction materials dated 15 August 2024 pursuant to which Suntrust appointed the Contractor (EE Black) as the contractor to undertake the supply and delivery of commercial construction materials for Casino and VIP Gaming (Front of House and 3 Food and Beverage's GF to L1) of the Main Hotel Casino, at the contract sum of PHP719,405,733.11 (equivalent to approximately HK$95,921,000) and (ii) the Letter of Award in respect of the installation of commercial construction materials dated 15 August 2024 pursuant to which Suntrust appointed the Contractor (EE Black) as the contractor to undertake the installation of commercial construction materials for Casino and VIP Gaming (Front of House and 3 Food and Beverage's GF to L1) of the Main Hotel Casino, at the contract sum of PHP180,347,137.56 (equivalent to approximately HK$24,046,000). Details of which are set out in the announcements of the Company dated 15 August 2024, 23 August 2024 and 20 September 2024 and the circular of the Company dated 25 September 2024.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Cont'd)

7. On 15 August 2024, Suntrust and Multi Development and Construction Corporation ("**Contract (MDCC)**"), a company incorporated in the Philippines and an independent third party entered into the Fit Out Agreements Supplemental (MDCC) to revise and supplement the Fit Out Agreement (MDCC), at an aggregate amount of PHP430,993,341.57 (equivalent to approximately HK$57,466,000) under the Fit Out Agreement Supplemental (SD-MDCC) and at the contract sum of PHP65,659,049.08 (equivalent to approximately HK$8,755,000) under the Fit Out Agreement Supplemental (Installation-MDCC). Details of which are set out in the announcements of the Company dated 15 August 2024, 23 August 2024 and 20 September 2024 and the circular of the Company dated 25 September 2024.

8. On 9 September 2024, Suntrust and GMI Construction Corp. ("**Contractor (GMI)**"), a company incorporated in incorporated in the Philippines and an Independent Third Party entered into a memorandum pursuant to which Suntrust engaged the Contractor (GMI) to perform the supply and delivery of fit-out materials for the construction of Hotel Guest Rooms L5 – L10 of Tower 1 and 2 (North Tower and South Tower) and the L3 Lobby Check-in Lounge package of the Main Hotel Casino at a contract sum of US$9 million (equivalent to HK$70,200,000). Details of which are set out in the announcement of the Company dated 9 September 2024.

9. On 11 October 2024, Suntrust and IGT Asia Pte Ltd. ("**Contractor IGT**"), a company incorporated in Singapore and an indirect wholly-owned subsidiary of International Game Technology PLC, which is listed on the New York Stock Exchange under the trading symbol "IGT" and an independent third party enter into agreement pursuant which Suntrust will appoint the Contractor (IGT) as the contractor to undertake the supply and maintenance of equipment, software and services at the aggregate contract sum of US$5,287,285 (equivalent to approximately HK$41,241,000). Details of which are set out in the announcement of the Company dated 14 October 2024.

Save for the transactions listed above, the Group had no significant investments, material acquisitions and disposals of subsidiaries during FY2024.

TREASURY POLICIES AND CAPITAL STRUCTURE

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a staff force of 1,189 (as at 31 December 2023: 1,098) employees. Of this, most were stationed in the Russian Federation and the Philippines. The remuneration of employees was in line with the market trend and commensurable to the level of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives (such as share option scheme). Total staff costs, including the directors of the Company (the "**Directors**"), incurred for the year ended 31 December 2024 was approximately HK$218.9 million (2023: approximately HK$190.9 million).

The Group formulates its human resources allocation and recruitment plans based on its development strategies. The remuneration packages of the employees are structured by reference to job nature (including geographical locations) and prevailing market conditions. The remuneration policy of the Group is subject to periodic review, and year-end bonuses and share options are available to reward employees in line with their individual performances and industry practice.

In addition, the Group encourages its employees to receive training that is suitable for their job nature and caters to their needs of obtaining certain professional qualifications, such as providing or encouraging employees to attend seminars and training for different professional knowledge. Appropriate training programmes and/or seminar subsidies are also offered to ensure continuous staff training and development.

The emoluments of the Directors, comprising Director's fee, salary package, discretionary bonus and share options, are reviewed and determined by the Board (the "**Board**") of Directors based on the recommendations from the remuneration committee of the Company with reference to the Company's performance, the Director's duties and responsibilities with the Company, and the prevailing market conditions. The Director's remuneration will be subject to annual review by the remuneration committee of the Company and the Board with the authorisation granted by shareholders at the annual general meeting of the Company.

The human resources department of the Group is responsible for the collection and administration of the human resources data and for making recommendations to the remuneration committee of the Company for consideration. The Remuneration Committee consults with the Board about these recommendations on remuneration policy and structure and remuneration packages. The remuneration committee of the Company is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Group has followed the measures and directives issued by the government and health authorities at the cities with operations and deployed appropriate operation protocols and preventive measures to protect the Group's employees and provide them with healthy and hygienic working environments within the office premises during the reporting period.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

EVENTS AFTER THE REPORTING PERIOD

For the details of events after the reporting period, please refer to Note 40 of the consolidated financial statements.

BUSINESS REVIEW

During the year, the Group engages in the following continuing operations: (i) through Suntrust Group, the development and operation of the Main Hotel Casino in the Philippines; (ii) through Summit Ascent Group, the operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation; and (iii) property development in Japan.

Development, operation and investment in integrated resorts, hotels and gaming business

(i) Westside City Project at Entertainment City

On 28 October 2019, 51% owned subsidiary of the Company, Suntrust entered into a co-development agreement (the "**Co-Development Agreement**") with Westside City Resorts World Inc. ("**Westside**"). Under the Co-Development Agreement, the Suntrust shall finance the development and construction of a five-star hotel and casino establishment (i.e., the Main Hotel Casino) over certain parcels of land located at the Manila Bayshore Integrated City (also known as the Entertainment City) in Parañaque City (the "**Project Site**") and shall be appointed as the sole and exclusive operator and manager to operate and manage the Main Hotel Casino.

Under the Co-Development Agreement, the Suntrust has entered into a Lease Agreement over the Project Site (the "**Lease Agreement**") with Westside and Travellers International Hotel Group, Inc. ("**Travellers**") on 21 February 2020 and an Operation and Management Agreement (the "**O&M Agreement**") with Westside on 4 May 2020 for the operation and management of the Main Hotel Casino.

Under the latest development plan, the Main Hotel Casino will have i) over 300 gaming tables and over 1,300 electronic gaming machines for both the mass and VIP markets; ii) over 450 five-star luxury hotel rooms and suites; iii) a mall composed of food and beverages and retail units; and iv) a parking facility with over 1,000 slots.

On 8 June 2023, Suntrust proposed to obtain a term loan in principal amount of up to PHP25.0 billion (equivalent to approximately HK$3.6 billion) (the "**Suntrust Bank Loan**") from China Banking Corporation (the "**Lender**") to fund its Main Hotel Casino in the Philippines by entering into an omnibus loan and security agreement dated 8 June 2023 as amended by an amendment agreement dated 26 July 2023 (collectively the "**Suntrust Bank Loan Agreements**") with Suntrust as borrower, Mr. Lo Kai Bong ("**Mr. Lo**") (a controlling shareholder of the Company) as surety, Fortune Noble Limited and Summit Ascent Investments Limited, both being members of the Group, as security providers to provide surety and securities, respectively, to the Lender as securities for all amounts due and owing to and all expenses as may be incurred by the Lender, its facility agent, security trustee and share custodian pursuant to the terms of the Suntrust Bank Loan Agreements and the security documents provided as security therefor. As at 31 December 2024, Suntrust had drawn PHP11.0 billion (equivalent to approximately HK$1,412,787,000) from the Suntrust Bank Loan facility after completion of certain project milestones required under the Suntrust Bank Loan Agreements.

BUSINESS REVIEW (Cont'd)

Development, operation and investment in integrated resorts, hotels and gaming business (Cont'd)

(i) Westside City Project at Entertainment City (Cont'd)

As at 31 December 2024, the construction of structural works and major facade systems up to roof level have been completed. The mechanical, electrical, and plumbing and fire protection systems in major plantrooms have been substantially completed and part of the system has commenced testing and commissioning. Architectural builders and fitout works, external civil and landscape works are in progress. Up to 31 December 2024, approximately US$585.7 million (equivalent to approximately HK$4,568.5 million) has been paid for the development of the Main Hotel Casino project by Suntrust. Suntrust is also starting the employee recruitment process for the Main Hotel Casino's operations team. Based on the development as of 31 December 2024, the Main Hotel Casino is expected to commence operation in the fourth quarter of 2025. Based on the latest PAGCOR approved Project Implementation Plan, the expected completion and opening of the Main Hotel Casino is targeted for the third quarter of 2026. During FY 2024, Suntrust had recorded a loss because of its pre-operating activities under the development phase.

(ii) Tigre de Cristal

Summit Ascent held approximately 77.5% of the controlling interest in an integrated resort named "Tigre de Cristal" in the IEZ Primorye in the Russian Federation. Tigre de Cristal recorded a positive Adjusted EBITDA of approximately HK$162.5 million in the FY2024, versus a positive Adjusted EBITDA of approximately HK$131.5 million in the FY2023.

Gaming Operations

Net gaming revenue of Tigre de Cristal, which consists of three main sources namely the rolling chip business, mass table business and electronic gaming business, was approximately HK$377.1 million during FY2024, increased by approximately HK$41.4 million or 12.3% year-on-year compared to FY2023.

The rolling chip business of Tigre de Cristal primarily targets foreign players. There was no revenue generated from the rolling chip business in FY2024.

Mass table drop (measured as the sum of gaming chips purchased or exchanged at the cages) increased by 31.4% to approximately HK$1,193 million in FY2024, compared to approximately HK$908 million in FY2023. Net win from mass table business increased by 26.2% to approximately HK$217 million in FY2024, compared to approximately HK$172 million in FY2023. Net win rate percentage (represented net win as a percent of mass table drop) decreased slightly from 18.9% in FY2023 to 18.2% in FY2024.

Electronic gaming volume (measured as the total value of electronic gaming credits wagered by players) was approximately HK$4,836 million in FY2024, increased by 4% compared to approximately HK$4,651 million in FY2023. The electronic gaming business recorded net win of approximately HK$160 million, down 2.4% compared to approximately HK$164 million in FY2023. The net win rate percentage decreased to 3.3% in FY2024 from 3.5% in FY2023.

Hotel Operations

Revenue from hotel operations, as a result of an improvement in the domestic demand, increased to approximately HK$37.4 million in FY2024 or by 12% compared to FY2023, as a result of an improvement in domestic demand. Average hotel occupancy rates increased to 74% (2023: 73%) during weekends and increased to 44% (2023: 42%) during weekdays in FY2024.

BUSINESS REVIEW (Cont'd)

Development, operation and investment in integrated resorts, hotels and gaming business (Cont'd)

(ii) Tigre de Cristal (Cont'd)

Key Financial Data of Tigre de Cristal

	FY2024 HK$'000	FY2023 HK$'000
Revenue:		
Net Gaming	**377,069**	335,688
Hotel/F&B/Others	**37,436**	33,439
Total Net Revenue	**414,505**	369,127
Adjusted EBITDA	**162,531**	131,545
Adjusted EBITDA margin	**39%**	36%

Gaming Statistics

(HK$ million)	Q12024	Q22024	Q32024	Q42024	**FY2024**	FY2023
Total GGR[(i)]	108	113	155	107	**483**	408
Rolling Chip Volume	–	–	–	–	**–**	10
Gross Loss Rate %	N/A	N/A	N/A	N/A	**N/A**	(2.0)%
Gross Win	–	–	–	–	**–**	(0.2)
Mass Table Drop	242	294	362	295	**1,193**	908
Net Win Rate %	20.3%	17.0%	20.4%	14.9%	**18.2%**	18.9%
Net Win	49	50	74	44	**217**	172
Electronic Gaming Volume	1,159	1,202	1,301	1,174	**4,836**	4,651
Net Win Rate %	3.3%	3.0%	3.8%	3.1%	**3.3%**	3.5%
Net Win	38	36	50	36	**160**	164

(i) GGR represents the amount of money players wagered minus the winning payouts to them, before commissions rebated, discounted or complimentary products and services provided and redeemable points earned under the loyalty programs.

BUSINESS REVIEW (Cont'd)

Property development in Japan

As at 31 December 2024, the Group had two property development projects in Japan.

(a) As at 31 December 2024, the Group through Summit Ascent indirectly owned 100% of the issued share capital of MSRD, which held a plot of land with a total site area of 108,799 m^2 located on Miyako Island, Okinawa, Japan. Subject to the final development plan to be approved by the Group, MSRD intends to build 40 villas and a hotel tower of more than 100 rooms on the land.

(b) As at 31 December 2024, the Group owned 100% interest in a plot of land parcels with a total site area of 220,194 m^2 located at Niseko, Hokkaido, Japan. Subject to the final development plan to be approved by the Group, the Group intends to build over 50 villas and 20 townhouses and a hotel with over 40 rooms on the land.

Management Discussion and Analysis

REVIEW AND OUTLOOK

Market Overview

Philippine

The Philippine economy continued to grow in 2024, with a 5.7%[1] increase in GDP, reaching US$461.6 billion[2] according to the International Monetary Fund. The entertainment industry, particularly the integrated resorts in Manila, continued to benefit from local and international demand. According to the Philippine Amusement and Gaming Corporation (PAGCOR), the total industry Gross Gaming Revenue (GGR) in the country grew by 30.5% year-on-year in the 2024 to PHP372.3 billion[3] (US$6.4 billion) at the end of 2024. In particular, Entertainment City casinos accounted for 81%[4] of the Total licensed Casino GGR in 2024. In 2024, over 5.4 million foreign visitors visited the Philippines, with South Koreans, Americans and Japanese ranked as the top three groups of international tourists arriving the Philippines. The country's tourism inbound tourism receipts climbed to PHP760.0 billion during 2024, an increase of 57.5 %[6] compared to the tourism revenue generated from 2024.

Russia

According to the International Monetary Fund (IMF), Russia's Gross Domestic Product (GDP) grew by 4.1%[7] in 2024. Long-term impacts of the Western sanctions resulting from the Russia-Ukraine conflict remained a concern for the country's economy. Meanwhile, tourism industry was experiencing a recovery, Primorsky Krai reported an increase in tourists during 2024 but foreign visitors still representing less than 15% of the total visitors to Primorsky Krai in 2024.

1 International Monetary Fund
2 International Monetary Fund
3 PAGCOR
4 PAGCOR
5 Department for Tourism, the Philippines
6 Department for Tourism, the Philippines
7 International Monetary Fund

REVIEW AND OUTLOOK (Cont'd)

Development Update

Westside City Project, Philippines

As at 31 December 2024, the construction of structural works and major facade systems up to roof level have been completed. The mechanical, electrical, and plumbing and fire protection systems in major plantrooms have been substantially completed and part of the system has commenced testing and commissioning. Architectural builders and fit-out works, external civil and landscape works are in progress. The focus of the construction team is to continue building upward. Based on the development plan as of 31 December 2024, the soft opening is targeted towards the end of 2025, with the grand opening aimed at 2026. Based on the latest PAGCOR approved Project Implementation Plan, the expected completion and opening of the Main Hotel Casino is targeted for the third quarter of 2026.

When all phases of Westside City Project are ready, it will consist of:

- Approximately 300 tables
- Over 1,300 electronic gaming machines
- Over 450 five-star hotel rooms including state-of-the-art party rooms and suites
- All sorts of amenities that fits our LET theme Leisure, Entertainment and Taste, including the privileged LET Club, Cigar and Wine bars, night clubs, Wellness Spa, and a Director's Club
- Approximately 1,000 car park spaces

Westside City Project will be integrated with the shopping malls, theatres, restaurants, and shopping streets, etc. to be built by our local partner Westside/Travellers. They will also build additional hotel rooms, a shopping mall, a Grand Opera House, restaurants, a theatre district and an additional of approximately 2,000 car park spaces.

Tigre de Cristal, Russia

Due to the unpredictable and volatile geopolitical tensions, the Company has made the difficult decision to slow down the development of Phase II Tigre de Cristal. We are now taking a conservative approach on investing in Russia.

The Company has been exploring alternative opportunities in other regions, as well as potentially looking for strategic partners who might be able to bring in value in terms of operating the gaming and hotel business in the Russian Far East.

REVIEW AND OUTLOOK (Cont'd)

Outlook

Asia remains a fast growing market, according to International Monetary Fund's, the GDP growth of emerging and developing countries in Asia reached 4.6% in 2024, despite the challenges posed by global economic uncertainties and geopolitical tensions may have an impact on the future growth of global economy. In 2024, the Asia tourism market continued to recover and demonstrated a pick-up in growth, countries in Asia and especially in South East Asia countries recorded significant growth in tourist visitation figures in 2024. With our expertise in gaming operations, we believe that there is still considerable potential to invest and develop integrated resorts in Asia market.

In terms of our integrated resort portfolio perspective, our investment in Westside City Project in the Philippines offers the greatest potential for significant returns compared to Hoiana and Tigre de Cristal in the future. Westside City Project, set to launch at the end of 2025, will be the crowning jewel in the already impressive collection of integrated resorts in the Entertainment City in Manila, the Philippines. The government's confirmation that there will be no more gaming licenses in Entertainment City further reinforces our position as one the most prominent and latest integrated resort, incorporating state-of-the-art technology in the region. The Philippine government's ongoing regulatory reforms and supportive policies implementations, it is expected that the growth momentum of the economy and tourism industries of Philippine will be sustained.

The Manila gaming market has tremendous growth potential, with an estimated compound annual growth rate (CAGR) of over 10% in coming years, the highest growth rate in the entire Asian region. Entertainment City in Manila stands head and shoulders above other gaming destinations in Asia in terms of growth, boasting an impressive integrated resort cluster-effect that connects the area to the Manila Ninoy International Airport. Westside City Project also has a strategic location advantage, with connectivity to the existing Ayala Mall, and the conjoined access to Megaworld's largest hotel complex in the country, Westside City Project is seamlessly blending into the heart of Manila's growing resort metropolis. Our exclusive agreement with Alliance Global Group Companies, a Philippine leader in the corporate world, adds to the allure of the best minds in the Philippines working together to build the next integrated resort.

During 2024, the Group divested the joint venture investment in the integrated resort in Vietnam and recouped the Group's investment fund and reallocated resources to the Westside City Project in the Philippines. With the planning of disposal of non-core assets, the Group is now fully focused on developing integrated resorts in a location with the highest and best returns.

Together with our flagship Westside City Project in the Philippines and Tigre de Cristal in Russia, the Group is well-positioned to capture the growth of tourism in Asia.

Properties Portfolio Overview

PROPERTY DEVELOPMENT BUSINESS

Freehold land

Location	Site Area (m²)	GFA (m²)	Commencement/ completion date	Interest attributable to the Group
Parcels of land located at Miyako Island, Okinawa, Japan	108,799	note (1)	note (1)	100%[note (2)]
Parcels of land located at Niseko, Hokkaido, Japan	220,194	note (3)	note (3)	100%

Notes:

(1) The parcels of land are intended to build 40 villas and a hotel tower of more than 100 rooms and are currently under preliminary planning stage.

(2) The Group through its 69.66% owned subsidiary, Summit Ascent Holdings Limited, indirectly owned 100% interest.

(3) The parcels of land are intended to build 50 villas and 20 townhouses and a hotel with over 40 rooms and are currently under preliminary planning stage.

Biographical Details of Directors and Senior Management

The biographical details of the current Directors as at the date of this report are set out below:

EXECUTIVE DIRECTOR

Mr. Lo Kai Bong ("Mr. Lo"), aged 46, joined the Company on 9 March 2017 as an executive Director and was appointed as the chairman of the Board (the "**Chairman**") with effect from 31 August 2022. Mr. Lo was also appointed as directors of certain subsidiaries of the Group. Mr. Lo has obtained a Bachelor of Arts degree from the University of Winnipeg in Canada. Mr. Lo has been involved in the business development of the Group's overseas businesses. Mr. Lo is also responsible for the corporate management, mergers and acquisitions of the Group and is experienced in the gaming industry. On 12 December 2018, Mr. Lo was appointed as a non-executive director of Summit Ascent Holdings Limited (Stock code: 102) ("**Summit Ascent**"), an indirect non-wholly owned subsidiary of the Company of which the shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). With effect from 26 April 2019, Mr. Lo has been re-designated from a non-executive director to an executive director and has been appointed as the deputy chairman of Summit Ascent. With effect from 31 August 2022, Mr. Lo has been re-designated as the chairman of Summit Ascent. Since 2021, Mr. Lo was appointed as the chairman and director of Suntrust Resort Holdings, Inc. (formerly known as Suntrust Home Developers, Inc.), an indirect non-wholly owned subsidiary of the Company, of which the shares are listed on The Philippine Stock Exchange, Inc.. Mr. Lo is the brother-in-law of Mr. Chiu King Yan, the chief financial officer and company secretary of the Company. Mr. Lo is a director and the sole shareholder of Major Success Group Limited, a substantial shareholder of the Company.

Mr. Lam Hung Tuan ("**Mr. Lam**"), aged 48, joined the Company on 10 March 2025 as an executive Director, is currently the Chief Technology Officer of Suntrust Resort Holdings, Inc., a subsidiary of the Company. He was also the Vice President of Information Systems and Technology (IS&T) of Hoi An South Development Ltd., an indirect subsidiary of the then joint venture of the Company, during the period from November 2021 to July 2022. Mr. Lam has over 20 years of experience in information technology industry. Mr. Lam began his Bachelor degree of Science at the Western Sydney University (formerly known as University of Western Sydney) in January 1996. After completing his first year of studies, he proceeded with and focused on advancing his career.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tou Kin Chuen ("**Mr. Tou**"), aged 48, joined the Company on 26 April 2012 and was an independent non-executive Director from 26 April 2012 to 15 January 2024 and from 2 May 2024 to 5 November 2024. On 10 March 2025, Mr. Tou was appointed as an independent non-executive Director. Mr. Tou is the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. Mr. Tou was also an independent non-executive director of Victor Sky Holdings Limited, a wholly owned subsidiary of the Company, from September 2022 to April 2023. Mr. Tou is the principal of Roger K.C. Tou & Co., certified public accountants. Mr. Tou graduated from the Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) with an Honours Diploma in Accounting in 2001. He is experienced in audit, taxation, company secretarial, insolvency and finance for over 25 years. Mr. Tou is a member of the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and an associate of the Taxation Institute of Hong Kong. Mr. Tou has been the independent non-executive director of Imperium Financial Group Limited (Stock code: 8029) since 14 March 2011, a company listed on the GEM operated by the Stock Exchange and Milan Station Holdings Limited (Stock code: 1150) since 22 July 2015, a company listed on the Main Board of the Stock Exchange.

Mr. Lo Wai Tung John ("**Mr. John Lo**"), aged 57, joined the Company on 10 October 2012 and was an independent non-executive Director from 10 October 2012 to 15 January 2024 and from 2 May 2024 to 5 November 2024. On 10 March 2025, Mr. John Lo was appointed as an independent non-executive Director. Mr. John Lo is the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. John Lo graduated from the Chinese University of Hong Kong with a bachelor's degree of Science (with honours) in Computer Science in 1991. Mr. John Lo is experienced in securities and finance industry for over 30 years.

Ms. Chan Suet Ngan ("**Ms. Chan**"), aged 54, joined the Company on 10 March 2025 as an independent non-executive Director. Ms. Chan is the chairlady of the nomination committee and a member of the audit committee and the remuneration committee of the Company. Ms. Chan obtained a bachelor degree of commerce from the University of Auckland, New Zealand. She is a member of CPA Australia and a member of the HKICPA. She has over 23 years of experience in the fields of accounting, finance and company secretariat. Ms. Chan was also an executive director of 8088 Investment Holdings Limited (formerly known as AID Life Science Holdings Limited) ("**8088 Investment**") during the period from 1 January 2018 to 26 August 2024. 8088 Investment is a company incorporated in the Cayman Islands and was listed on the GEM operated by the Stock Exchange until it was delisted on 22 August 2022.

SENIOR MANAGEMENT

Mr. Tam Soong Jim Kenneth ("Mr. Tam"), aged 70, joined the Company on 1 October 2017 as the Project Director. Mr. Tam obtained a Diploma in Property Development from the University of Hong Kong, and holds a Master of Business Administration from the University of East Asia Macau. He has been in the real estate industry for more than 40 years and has extensive knowledge and experience in the real estate market in Hong Kong and mainland China. Prior to joining the Company, Mr. Tam held senior position in a number of property development projects, including but not limited to, integrated property projects and sizeable resorts and casinos in Macau.

Mr. Chiu King Yan ("Mr. Chiu"), aged 48, the company secretary and Chief Financial Officer of the Company, joined the Company since 1 August 2016. Mr. Chiu has over 20 years of experience in audit, accounting, private equity investment and corporate finance, obtained from his previous working experience in international accounting firms and various listed companies in Hong Kong. Mr. Chiu was an executive director of Summit Ascent during the period from 26 April 2019 to 15 January 2024. From 23 April 2020 to 31 August 2022, Mr. Chiu was an independent non-executive director of ICO Group Limited (stock code: 1460), a company listed on the Main Board of the Stock Exchange. On 1 September 2020, Mr. Chiu was appointed as an independent non-executive director of Shuoao International Holdings Limited (formerly known as Hailiang International Holdings Limited) (stock code: 2336), a company listed on the Main Board of the Stock Exchange. Mr. Chiu holds a master's degree in financial analysis from The Hong Kong University of Science and Technology and a bachelor's degree in business administration in Accountancy from The City University of Hong Kong. He is a member of HKICPA and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. Mr. Chiu is the brother-in-law of Mr. Lo, the executive Director and the Chairman.

Directors' Report

The Board is pleased to present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries as at 31 December 2024 are set out in Note 39 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2024 and the financial position of the Group at that date are set out in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position on page 87 to 91 of this annual report.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the year are set out in Note 29 to the consolidated financial statements.

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

There were no purchases, sales or redemptions of Company's listed securities by the Company or any of its subsidiaries (including sale of treasury shares (the "**Treasury Shares**") within the meaning under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any Treasury Shares.

RESERVES

Details of the movement in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and Note 29 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution comprise share premium, capital reserve and accumulated losses. The Company has no reserves available for distribution to the shareholders as at 31 December 2024 (31 December 2023: Nil).

PROPERTY, OPERATING RIGHT AND EQUIPMENT

Details of the movements in property, operating right and equipment of the Group during the year are set out in Note 14 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, revenue from the Group's five largest customers accounted for less than 30% of the Group's total revenue.

During the year ended 31 December 2024, the aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year.

Save as disclosed in this annual report, none of the Directors, their respective associates or, so far as the Directors are aware, any shareholder who owns more than 5% of the issued share capital of the Company has any interest in any of the said top five customers and suppliers of the Group for the year.

DIRECTORS

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

EXECUTIVE DIRECTORS:

Mr. Lo Kai Bong *(Chairman)*
Mr. Lam Hung Tuan *(appointed on 10 March 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Tou Kin Chuen *(resigned on 15 January 2024; appointed on 2 May 2024; resigned on 5 November 2024; and appointed on 10 March 2025)*
Dr. Wu Kam Fun Roderick *(resigned on 15 January 2024)*
Mr. Lo Wai Tung John *(resigned on 15 January 2024; appointed on 2 May 2024; resigned on 5 November 2024; and appointed on 10 March 2025)*
Mr. Fu Chi King Johnson *(appointed on 2 May 2024 and resigned on 9 August 2024)*
Mr. Kwok Kai Bun Bennie *(appointed on 9 August 2024 and resigned on 11 November 2024)*
Ms. Chan Suet Ngan *(appointed on 10 March 2025)*

BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the current Directors are set out on pages 27 to 28 of this annual report.

RESIGNATION OF DIRECTORS DUE TO REASONS RELATING TO AFFAIRS OF THE COMPANY

On 15 January 2024:

(i) Mr. Tou Kin Chuen ("**Mr. Tou**") tendered his resignation as an independent non-executive Director;

(ii) Dr. Wu Kam Fun Roderick ("**Dr. Wu**") tendered his resignation as an independent non-executive Director; and

(iii) Mr. Lo Wai Tung John ("**Mr. John Lo**") tendered his resignation as an independent non-executive Director.

The resignations of Mr. Tou, Dr. Wu and Mr. John Lo were due to their disapproval to the transaction which forms the subject matter of the inside information announcement of the Company referred to in the trading halt announcement of the Company dated 10 January 2024 published by the Company on 17 January 2024 (i.e. the proposed sale by Oriental Regent Limited, an indirect non-wholly owned subsidiary of the Company, as seller to an independent third party buyer incorporated in the Russian Federation of G1 Entertainment Limited Liability Company at a consideration of US$116 million (subject to adjustment)).

On 5 November 2024, Mr. Tou and Mr. John Lo resigned as independent non-executive Directors as they felt that they are unable to make a meaningful contribution towards assisting the Company in resuming trading of its shares on the Main Board of the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS AND ROTATION

The appointment of each Director is subject to retirement by rotation and, being eligible, offer themselves for re-election in accordance with the Company's articles of association (the "**Articles**"). Mr. Lo has not entered into any service contract with the Company, while the service contract entered into with Mr. Lam is determinable by the Company within one year with payment of compensation. The Directors resigned on 15 January 2024 were appointed for a term of three years and were subject to retirement by rotation and other related provisions as stipulated in the articles of association of the Company prior to their resignations. The independent non-executive Directors appointed on 2 May 2024, 9 August 2024 and 10 March 2025 respectively entered into letter of appointment with the Company for a term of one year and renewable automatically for successive terms of one year each upon expiry of the then current term of his/ her appointment, and subject to retirement by rotation and re-election in accordance with the Articles and the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

In accordance with the provisions of the Articles, Mr. Lam Hung Tuan, Mr. Tou Kin Chuen, Mr. Lo Wai Tung John and Ms. Chan Suet Ngan shall retire from the Board by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

Other than disclosed above, none of the Directors has entered or has proposed to enter into any service contract with the Company or any of its subsidiaries which is not expiring or not determinable by the employing company within one year without payment of compensation other than statutory compensation.

DIRECTORS' EMOLUMENTS

Details of Directors' emoluments on a named basis are set out in Note 10 to the consolidated financial statements.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

As of 31 December 2024, the Company did not have any independent non-executive Directors. The Company considers the independent non-executive Directors as of the date of this report to be independent.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests of the Directors 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 (the "**SFO**")) as recorded in the register required to be kept by the Company 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 (the "**Model Code**") were as follows:

(i) Long position in the shares and/or underlying shares of the Company

Name of director	Capacity/ Nature of Interest	Number of shares held	Number of underlying shares held under equity derivatives	Percentage of aggregate interest shares to total number of shares in issue*
Mr. Lo Kai Bong ("**Mr. Lo**")	Interest of controlled corporation	4,999,694,857[1]	–	72.07%
	Beneficial owner	10,580,000	–	0.15%
	Beneficial owner	–	40,000,000[2]	0.58%

Notes:

1. These shares are held by Major Success Group Limited ("**Major Success**") which is wholly-owned by Mr. Lo. By virtue of Part XV of the SFO, Mr. Lo is taken to be interested in all these shares in which Major Success is interested. As at 31 December 2024, the entire issued share capital of Major Success comprising 130,000 shares and 4,999,694,857 shares of the Company held by Major Success were charged by Major Success in favour of Wooco Secretarial Services Limited as security agent on 21 March 2023 as security for a syndicate of loan advanced to Mr. Lo.

2. Mr. Lo is interested in 40,000,000 share options of the Company at an exercise price of HK$0.455 per share to subscribe for shares.

* The percentage has been calculated based on the total number of shares of the Company in issue as at 31 December 2024 (i.e. 6,936,972,746 shares).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Cont'd)

(ii) Long positions in the shares and/or underlying shares of the Company's associated corporation

Name of Associated Corporation	Name of Director	Capacity/ Nature of Interest	Number of shares held	Approximate percentage of number of shares in issue
Summit Ascent Holdings Limited ("**Summit Ascent**")	Mr. Lo	Interest of controlled corporation	3,146,533,811[1]	69.77%*
		Beneficial owner	968,000	0.02%*
Major Success	Mr. Lo	Beneficial owner	130,000[2]	100%

Notes:

1. These shares were held as to (a) 123,255,000 shares by the Company (in which Mr. Lo has a controlling interest of 72.07% through Major Success, a company wholly-owned by Mr. Lo); (b) 3,018,306,811 shares by Victor Sky Holdings Limited, which is 100% owned by the Company; (c) 520,000 shares by Better Linkage Limited, a company wholly-owned by Mr. Lo; and (d) 4,452,000 shares by Ever Smart Capital Limited, a company wholly-owned by Better Linkage Limited. By virtue of Part XV of the SFO, Mr. Lo is taken to be interested in all these shares of Summit Ascent in which these companies are interested.

2. This represents interests in Major Success as a holding company of the Company which are beneficially owned by Mr. Lo. As at 31 December 2024, the entire issued share capital of Major Success comprising 130,000 shares were charged by Major Success in favour of Wooco Secretarial Services Limited as security agent on 21 March 2023 as security for a syndicate of loan advanced to Mr. Lo.

* The percentage has been calculated based on the total number of shares of Summit Ascent in issue as at 31 December 2024 (i.e.4,509,444,590 shares of Summit Ascent).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Cont'd)

(iii) Long positions in the debentures of the Company

Name of Director	Capacity/ Nature of Interest	Type of debenture	Principal amount held
Mr. Lo	Interest of controlled corporation	Perpetual Securities	HK$5,396,000,000[1]

Note:

1. The debenture represents the perpetual securities of the Company held by Major Success with aggregate principal amount of HK$5,396,000,000 (the "**Perpetual Securities**"). The Perpetual Securities are provided as security in favour of Wooco Secretarial Services Limited as security agent for a syndicate of loan advanced to Mr. Lo.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Notes 21, 26 and 35 to the consolidated financial statements headed "Amounts Due To/ Loans From Immediate Holding Company/Non-controlling Shareholders of A Subsidiary/A Joint Venture", "Convertible Bonds/Derivative Financial Instruments" and "Related Party Disclosures", respectively, no other transaction, arrangement or contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this annual report, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in Note 31 to the consolidated financial statements headed "Share Option Schemes", at no time during the year was the Company, its holding company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, the interests of substantial shareholders in the shares and underlying shares of the Company (other than a director or chief executive of the Company) as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name	Capacity/ Nature of Interest	Number of shares held	Number of underlying shares held under equity derivatives	Percentage of aggregate interest shares to total number of shares in issue*
Major Success	Beneficial owner	4,999,694,857[1]	–	72.07%
Wooco Secretarial Services Limited ("**Security Agent**")	Agent	4,999,694,857[2]	–	72.07%
Allied Group Limited	Interest of controlled corporation	4,999,694,857[3,4,5]	–	72.07%
Sun Hung Kai & Co. Limited ("**SHKCL**")	Interest of controlled corporations	4,999,694,857[3&6]	–	72.07%
Lee Seng Hui ("**SH Lee**")	Interest held jointly with another person	4,999,694,857[3&4]	–	72.07%
Lee Seng Huang	Interest of controlled corporation	4,999,694,857[3&4]	–	72.07%
Lee Su Hwei	Interest of controlled corporation	4,999,694,857[3&4]	–	72.07%
United Asia Finance Limited ("**UAFL**")	Interest of controlled corporations	4,999,694,857[3&6]	–	72.07%
First Asian Holdings Limited ("**FAHL**")	Interest held jointly with another person	4,999,694,857[3]	–	72.07%
Lee Shu Yin	Interest held jointly with another person	4,999,694,857[3]	–	72.07%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Cont'd)

Notes:

1. These shares are held by Major Success which is wholly-owned by Mr. Lo. By virtue of Part XV of the SFO, Mr. Lo is taken to be interested in all these shares in which Major Success is interested. As at 31 December 2024, the entire issued share capital of Major Success comprising 130,000 shares and 4,999,694,857 shares of the Company held by Major Success were charged by Major Success in favour of Wooco Secretarial Services Limited as security agent on 21 March 2023 as security for a syndicate of loan advanced to Mr. Lo.

2. These represent security interest charged in favour of the Security Agent on 21 March 2023, comprising 130,000 shares of Major Success and 4,999,694,857 shares of the Company held by Major Success charged by Mr. Lo and Major Success respectively.

3. These represent security interest charged in favour of the Security Agent on 21 March 2023 as security agent for Long Set Investments Limited, FAHL, SH Lee and Lee Shu Yin as lenders, comprising 130,000 shares of Major Success and 4,999,694,857 shares of the Company held by Major Success.

4. Allied Group Limited is a controlled corporation of SH Lee, Lee Seng Huang and Lee Su Hwei.

5. SHKCL is non-wholly owned by AP Emerald Limited which in turn is non-wholly owned by Allied Group Limited.

6. UAFL and FAHL are non-wholly owned by SHKCL and SHKCL is a controlled corporation of SH Lee and Lee Shu Yin.

* The percentage has been calculated based on the total number of shares of the Company in issue as at 31 December 2024 (i.e. 6,936,972,746 shares).

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any persons (other than the Directors and the chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there was sufficiency of public float of the Company's securities as required under the Listing Rules up to the date of this report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws in the Cayman Islands.

SHARE OPTION

(1) The Company

On 2 June 2016, a resolution has been passed in the 2016 annual general meeting of the Company to terminate the Share Option Scheme and adopt a new share option scheme (the "**New Share Option Scheme**"). The Listing Committee of the Stock Exchange has granted the listing of, and permission to deal in the shares of the Company which may fall to be issued pursuant to the exercise of the options which granted and/or may be granted under the New Share Option Scheme, subsequently.

SHARE OPTION (Cont'd)

(1) The Company (Cont'd)

As at 31 December 2024, a total of 70,100,000 share options were outstanding which granted under New Share Option Scheme. The number of options available for grant under the mandate of the New Share Option Scheme (taking into account the number of options granted subsequent to the refreshment of its scheme mandate limit at the annual general meeting of the Company held on 31 July 2020 but has lapsed) were 661,597,274 and 662,597,274 as at 31 December 2023 and 31 December 2024 respectively. The Company did not grant any share options during the year ended 31 December 2024. The following is a summary of the principal terms of the New Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme and the New Share Option Scheme.

(A) New Share Option Scheme

Purpose

Recognise and acknowledge the contributions that the grantees had made or may make to the Group.

Participants

Eligible participants include:

(a) full time or part time employees, executives, officers, or directors (whether executive or nonexecutive and whether independent or not) of the Group;

(b) and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group.

Exercise price of options granted

Determined by the Board and shall not be less than the higher of:

(a) the nominal value of the share of the Company;

(b) the closing price of share of the Company on the Stock Exchange at the offer date, which must be a trading day; and

(c) the average closing price of the share of the Company on the Stock Exchange for the five business days immediately preceding the offer date.

SHARE OPTION (Cont'd)

(1) The Company (Cont'd)

(A) New Share Option Scheme (Cont'd)

Total number of shares available for issue upon exercise of the outstanding share options of the Company under the New Share Option Scheme and the percentage of the issued shares capital that it represented as at the date of this annual report

The total number of shares of the Company available for issue upon exercise of the outstanding share options under the New Share Option Scheme was 70,100,000 shares, being approximately 1.01% of the issued shares of the Company as at the date of this annual report.

Maximum entitlement of each participant

Not exceed 1% of the shares of the Company in issue in any 12-month period.

Period within which the option may be exercised by the grantee

Subject to the discretion by the Board and, in the absence of which, from the date of acceptance to the earlier of the date on which such option lapses and 10 years from the date of grant of option.

Minimum period for which an option must be held before it can be exercised (i.e. vesting period)

Subject to the discretion by the Board.

Amount payable on acceptance

HK$1 payable upon acceptance of the offer.

Period within which calls/loans must be made/repaid

Not applicable.

Remaining life of the scheme

The scheme will be valid and effective until 2 June 2026, after which no further options will be granted but the provisions of the scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the scheme and remain unexercised immediately prior to 2 June 2026 shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the scheme.

SHARE OPTION (Cont'd)

(1) The Company (Cont'd)

(B) Movements of the New Share Option Scheme

Movements of the share options, which were granted under the New Share Option Scheme, during the year ended 31 December 2024 are listed below in accordance with Rule 17.07 of the Listing Rules:

		Number of share options									
			During the year								
Category of Participants	Date of grant	As at 1 January 2024	Granted	Exercised	Cancelled	Lapsed	As at 31 December 2024	Exercise price HK$	Closing Price immediately before date of grant HK$	Exercise period	Vesting period
Consultants	19.04.2017	16,500,000	–	–	–	–	**16,500,000**	0.700	0.600	19.04.2017–18.04.2027	Note 4
Sub-total:		16,500,000	–	–	–	–	**16,500,000**				
Director											
Mr. Lo	04.09.2017	8,000,000	–	–	–	–	**8,000,000**	0.455	0.460	04.09.2017–03.09.2027	Note 3
	04.09.2017	12,000,000	–	–	–	–	**12,000,000**	0.455	0.460	04.09.2018–03.09.2027	Note 3
	04.09.2017	20,000,000	–	–	–	–	**20,000,000**	0.455	0.460	04.09.2019–03.09.2027	Note 3
Sub-total:		40,000,000	–	–	–	–	**40,000,000**				

SHARE OPTION (Cont'd)

(1) The Company (Cont'd)

(B) Movements of the New Share Option Scheme (Cont'd)

Category of Participants	Date of grant	Number of share options: As at 1 January 2024	During the year: Granted	Exercised	Cancelled	Lapsed	As at 31 December 2024	Exercise price HK$	Closing Price immediately before date of grant HK$	Exercise period	Vesting period
Continuous Contract Employees	04.09.2017	1,900,000	–	–	–	–	**1,900,000**	0.455	0.460	04.09.2017–03.09.2027	Note 3
	04.09.2017	2,850,000	–	–	–	–	**2,850,000**	0.455	0.460	04.09.2018–03.09.2027	Note 3
	04.09.2017	4,750,000	–	–	–	–	**4,750,000**	0.455	0.460	04.09.2019–03.09.2027	Note 3
	22.09.2020	1,530,000	–	–	–	(300,000)	**1,230,000**	0.900	0.760	22.09.2020–21.09.2030	Note 3
	22.09.2020	1,530,000	–	–	–	(300,000)	**1,230,000**	0.900	0.760	22.09.2021–21.09.2030	Note 3
	22.09.2020	2,040,000	–	–	–	(400,000)	**1,640,000**	0.900	0.760	22.09.2022–21.09.2030	Note 3
Sub-total:		15,500,000	–	–	–	(1,000,000)	**14,600,000**				
Total:		71,100,000	–	–	–	(1,000,000)	**70,100,000**				

Notes:

1. The exercise price of the share options is subject to the adjustment in case of right or bonus issues, or other similar changes in the Company's share capital.

2. When the share options are lapsed or cancelled, the amount previously recognised in share option reserve will be transferred to accumulated losses.

3. The vesting period of the share options is from the date of grant until the commencement of the exercise period.

SHARE OPTION (Cont'd)

(2) Summit Ascent

Share Option Scheme of Summit Ascent

Particulars of the Summit Ascent's share option scheme (the "**Summit Ascent Scheme**") are set out in Note 31 to the consolidated financial statements.

Movements of share options granted under the Summit Ascent Scheme during the year ended 31 December 2024 are set out below:

Category of Participants	Date of grant	Number of share options: As at 1 January 2024	During the year: Granted	During the year: Exercised	During the year: Cancelled	During the year: Lapsed	As at 31 December 2024	Exercise price (HK$)	Exercise period (Notes)	Vesting period (Notes)
Consultants	02.11.2020	1,000,000	–	–	–	(1,000,000)	–	0.912	3	1
Total		1,000,000	–	–	–	(1,000,000)	–			

Notes:

1. Each option gives the holder the right to subscribe for one share of Summit Ascent and the vesting period of the share options is from the date of grant until the commencement of the exercise period.

2. The share options granted on 2 November 2020 are divided into 3 tranches, 30% of which is exercisable from 2 November 2020, 30% of which is exercisable from 2 November 2021 and the remaining 40% is exercisable from 2 November 2022 respectively to 1 November 2025. The closing price of the Summit Ascent's shares on the Stock Exchange immediately preceding the date of grant was HK$0.89.

3. The number of options available for grant under the mandate of the Summit Ascent Scheme was 450,944,459 as at 1 January 2024 and 31 December 2024. During year ended 31 December 2024, save for 1,000,000 Summit Ascent's share options were lapsed, no share options were granted, exercised, cancelled or lapsed under the Summit Ascent Scheme.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions

On 4 May 2020, Suntrust as appointee and Westside as appointor entered into an operation and management agreement (the "**O&M Agreement**"), pursuant to which Suntrust was appointed by Westside as the sole and exclusive operator and manager of the Main Hotel Casino to manage the development of the Main Hotel Casino and operate and manage the operation of the Main Hotel Casino. The O&M Agreement is with terms of more than three years, where an independent financial advisor was appointed and confirmed that it is normal business practice for agreements of this type to be of such duration.

Westside is a connected person of the Company at the subsidiary level, and therefore the transactions contemplated under O&M Agreement are on a recurring basis and constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the year, there was no transaction under the O&M Agreement as the Main Hotel Casino is expected to commence operation only in, the earliest, at the end of 2025. Further details of the O&M Agreement were disclosed in the announcement of the Company dated 4 May 2020.

The Company confirms that it has complied with the disclosure requirements for any related party transaction or continuing related party transaction not exempted from the annual reporting requirement in Chapter 14A and included in this annual report in accordance with Chapter 14A of the Listing Rules.

Details of other related party transactions that either do not constitute connected transaction and/or continuing connected transaction or constitute connected transaction and/or continuing connected transaction that are exempted from connected transaction requirements under Chapter 14A of the Listing Rules are set out in Note 35 to the consolidated financial statements.

MANAGEMENT CONTRACTS

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

CHANGES IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of the information of the Directors is as follows:

On 15 January 2024, Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John resigned as independent non-executive Directors.

On 2 May 2024, Mr. Tou Kin Chuen, Mr. Fu Chi King Johnson and Mr. Lo Wai Tung John were appointed as independent non-executive Directors.

On 9 August 2024, Mr. Fu Chi King Johnson resigned as an independent non-executive Director.

On 9 August 2024, Mr. Kwok Kai Bun Bennie was appointed as an independent non-executive Director.

On 5 November 2024, Mr. Tou Kin Chuen and Mr. Lo Wai Tung John resigned as independent non-executive Directors.

On 11 November 2024, Mr. Kwok Kai Bun Bennie resigned as an independent non-executive Director.

With effect from 10 March 2025, Mr. Lam Hung Tuan was appointed as an executive Director.

With effect from 10 March 2025, Mr. Tou Kin Chuen, Mr. Lo Wai Tung John and Ms. Chan Suet Ngan were appointed as independent non-executive Directors.

Save as disclosed above, after having made all reasonable enquiry, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the interim report of the Company for the six months ended 30 June 2023 and up to the date of this report.

BUSINESS REVIEW

"Group Financial Summary" on pages 3 to 4 and "Management Discussion and Analysis" on pages 7 to 25 form part of this Directors' report.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed under section headed "Environmental, Social and Governance Report" on pages 63 to 81.

Principal risks and uncertainties facing the Company

The Group's business performance in the year under review was affected by the volatility and uncertainty of macro-economic conditions in Hong Kong, Macau, Japan, Russia and the Philippines.

The Group's business is also exposed to credit, liquidity, interest rate, foreign currency and equity price risks. An analysis of the Group's financial risk management is provided in Note 37 to the consolidated financial statements.

Environmental policies and performance

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts attributable to our operational activities in order to minimise these impacts if possible.

Compliance with the relevant laws and regulations

During the year ended 31 December 2024 and up to the date of this report, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on our business and operation.

Future development

"Review and Outlook" on pages 23 to 25 forms part of this Directors' report.

Key relationships with employees, customers and suppliers

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2024, there was no material and significant dispute between the Group and its employees, customers and suppliers.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 5 August 2025 to 8 August 2025 (both days inclusive) for determining the identity of the shareholders who are entitled to attend and vote at the annual general meeting ("**AGM**"). No transfer of shares will be registered during this period. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on 4 August 2025.

Directors' Report

PERMITTED INDEMNITY PROVISIONS

The Company had arranged for appropriate liability insurance for the Directors and officers of the Group for indemnifying their liabilities arising from corporate activities. The permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout this year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's listed securities.

EVENTS AFTER THE END OF THE REPORTING PERIOD

For the details of events after the reporting period, please refer to Note 40 to the consolidated financial statements.

AUDITORS

The consolidated financial statements for the year ended 31 December 2024 have been audited by Crowe (HK) CPA Limited ("**Crowe**"). A resolution will be submitted to the forthcoming AGM meeting of the Company to re-appoint Crowe as auditor of the Company.

On behalf of the Board

Lo Kai Bong
Director

10 July 2025

CORPORATE STRATEGY AND CULTURE

The principal activity of the Group is to develop and operate integrated resorts across Asia, including the Russian Federation and the Philippines. The mission of the Group is to entertain Asia with world-class integrated resorts. The vision of the Group is to be Asia's leading integrated resort operator and developer. We believe in the importance of partnerships between various stakeholders, the public and private sectors and between employees and the locals in the locations where the Group invested. We prioritise being a responsible corporate citizen in the locations where we have presence, focusing on contributing to the local economic and social growth, improving the lives of the local community, contributing to local tourism development, and operating integrated resorts in an environmentally sustainable manner. We believe that only through long-term sustainable partnerships with the local government and the local community, then we can achieve long terms sustainable financial returns for our stakeholders. The Group offers a comprehensive range of lifestyle, entertainment and non-gaming products and services to the local community at competitive prices in Asia. We strive to create an inclusive environment that supports the recruitment, retention, and advancement of all employees, intending to develop a diverse and skilled workforce in an inclusive workplace environment.

Given that the Group operates in a highly competitive and regulated environment, we are committed to maintaining high standards of ethical behaviour and complying with relevant laws and regulations. Our corporate strategy is focused on driving growth, optimising operational efficiency, and enhancing shareholder value.

Our governance culture is based on the principles of transparency, accountability, and integrity. The Group has implemented a comprehensive system of internal controls and risk management processes to ensure that we operate in a safe and sound manner. The Group also maintains an open and constructive dialogue with our stakeholders, including shareholders, customers, employees, and regulators, to ensure that we understand their needs and expectations.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance and ensuring integrity, transparency, and comprehensive disclosure, and have implemented policies and procedures that align with the requirements of the Stock Exchange. The Board is satisfied that the Company's purpose, values, and strategy align with its culture, which is instilled and continually reinforced throughout the organisation.

The Company has applied the principles and complied with the Corporate Governance Code provisions ("**CG Code**") set out in Part 2 of Appendix C1 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 2024 except the following deviations:

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing. Following the resignation of the former Chief Executive Officer, the Company has not appointed an individual to take up the vacancy of the Chief Executive Officer, and the roles and functions of the Chief Executive Officer have been performed by the executive Director(s).

CORPORATE GOVERNANCE PRACTICES (Cont'd)

Under code provision C.3.3 of the CG Code, the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. The Company did not have formal letter of appointment for Mr. Lo as executive Director of the Company. However, Mr. Lo is subject to retirement by rotation at least once in every three years in accordance with the Company's articles of association.

NON-COMPLIANCE WITH REQUIREMENTS UNDER THE LISTING RULES

On 15 January 2024:

(iv) Mr. Tou Kin Chuen ("**Mr. Tou**") tendered his resignation as an independent non-executive Director;

(v) Dr. Wu Kam Fun Roderick ("**Dr. Wu**") tendered his resignation as an independent non-executive Director; and

(vi) Mr. Lo Wai Tung John ("**Mr. John Lo**") tendered his resignation as an independent non-executive Director.

Immediately following the resignations of Mr. Tou, Dr. Wu and Mr. John Lo, the Company had:

(i) no independent non-executive Director, which resulted in the then number of independent non-executive Directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules and the number of independent non-executive Directors failed to maintain at least one-third of the members of the Board as required under Rule 3.10A of the Listing Rules;

(ii) no member in the Audit Committee, which resulted in the number of Audit Committee members falling below the minimum number and the Company's failure to have an independent non-executive Director as a chairman of the Audit Committee as required under Rule 3.21 of the Listing Rules;

(iii) no member in the Remuneration Committee, which resulted in the Company's failure to have an independent non-executive Director as a chairman of the Remuneration Committee and a majority of independent non-executive Directors in the Remuneration Committee as required under Rule 3.25 of the Listing Rules; and

(iv) no member in the Nomination Committee, which resulted in the Company's failure to have the chairman of the Board or an independent non-executive Director as a chairman of the Nomination Committee and a majority of independent non-executive Directors in the Nomination Committee as required under Rule 3.27A of the Listing Rules.

NON-COMPLIANCE WITH REQUIREMENTS UNDER THE LISTING RULES (Cont'd)

The above Listing Rules were complied by the following which took effect on 2 May 2024:

(i) Mr. Tou was appointed as an independent non-executive Director, and as a member and the chairman of the Audit Committee, as well as a member of each of the Remuneration Committee, Nomination Committee and Risk Management Committee;

(ii) Mr. John Lo was appointed as an independent non-executive Director, and as a member and the chairman of the Remuneration Committee, as well as a member of each of the Audit Committee, Nomination Committee and Risk Management Committee; and

(iii) Mr. Fu Chi King Johnson ("**Mr. Fu**") was appointed as an independent non-executive Director, and as a member and the chairman of the Nomination Committee, as well as a member of each of the Audit Committee, Remuneration Committee and Risk Management Committee.

On 5 November 2024, Mr. Tou and Mr. John Lo resigned as independent non-executive Directors and their respective membership in the Audit Committee, Remuneration Committee and Nomination Committee, and following their resignations, the above Listing Rules were again not complied.

Only until 10 March 2025, with the appointment of each of Mr. Tou, Mr. John Lo and Ms. Chan as independent non-executive Director and the re-constitution of the Audit Committee, Remuneration Committee and Nomination Committee, the above Listing Rules were complied. For further details, please refer to the announcement of the Company dated 10 March 2025.

APPOINTMENT OF DIRECTORS DURING THE YEAR ENDED 31 DECEMBER 2024

Each of Mr. Tou, Mr. John Lo and Mr. Fu was appointed as an independent non-executive Director on 2 May 2024. Each of Mr. Tou, Mr. John Lo and Mr. Fu has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 29 April 2024, and has confirmed that he understood his obligations as a Director.

Mr. Kwok Kai Bun Bennie was appointed as an independent non-executive Director on 9 August 2024. He has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 6 August 2024, and has confirmed that he understood his obligations as a Director.

Corporate Governance Report

TARGETS AND COMMITMENTS

With a steadfast commitment to effective governance practices, the Board and senior management team have established a comprehensive corporate governance framework to meet the specific mandates in Hong Kong and Cayman Islands and our subsidiaries' locations in the Philippines and Russia. Specifically, save as disclosed above, we adhere to requirements outlined under the Listing Rules, the applicable rules and regulations of the Hong Kong laws, the Cayman Islands laws, the Philippines laws and the Russian laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions of Directors and employees (the "**Securities Code**") no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors on all Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2024.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with the Securities Code.

BOARD OF DIRECTORS

The Board has in its composition a balance of skills and experience necessary for decision making and fulfilling its business needs. The participation of independent non-executive Directors in the Board brings independent judgement on issues relating to the Group's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders of the Company have been duly considered.

The Board considers that all of the independent non-executive Directors are independent and has received from each of them the annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

Details of the biographies of the Directors as of the date of this annual report are given under the section "Biographical Details of Directors and Senior Management" of this annual report.

Details of term of appointment of non-executive Directors are given under the section "Directors' Service Contracts and Rotation" in the Directors' Report.

The Board is responsible for the approval and monitoring of the Group's overall strategies and policies; approval of business plans; effectiveness of internal control and risk management systems; and oversight of management and corporate governance efforts. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs. The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group. The Board is elected by shareholders of the Company and provides oversight of and strategic guidance to senior management, including selecting the senior leadership team.

BOARD OF DIRECTORS (Cont'd)

The Board delegates authority and responsibility for conducting the day-to-day operations of the Group to executive Director(s) and senior management of every business segment, while maintaining oversight of their performance reserving certain key matters for its approval. Decisions of the Board are communicated to the management through executive Directors who have attended Board meetings. The management is responsible for the execution of and accountability to the defined standards.

The Company had arranged for appropriate liability insurance for the directors and officers of the Group for indemnifying their liabilities arising from corporate activities.

Directors during the year	Board meeting Attended/Held during the year	General meeting Attended/Held during the year	Participation in continuous professional development during the year
Executive Directors:			
Mr. Lo Kai Bong *(Chairman)*	6/6	2/2	✔
Independent Non-Executive Directors:			
Mr. Tou Kin Chuen *(resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	6/6	2/2	✔
Mr. Lo Wai Tung John *(resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	6/6	1/2	✔
Mr. Fu Chi King Johnson *(appointed on 2 May 2024 and resigned on 9 August 2024)*	3/5	1/1	✔
Mr. Kwok Kai Bun Bennie *(appointed on 9 August 2024 and resigned on 11 November 2024)*	0/0	1/1	✔

Regular Board meetings are attended to by a majority of the Directors in person or through other electronic means of communication. Besides the regular Board meetings, special Board meetings are convened from time to time for the Board to discuss major matters that require the Board's timely attention. As some of the special Board meetings are concerned with the day-to-day management of the Company which often requires prompt decisions, usually only the executive Directors attend. During the year ended 31 December 2024, apart from holding Board meetings, the Board also passed resolutions in writing to approve certain matters.

All Directors have participated in appropriate continuous professional development and refreshed their knowledge and skills during the year. Such professional development was completed either by way of attending briefings, conferences, forums, courses and seminars and self-reading which are relevant to the business or directors duties.

ACCOUNTABILITY AND AUDIT

The Directors were responsible for overseeing the preparation of the consolidated financial statements for the year ended 31 December 2024. The Directors' responsibilities in the preparation of the consolidated financial statements and the auditor's responsibilities are set out in the Independent Auditor's Report. Saved as disclosed in the Independent Auditor's Report under the heading "Material uncertainty relating to going concern" and extracted as below, the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern as at 31 December 2024.

Material uncertainty relating to going concern

"We draw attention to Note 2 to the consolidated financial statements, the Group incurred a net operating cash outflow of approximately HK$109,671,000 for the year ended 31 December 2024. During the year ended 31 December 2024, the Company defaulted the repayment of other borrowing with principal amount of HK$137,500,000. These conditions, along with the matters as set forth in Note 2 to the consolidated financial statements indicate that a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

GOVERNANCE FUNCTIONS

The Board has undertaken the responsibility for performing the corporate governance duties of the Company including:

(i) to develop and review the Company's policies and practices on corporate governance;

(ii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iii) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees;

(iv) to review and monitor the training and continuous professional development of Directors and senior management; and

(v) to review the Company's compliance with the CG Code and disclosure in the CG report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and is used as a management tool for the day-to-day operation of business. The systems can only provide reasonable but not absolute assurance against material misstatement or loss. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations.

The Group has engaged external professional consultants to conduct an internal audit of the Group. It performs risk-based audits to review the effectiveness of the Group's internal control systems and reports to the Board with its findings and makes recommendations annually. The Group promotes amongst its employees' cautious handling and dissemination of inside information. The Group will also review its internal control mechanism including information flow and reporting processes, confidentiality arrangements, disclosure procedures and staff training arrangements, etc.. During the year, the Group has conducted a review of the effectiveness of the implemented system and procedures, including areas covering financial, operational, compliance and risk management functions and a review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budgets of the accounting, internal audit and financial reporting functions. The Company considers the risk management and internal control systems effective and adequate.

In addition, the Group established a risk management committee (the "**Risk Management Committee**") to develop and review risk management system and practice of the Group, and monitor the anti-money laundering (the "**AML**") compliance and business affairs on casino operations and other gambling related business units of the Company, its subsidiaries and affiliates. The Risk Management Committee acts as an oversight committee on AML compliance matters and overall risk management of the Group.

Corporate Governance Report

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The Chairman's responsibility is to oversee the functioning of the Board and the strategies and policies of the Group.

The Chief Executive Officer's responsibility is to monitor the daily operation and management of the Company. Following the resignation of the former Chief Executive Officer, the Company has not appointed an individual to take up the vacancy of the Chief Executive Officer, and the roles and functions of the Chief Executive Officer have been performed by the executive Director(s). The Company is in the process of identifying a suitable candidate to assume the role as Chief Executive Officer and further announcement in this regard will be made as and when appropriate.

PROFESSIONAL DEVELOPMENT

Every newly appointed Director will be given an induction training so as to ensure that he/she has appropriate understanding of the Group's business and of his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

The Company also provides regular updates on the business development of the Group. The Directors are regularly briefed on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, the Company has been encouraging the Directors to enrol in professional development courses and seminars relating to the Listing Rules, Hong Kong Companies Ordinance and corporate governance practices organised by professional bodies or chambers in Hong Kong. All directors are requested to provide the Company with their respective training records pursuant to the CG Code.

COMPANY SECRETARY

The company secretary of the Company is Mr. Chiu King Yan ("**Mr. Chiu**"), a member of HKICPA and a fellow member of the Association of Chartered Certified Accountant in the United Kingdom. The company secretary assists the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. Mr. Chiu has taken not less than 15 hours of relevant professional training during the year ended 31 December 2024.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") is responsible for ensuring that the Company has formal and transparent procedures for developing and overseeing its policies on the remuneration of the Directors and senior management. The committee's authorities and duties are set out in written terms of reference.

One Remuneration Committee meeting was held during the year ended 31 December 2024 for reviewing the remuneration of Directors. Members of the Remuneration Committee and the attendance of each member are set out below:

Remuneration Committee members during the year	**Attended/Held during the year**
Mr. Lo Wai Tung John *(chairman) (resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	1/1
Mr. Tou Kin Chuen *(resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	1/1
Mr. Fu Chi King Johnson *(appointed on 2 May 2024 and resigned on 9 August 2024)*	1/1
Mr. Kwok Kai Bun Bennie *(appointed on 9 August 2024 and resigned on 11 November 2024)*	0/0

The terms of reference of the Remuneration Committee are posted on the Company's website. The principal functions include:

(i) to make recommendations on the Company's policies and structure for all the remuneration of Directors;

(ii) to propose the specific remuneration packages of the executive Director(s), and to make recommendations on the remuneration of the non-executive Directors for the Board's approval; and

(iii) to review and propose remuneration for executive Directors by reference to corporate goals and objectives resolved by the Board from time to time.

The summary of work of the Remuneration Committee during the financial year: reviewed the Company's policy and structure for all the remuneration of Directors with reference to the Company's corporate goals, prevailing market rate and duties and responsibilities with the Company, and made recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") is responsible to make recommendation to the Board on the appointment of Directors and the management of the Board's succession. The Nomination Committee's authorities and duties are set out in written terms of reference.

No Nomination Committee meeting was held during the year ended 31 December 2024, the Nomination Committee passed resolution in writing to approve certain matters such as assessing the independence of the independent non-executive Directors; considering the re-election of Directors; reviewing the composition of the Board. Members of the Nomination Committee and the attendance of each member are set out below:

Nomination Committee members during the year	Attended/Held during the year
Mr. Fu Chi King Johnson *(chairman) (appointed on 2 May 2024 and resigned on 9 August 2024)*	0/0
Mr. Kwok Kai Bun Bennie *(chairman) (appointed on 9 August 2024 and resigned on 11 November 2024)*	0/0
Mr. Tou Kin Chuen *(resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	0/0
Mr. Lo Wai Tung John *(resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	0/0

The terms of reference of the Nomination Committee are posted on the Company's website. The principal functions include:

(i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

(ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(iii) to assess the independence of independent non-executive Directors;

(iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer; and

(v) to review and monitor the training and continuous professional development of Directors and senior management.

NOMINATION COMMITTEE (Cont'd)

The Nomination Committee and the Board are committed to reviewing and assessing the Directors' independence annually in order to ensure that independent views and input of the independent non-executive Directors are made available to the Board. Factors taken into account in such independence review include, and are not limited to, the following:

(i) required character, integrity, perspectives, skills, expertise and experience to fulfill their roles;

(ii) time commitment and attention to the Company's affairs;

(iii) firm commitment to their independent roles and to the Board;

(iv) declaration of conflicts of interest (if any) in their roles as independent non-executive Directors;

(v) no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and

(vi) further reappointment of an independent non-executive Director (including any long-serving independent non-executive Director, where applicable) is subject to a separate resolution to be approved by the shareholders.

The summary of work of the Nomination Committee during the financial year: reviewed and evaluated the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company's corporate strategy, assessed independence of the independent non-executive Directors.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy ("**Board Diversity Policy**") which sets out the approach to achieving diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors and measurable objectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board. For the year ended 31 December 2024, the Company has achieved the following measurable objectives that the Board has set for implementing the Board Diversity Policy:

(i) To ensure at least one member of the Board shall have obtained accounting or other professional qualification;

(ii) To ensure at least 50% of the members of the Board shall have attained bachelor's degree or higher level of education; and

(iii) To ensure at least one member of the Board was or currently is director of listed companies (including Hong Kong and other regions) other than the Company.

While the Board was a single gender board as at 31 December 2024, the Board believes that gender diversity is a representing manifestation of board diversity. Under the Board Diversity Policy, the Company sets the target of appointing at least one director of different gender at any given time, in order to achieve a female representation in the Board.

Following the appointment of Ms. Chan Suet Ngan as an independent non-executive Director on 10 March 2025, the gender diversity of the Board is enhanced and meet the requirements under the CG Code.

The Nomination Committee will discuss and review the measurable objectives for implementing the Board Diversity Policy from time to time. The Nomination Committee will also review the Board Diversity Policy, as appropriate, to ensure its effectiveness from time to time.

In terms of gender diversity in the workforce, as at 31 December 2024, the male-to-female ratio in the workforce (including senior management) of the Group was approximately 1:1.02, which is regarded by the Board as satisfactory and in line with the industry which the Group operates its businesses in.

The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time, such that there is a pipeline of female senior management and potential successors to the Board in the future. The Board will periodically monitor the gender composition of the workforce and set targets if and as needed.

AUDIT COMMITTEE

The Audit Committee is mainly responsible for considering all relationships between the Company and the external auditor (including the provision of non-audit services), monitoring the integrity of the Company's financial statements and issues arising from the audit, and reviewing the Group's risk management and internal control systems.

One Audit Committee meeting was held during the year ended 31 December 2024. Each Audit Committee meeting has been supplied with necessary financial information of the Group for members to consider, review and access significant issues arising from the work conducted. Attendance of each member is set out below:

Audit Committee members during the year	Attended/Held during the year
Mr. Tou Kin Chuen *(chairman) (resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024*	1/1
Mr. Lo Wai Tung John *(resigned on 15 January 2024; appointed on 2 May 2024; and resigned on 5 November 2024)*	1/1
Mr. Fu Chi King Johnson *(appointed on 2 May 2024 and resigned on 9 August 2024)*	1/1
Mr. Kwok Kai Bun Bennie *(appointed on 9 August 2024 and resigned on 11 November 2024)*	0/0

The terms of reference of the Audit Committee are posted on the Company's website. The principal functions include:

(i) to make recommendations with respect to the appointment, reappointment and removal of the Company's external auditor, and to evaluate their independence, objectivity and effectiveness of the audit process;

(ii) to review and monitor the interim and annual financial statements, reports and accounts of the Company, and to review significant and judgemental financial reporting issues contained therein;

(iii) to review the Company's financial controls, risk management and internal control systems; and

(iv) to discuss with the management the risk management and internal control systems, and to ensure that the management has discharged its duties and responsibilities in implementing an effective internal control system.

The summary of work of the Audit Committee during the financial year: reviewed report in relation to the Group's statutory compliance issues and communicated with the Company's external auditor.

AUDIT COMMITTEE (Cont'd)

The Group's 2024 interim and annual reports have been reviewed by the Audit Committee, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. For the 2024 annual report, the Audit Committee met with the external auditor to discuss auditing, internal control, statutory compliance and financial reporting matters before recommending it to the Board for approval. The Audit Committee also monitored the Company's progress in implementing the code provisions on the CG Code as required under the Listing Rules.

AUDITORS' REMUNERATION

During the year ended 31 December 2024, the fees paid/payable to auditors in respect of audit services and non-audit services provided by the auditors to the Group were as follows:

Nature of services	**2024** **HK$'000**	2023 HK$'000
Audit services		
– Current year	**3,150**	3,150
Non-audit services		
(mainly for other reporting review services)	**1,100**	3,749
	4,250	6,899

DIVIDEND POLICY

Pursuant to code provision F.1.1 of the CG Code, the Company has adopted a dividend policy ("**Dividend Policy**"). This Dividend Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits, realised or unrealised, or from any reserve set aside from profits which the Board determine is no longer needed, as dividends to the shareholders of the Company.

In deciding whether to propose or declare a dividend and in determining the dividend amount and means of payments, the Board shall take into account, among others: (i) general business conditions and other internal or external factors that may have an impact on the business of the Company; (ii) the financial performance and position of the Group; (iii) the liquidity position of the Group; (iv) the capital and debt level of the Group; (v) the expected capital requirements and future expansion plans of the Group; (vi) statutory and regulatory restrictions; (vii) contractual restrictions on the payment of dividends by the Group to the shareholders or by the subsidiaries of the Company to the Company; and (viii) other factors the Board may deem relevant.

SHAREHOLDER RIGHTS

Pursuant to article 58 of the Articles of the Company, extraordinary general meetings (the "**EGM**") of the Company shall be convened on the requisition of any one or more shareholder(s) (the "**Requisitionist(s)**") holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company.

The Requisitionist(s) shall have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and the EGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the Requisitionist(s) may do so in the same manner, and shall be entitled to reimbursement of all reasonable expenses incurred by the Requisitionist(s).

Specific enquiries by shareholders requiring the Board's attention can be sent in writing to the Board or the company secretary of the Company at the Company's principal place of business in Hong Kong.

Notice of general meeting is sent by mail to the registered shareholders of the Company. Agenda and resolutions are set out in the notice of general meeting. A proxy form for use at a general meeting is enclosed with the notice. Shareholders who do not intend or are unable to be present at the meeting should fill out the form and return the same to the Hong Kong branch share registrar and transfer office of the Company, so as to appoint a representative, another shareholder or the chairman of the meeting as their proxy.

SHAREHOLDERS' COMMUNICATION POLICY

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make a properly informed investment decision.

The Company continues to enhance communications and relationships with its investors. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at its principal place of business in Hong Kong for any inquiries.

As part of the shareholders' communication policy of the Company, a number of means, as set out below, are used for the shareholders to communicate with the Company their views on matters that affect the Company, and for the Company to solicit and understand the views of the shareholders and the investing public. The Company maintains a website at www.letgroupholdings.com, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access. Corporate communications such as annual reports, interim reports, circulars, announcements and notices will be despatched to shareholders in compliance with the Listing Rules and the same will also be published on the website of the Company and that of the Stock Exchange.

SHAREHOLDERS' COMMUNICATION POLICY (Cont'd)

In addition, the Company maintains contact with its shareholders through AGMs or EGMs, and encourages shareholders to attend those meetings as a forum for shareholders to make comments and exchange views with the Directors and senior management.

The Board has conducted an annual review of the implementation and effectiveness of the shareholders' communication policy of the Company, and concluded that the policy was implemented effectively to provide shareholders and investing public with easy and timely access to the latest development of the Group during the year.

CONSTITUTIONAL DOCUMENTS

The Board confirmed that, during the year, there were no significant changes made to the Articles affecting its operations and reporting practices.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report highlights LET Group Holdings Limited (the "**Company**") and its key operations' (collectively referred to as "**the Group**") Environmental, Social, and Governance ("**ESG**") performance, for the purpose of assisting all stakeholders in understanding the Group's ESG concepts and practices in achieving sustainable development for the future. The report complies with the disclosure requirements set out in the ESG Reporting Guide as described in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reporting Boundary

The ESG report covers the Group's overall performance in two subject areas, namely, environmental and social, of its key business operations as listed below, for the period from 1 January 2024 to 31 December 2024 (the "**Reporting Period**"), unless otherwise stated.

The key business operations that this report covers include:

i. development and operation of an integrated resort in the Philippines;

ii. operation of an integrated resort Tigre de Cristal in the Russian Federation; and

iii. the headquarter in Hong Kong.

Reporting Principles

The preparation of the ESG report has applied the following principles:

Materiality – materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, process, and results of the engagement of which are presented in the section "Stakeholder Communication" in the report.

Quantitative – key performance indicators ("**KPIs**") have been established and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Consistency – consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

Balance – all available information has been reported impartially with concrete figures and supporting documentation; no selections, omission, or presentation formats that may inappropriately influence a decision or judgement by the report reader have been made throughout the whole reporting process.

ESG COMMITMENT

Being part of the property-related and tourism-related industries implies that the Group's operations could impose effects on a wide variety of people, the environment in adjacent areas, and their habitats. With due consideration, the Group is committed to putting emphasis especially on employees' benefits and their health and safety, the use of natural resources, attention to people living in nearby communities, as well as supply chain management on such aspects.

Such commitment is enacted by closely following and strictly complying with all relevant laws, regulations, and policies across different jurisdictions. It is also expected that a series of more detailed policies and target sets regarding such issues will be developed for better monitoring and measurement of the Group's ESG performance. The board of directors of the Group (the "**Board**") will continue to explore ways to further strengthen the ESG governance of the Group.

Statement from the Board

As a leading conglomerate that operates across various sectors, the Board is fully aware of the sustainability and ESG issues associated with the Group. It is of paramount importance that the Group strikes a balance between protecting the environment and creating social values while achieving commercial returns and maintaining profitability. When such issues are properly addressed, the Group's social responsibility can be demonstrated and bring greater value to its shareholders. The Board is committed to taking overall responsibility for the Group's ESG strategy and reporting. For this purpose, ESG risk has been incorporated in part of the Group's risk management agenda, and relevant internal control systems have been put in place.

Governance Structure

The Board takes an overall lead in managing the Group's ESG policies and initiatives, providing directions and supervising their implementation and performance. Together with the risk management committee of the Company, they oversee any risk exposures that have not been identified and addressed.

The Board has delegated management of the Group to be responsible for coordinating the implementation of the Group's environment, employment and labour practices, operating practices, service quality assurance, and community investment policies.

Management regularly monitors and reviews communications with internal and external stakeholders to continuously improve its ESG management approach and strategy. Professionals and legal advisors are also consulted for any relevant and challenging issues, to ensure that all topics are covered and understood. When material issues are found, they are evaluated and assessed. The Board would also be informed of such assessments such that they have an overview of what the significant topics are and what progress is made against ESG-related goals and targets. Topics that are considered high-risk take priority when measures are being developed.

A transparent approach is taken when developing policies and undertaking evaluations to ensure that all decisions made are sustainable, effective, and practical. Communication with stakeholders is also maintained to keep constructive advice and stakeholder-oriented measures present.

Key Highlights of our ESG Policies

The Group adheres to the following principles when carrying out its daily operations:

- Strictly follow all applicable laws and regulations under the legal framework of the corresponding jurisdiction
- Firmly withdraw from taking any actions or using any products which may harm the environment
- Actively communicate with employees and care for their basic rights, health and safety, and personal developmental needs
- Demonstrate as a corporate with high moral standards that are kind to the natural environment
- Promote environmental protection awareness throughout all levels of its operations and to its clients
- Cooperate and support measures aimed at community improvement as required by relevant regulatory bodies or authorities

Stakeholder Communication

Considering the wide range of businesses that the Group engages in, the Group closely communicates with its stakeholders through various channels to understand their concerns and expectations and identify significant issues which may pose risks to the business operations. To achieve so, the Company has set out the full spectrum of stakeholders by consulting various departments within the Group and leveraged on the on-going communication channels and day-to-day interactions to engage these stakeholders.

Stakeholders	Areas of ESG concern	Means of engagement
Stock Exchange	• Compliance with the Listing Rules; and • Timely and accurate announcement.	• Financial reports and announcements; • Meetings; and • Training and seminars.
Government and regulatory authorities	• Operational compliance; • Tax payment as legally required; and • Disclosure of information and submission of materials.	• Announcements; and • Company website.
Investors	• Business strategies and performances; • Effective corporate governance; • Sustainable profitability; and • Investment returns.	• General meetings; and • Financial reports and announcements.
Media and Public	• Corporate governance; • Environmental protection; and • Uphold human rights standards.	• Announcements; and • Press conference.
Suppliers	• Payment schedule; • Demand stability; • Operational compliance; and • Quality services and products.	• Site visits; • Meetings; and • Conference calls and interviews.
Customers	• Quality services and products; • Product safety; • Commercial credibility; • Intellectual property rights and protection; and • Operational compliance.	• Visits; • Meetings; and • Customers' enquiries handling mechanism.
Employees	• Rights and benefits of employees; • Training and development; • Working environment and occupational safety; and • Equal opportunities.	• Regular meetings; • Employee training; • Annual appraisal; and • Opinion box.
Community	• Community development; • Employment opportunities; • Environmental protection; and • Social welfare.	• Community service activities; • Media enquiry; and • Press releases and announcements.

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on its ESG approach and performance. Any stakeholder is welcome to give suggestions or share views with the Group via email at ir@letgroupholdings.com.

OUR ENVIRONMENT

The Group attaches great importance to the environment when carrying out its business activities and understands its role in fighting climate change. It complies with all applicable laws and regulations concerning the environment. The Group hopes to see an improving trend in its environmental performance in the future. To facilitate that, employees of all levels and departments are encouraged to keep environmental protection a key consideration when making business decisions. Different programmes and trainings would be put in place such that the overall environmental protection awareness of the Group would increase to realise the targets.

Climate Change

The Group acknowledges that it has a role in limiting climate change, and that climate change may impose an impact in limiting the Group's operations. To better identify and address the risks involved, the Group is committed to looking at climate change issues together with other ESG issues. This means the Board will take lead to investigate on climate-change related matters, which will be supported by management. When material aspects are identified, policies shall be formulated to address them.

Risk type	Risks	Potential financial impact	Short (current Reporting Period)	Medium (1–3 years)	Long (4–10 years)	Mitigation strategy
Physical Risks	• Event-driven extreme weather conditions such as flooding due to sea level rise, snowstorms, super hurricane • Sustained elevated temperature	• Disrupt supply chains and interrupt business activities and result in reduced revenue • Damage to the Group's assets, particularly integrated resorts	✓	✓		• Establish adverse weather condition policy • Adopt energy conservation measures
Transition Risks	• Changes in environmental related laws and regulations • Shift in customers' preference to company that incorporate sustainability concept	• Result in higher operating costs to adopt new practices • Decrease in demand of services and revenue		✓	✓	• Implement energy conservation measures • Take sustainability and environmental issues into consideration for decision making

That being said, the Group remains hopeful knowing that it can bring positive impacts to the environment. Understanding its more significant environmental effects as the emissions of air pollutants and greenhouse gases from the consumption of purchased electricity and fuel, and the generation of certain waste from daily operations, guiding policies have been established to improve the Group's environmental performance.

During the Reporting Period, the Group did not note any cases of material non-compliance relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste.

A1 Emissions

Air pollutants and greenhouse gas ("**GHG**") emissions are significant factors to address in combating climate change. To reduce emissions, only high-quality fuel is used within the Group's fleet. Where appropriate, the Group uses electric buggies to reduce emissions. The Group also tends to choose suppliers that are closely located to its operations, so that emissions caused by transport between the suppliers and the operation can be minimised. For other reduction measures and policies related to the Group's energy consumption of purchased electricity and fuel, please refer to the corresponding sections headed "Energy" and "Environment and Natural Resources".

Air emissions

The air emissions generated by the Group are summarized below:

Air emissions	Unit	2024	2023
Nitrogen oxidex ("NO_x")	Emissions tonnes	1.070	1.251
Sulphur oxidex ("SO_x")	Emissions tonnes	0.017	0.004
Particulate matters ("**PM**")	Emissions tonnes	0.099	0.114

Greenhouse gas emissions and energy conservation

The greenhouse gas ("**GHG**") emissions generated by the Group are summarized below in direct, indirect, and other indirect section. The direct emissions are from the Group's vehicles' consumption of gasoline, while the indirect emissions are via using outsourced electricity with other indirect emissions generated from air travel by employees. The following table shows the figures of the Group's GHG emissions during the Reporting Period.

GHG emissions	Unit	2024	2023
Direct emissions of GHG	tCO_2e	4,559.66	4,542.46
Indirect emissions of GHG	tCO_2e	7,418.14	20,601.08
Other indirect emissions of GHG	tCO_2e	138.30	116.69
Assimilation of CO_2 through tree planting	tCO_2e	-4.67	-57.57
Total GHG Emission	tCO_2e	12,111.43	25,202.66
Intensity	tCO_2e/employee	10.19	6.75

The Group's emission reduction target is to reduce air and GHG emissions by 5% in the next five years.

Waste Management

The Group has a range of policies in place to reduce its operations' waste generation. For example, electronic administration and documentation is encouraged and cloud-based working environment are developed to reduce the need for printing; when printing is inevitable, duplex printing and reuse of single-sided printed paper is preferred, the usage of which could be traceable such that sources of heavy printing can be identified and controlled. In washrooms where the operations have control over, hand dryers are provided as an alternative to tissue paper.

To properly handle and treat waste, recycling bins are placed with simple instructions when appropriate for recycling, printer toner cartridges, ink boxes, and batteries are gathered to be sent to qualified collectors, who would treat them without causing harm to the environment. Where appropriate, the Group also wishes that it can compost food waste and organic waste at operating sites, such that it can turn them into useful nutrients for landscaping, lessening stress on the landfills.

At larger operations, such as Tigre de Cristal, the Group has set a long-term goal of halving the amount of waste sent to landfills. The Group is committed to moving towards a more circular model, cooperating with suppliers to reduce waste generation at source, and making use of its waste segregation facilities to extract reusable waste and stream them to recyclers and relevant processors. The local community is being involved in managing and operating the segregation centre, such that waste reduction efforts can become more large-scale while providing job opportunities. Waste awareness programmes for employees and integration of such elements into standard operational procedures are introduced to facilitate such plans.

During the Reporting Period, the Group generated 752.45 tonnes of hazardous waste and 5,872.98 tonnes of non-hazardous waste. The Group will make continuous effort in working towards the target of maintaining or reducing the waste generation by 5% in the next reporting period.

Waste generated	Unit	2024	2023
Hazardous waste	Tonnes	752.45	7,482.27
Hazardous waste intensity	tonnes/employee	0.63	2.00
Non-hazardous waste	tonnes	5,872.98	10,116.25
Non-hazardous waste intensity	tonnes/employee	4.94	2.71

A2 Use of resources

Energy

Energy conservation and reduction of energy waste is always instrumental to members of the Group. To minimise emissions from electricity consumption, the Group has a range of energy conservation measures to ensure efficient energy use. Practices such as arranging regular maintenance for electrical appliances, installing LED lights when a replacement is necessary, switching off idle appliances, and setting timers for heating and cooling systems, have been adopted to maximise electricity efficiency. When applicable, motion sensor elevators are used so that less power is consumed when no one is using the facility; energy saving control systems, where air conditioning or lighting supply are adjusted under different situations, are also in place. To reduce fuel consumption, only environmentally friendly vehicles are purchased, and route plans that cover more destinations are developed to reduce vehicles use.

The Group will continue to explore possibilities of reducing purchased energy use, including installing and powering solar panels and adopting more efficient heat recovery systems, where possible. The Group will make continuous effort in working towards the target of maintaining or reducing the energy consumption by 5% in the next reporting period.

	Unit	2024	2023
Fuel consumption	**MWh**	**14,666.32**	**15,030.90**
– Diesel & Petrol	MWh	10,370.29	9,581.35
– LPG	MWh	4,296.04	5,449.55
Electricity consumption	**MWh**	**17,177.26**	**60,112.07**
Total energy consumption	MWh	31,843.58	75,142.97
Intensity	MWh/ number of employees	26.78	20.19

Water

Aside from consuming water for daily use, the Group also consumes water for its swimming pool facilities, kitchen, and amenities, in its integrated resort operations. While water supply was stable and there was no issue in sourcing water that is fit for purpose, the Group acknowledges it as an important and scarce resource of the planet that shall be reserved. Hence, water consumption is strictly monitored. Employees are reminded to efficiently use fresh water. When any unnecessary usage is identified, measures would be implemented for improvement. Most water used by the Group is sent to centralised sewage treatment centres managed either by the government or other third parties, whereas the rest treats its own water before discharging. There shall not be any environmental pollution caused by the Group's water consumption that cause serious concern.

During the Reporting Period, the Group consumed 152,900 m^3 of tap water, with an intensity of 128.60 m^3/employee. The Group will make continuous effort in working towards the target of maintaining or reducing the water consumption intensity per employee between 90% to 110% of the level of baseline year ended 31 December 2024 in the next reporting period.

	Unit	**2024**	**2023**
Water consumption	m^3	152,900.00	564,033
Intensity	m^3/number of employees	128.60	151.01

Paper

The following table shows the figures of material consumption (i.e. paper) in the Group's business operations.

Material consumption	**Unit**	**2024**	**2023**
Paper consumption	tonnes	3,448.67	3,644.80

The Company continues to encourage a paperless working environment which not only reduce environmental damage but also fits commercial goals. To minimize the use of paper, the Company recommends offices to reduce printing paper. Double-sided printing is encouraged to be adopted as much as possible, and single-sided printing paper is advised to be reused. Active effort in promoting recycling of waste paper is also implemented across the Group. The Group will continue to monitor paper consumption each year and will seek feasible measures to reduce the consumption in a year-on-year basis gradually.

Environment and Natural Resources

Efficient management of environmental and natural resources reduces operational costs and benefits society as a whole. Even though the Group's operations do not generate significant impact to the environment, nor involve direct use of natural resources, it acknowledges the indirect environmental impact caused by its businesses.

To minimise its impact on the environment, it prioritises the use of cleaning agents that are biodegradable and phosphate free when possible. It also sources supplies from local areas, and adopts a circular economy if possible, for sustainability. All of these initiatives are addressed through a unified sustainability charter.

The Group continues to review the environmental impact of its operations and makes use of best practices across its business operations. It is also developing monitoring systems over resource consumption, to identify and implement better performance strategies to enhance environmental sustainability through good environmental practices. The Group actively seeks opportunities to contribute to sustainability wherever possible and is determined to achieve realistic targets by adopting the abovementioned practices.

OUR EMPLOYEES

The Group regards employees as highly intrinsic assets to its development. It strives to provide employees all fundamentals, such as work satisfaction, health, and all-rounded support, for their professional growth and competency enhancement. The Group hopes by focusing on employees' inclusion and engagement, wellbeing, and skills building, their fullest potential can be unleashed. To achieve so, on top of complying with all relevant ethical and regulatory standards, fair and comprehensive employment policies and practices have been established.

Employment and Labour Practices

The Group stringently follows all relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. All such terms and policies are clearly stated on the Employment Agreement and the Employees' Handbook. During the Reporting Period, there was not any noted case of non-compliance.

Compensation and Benefits Package

Employees of the Group are entitled to a basic salary with a discretionary bonus as per their job positions, responsibility, capability, contribution, performance, experience, and other attributes. The Group reviews employees' salaries annually in accordance with its business growth and market price. Apart from monetary form of remuneration, the Group also provides non-monetary form of basic benefits, including annual leave, Mandatory Provident Fund Scheme (MPF), medical insurance, sickness allowance, marriage leave, bereavement leave, maternity or paternity leave, and pension.

Equal Opportunity

The Group commits to the principle of equal opportunities during recruitment, selection, training, development, and promotion. No employee shall be discriminated against or deprived of opportunities on the basis of race, colour, nationality, ethnic or national origin, religion or belief, disability, trade union membership or nonmembership, sex, sexual orientation, pregnancy and maternity, gender reassignment, marriage/civil partnership, age, or based on being a part-time of fixed term worker. Individuals shall be selected, promoted, and otherwise treated solely on the basis of their relevant aptitudes, skills, and abilities. Management is responsible for protecting employees or job applicants from discrimination of any kind, and any unlawful discriminatory action brought to their attention is to be treated with great care.

Harmonious Working Environment

Not only is diversity embraced within the Group, but also the maintenance of a working environment free from harassment and bullying where every employee feels safe is treated with respect and dignity is also a top priority. The Group takes a zero-tolerance policy against any intimidating, hostile, degrading, humiliating, or offensive actions and behaviours, no matter physical or verbal, with or without the abuse of power or position. Any of such harassment or bullying is strictly prohibited and is treated as misconduct which may result in warranting dismissal. Anyone filing a complaint or assisting in an investigation shall be protected from intimidation, victimisation, or discrimination. Retaliating against an employee for complaining about harassment or bullying is a disciplinary offence.

Employee Communication

The Group regards communication and engagement with employees as important elements for them to feel valued, empowered, and motivated. Such efforts are also viewed as essential for the improvement of team cohesion and enhanced work performance. During the Reporting Period, aside from providing channels for employees to voice their views, staff activities were also organised online for employees to bond and exchange opinions outside of work.

Employment Figures

During the Reporting Period, the Group complied with all applicable laws and regulations in all jurisdictions, and did not note of any material non-compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, discriminations and other benefits and welfare. As of 31 December 2024, the Group employed a total of 1,189 employees, approximately 95% of whom worked full time. The gender ratio is approximately 50% and 50% for female and male. The table below show the workforce distribution by gender, age group, employment type and employee category:

	2024	2023
Breakdown by gender		
Female	600	1,748
Male	589	1,987
Break down by age group		
18-25	250	826
26-35	418	1,610
36-45	284	961
46-55	166	257
≥ 56	71	81
Breakdown by employment type		
Full-time	1,126	3,708
Part-time	63	27
Break down by employment category		
Senior Management	69	96
Middle Management	192	213
Frontline & Other Staff	928	3,426

Employee Turnover Rate

The Group strives to maintain the employee turnover rate at an acceptable level to facilitate the accumulation of professional skills and experience. During the Reporting Period, the overall employee turnover rate of the Group was about 39.4%[1]:

	2024	2023
Breakdown by gender		
Female	178	259
Male	190	238
Break down by age group		
18-25	171	183
26-35	100	196
36-45	36	59
46-55	34	38
≥ 56	27	21

Employee Well-Being

The Group follows all relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. No non-compliance with relevant laws and regulations that has a significant impact on the Group has been noted. On top of providing basic medical benefits, The Group has a series of preventive measures to prevent putting employees' health and safety in jeopardy.

Occupational Health And Safety

The Group strives to provide and maintain a safe and healthy workplace for all employees. To protect the health of all employees, all workplaces, including vehicles, are smoke-free. Safety rules and general procedures are established and placed in notable locations for easy reference. Fire extinguishing tools, escape routes, and relevant procedures are familiarised by employees in case of any emergency events, and the functionality and safety of such tools are regularly inspected by professionals. Ventilation, humidity, and greening are controlled in working environments to make workplaces more pleasant. The Group also encourages employees to raise any potential hazard or working conditions if there is a concern. To reinforce and cultivate the safety awareness of employees, regular safety training is arranged.

If outdoor work or those that require physical labour is required, e.g., work at construction sites, work in facility management, laundry, firefighting prevention, all necessary equipment and protective gear would be provided to protect employees' occupational safety.

During the Reporting Period, 10 injuries occurred. 38 days of work was recorded. 1 work-related fatalities was recorded.

[1] Turnover rate = (number of employees who left the operations during the Reporting Period/number of employees working at the beginning of operation as of 31 December 2023) x 100%

Development and Training

The Group places a strong emphasis on employees' professional development as it is believed that learning is a shared responsibility.

There are various in-house as well as external learning opportunities that the Group offers its employees. In terms of formal training, there are induction programmes for the Group's new recruits to get to know the Group's background, culture, structure and systems, workflows, etc., as well as regular training on updated industry knowledge or revision of best practices, such as occupational and fire safety, code of conduct, professional skills, supervisory skills, customer services, etc.

Other settings where learning opportunities are provided include office seminars and workshops:

- where employees gather to discuss, practice, and exchange experiences to learn from one another; community or civic events

- where employees are encouraged to affiliate with communities and organisations for professional writing and public speaking experiences; and to attend professional organisations and conferences

- for which employees are reimbursed if they join and attend to gain industry insights

The Group also encourages employees to identify their own objectives and take an active role in their development according to their own needs and pace for a more effective outcome. Identification of training needs and evaluation of their effectiveness is carried out by regularly reviewing employees' performance and competence and referring to requirements of relevant laws and regulations across all jurisdictions.

Training Figures

During the Reporting Period, the employees from the operations in the Philippines and Russia were involved in training. The average hours of training completed by each employee in these operations was 16.12 hours. The Group aims to organise more trainings to employees for further development.

During the Reporting Period, the development and training statistics by gender and employment category are disclosed in following table:

Breakdown by gender	2024 Average training hours	2023 Average training hours
Female	16.30	21.56
Male	15.90	24.29

Breakdown by gender	Percentage of employees trained	Percentage of employees trained
Female	84.00%	51.16%
Male	70.76%	51.36%

Break down by employment category	Average training hours	Average training hours
Senior Management	22.45	24.71
Middle Management	22.47	23.41
Frontline & Other Staff	13.68	22.87

Break down by employment category	Percentage of employees trained	Percentage of employees trained
Senior Management	96.05%	32.62%
Middle Management	95.83%	92.18%
Frontline & Other Staff	72.06%	43.03%

OPERATING PRACTICES

Supply Chain Management

The Group tends to maintain long term relationships with its suppliers to ensure a stable supply of services provision by the Group, and has established a direct communication channel allowing suppliers to submit their offers for our consideration. When selecting suppliers and contractors, the Group's top priority is to minimize the potential risks brought by cooperating suppliers to the Group. (Apart from compliance with relevant legal requirements, supply stability, quality and reputation, the ESG performance of all potential suppliers are also considered to ensure that they can add value to the Group's pursuit of sustainability excellence.)

As the Group's businesses are dispersed across multiple regions, identification of environmental and social risks and the promotion of environmentally preferable products and services vary. Nevertheless, all operations acknowledge the need to address ESG risks along the supply chain. Depending on the jurisdiction the business operates in, some have policies that focuses on the environmental performance of suppliers, some reviews the occupational health and safety protection and policies of contract employees offered by contractors, while others put an emphasis on evaluating and preventing corruption, bribery, extortion, fraud, and money laundering risks.

In general, at least two to three suppliers are involved in the tendering process where possible to ensure a fair and transparent quotation. If the suppliers all meet the sustainability prerequisites, priority is given to local suppliers to promote local economic development and reduce carbon footprint. (The Group evaluates each and every supplier's performance quarterly and requires them to take remedial measures once the Group becomes aware of any non-compliance with the Group's requirements.)

Suppliers

During the Reporting Period, the operations in Hong Kong, the Philippines and Russia engaged a total of 1,264 major suppliers who provided legal and professional services, equipment, and food & beverage, hotel supplies, technical supplies, casino supplies, office supplies and cleaning services. Most of them were located near the operating locations, with 313 of them located in the Philippines, 100 of them located in Hong Kong, 811 located in Russia and 40 in other regions.

Product Responsibility

The Group pays high attention to the quality of products and services provided. It recognises its responsibility in meeting the expectations of customers, business partners, and all other stakeholders while operating. During the Reporting Period, the Group complied with all relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. There was not any material non-compliance noted.

Labour Standards

The Group complies with all relevant laws and regulations to safeguard the rights of its employees. Labour exploitation, such as child labour or forced labour, is strictly prohibited and not tolerated. To avoid such practices, background checks are conducted for every new employee to verify their age and legal eligibility of working for the Group. Mutual agreement must also be obtained before the commencement of any employment relationships. If any violation is discovered, the contract would be terminated with immediate effect. This practice is also required for workers hired by the Group sub-contractors, where applicable. During the Reporting Period, no material non-compliance with laws and regulations relating to preventing child and forced labour was noted.

Customer Health and Safety

An immense level of concern is put on assuring that all services provided and products sold fulfil statutory requirements and beyond, especially for the Group's servicing businesses. The Standard Operating Procedures (SOPs) are also available to spell out the processes and actions to be taken under different security related scenarios. This is enacted by conducting strict inspections to maintain a high standard of products used for the performance of the Group's services.

At operations where food is served, the Group takes a strict screening and selection procedure to ensure food safety and eliminate any risks.

During the Reporting Period, no attention was raised regarding the health and safety of the products sold. The business nature of the Group does not involve the recall of products.

Customer Service

Customer feedback and satisfaction is regarded as a key channel for evaluating the performance of the Group's product and service provision. To enable communication and feedback, there are hotlines, feedback forms, and regular consultation and meetings, available for customers to provide their opinions. Any negative opinion deemed constructive would be reviewed and discussed by management in a professional manner. For every complaint case, the complainant was further contacted to obtain more details and opinions for improvement and rectification work. It is the Group's aim to have only customers who are content. During the Reporting Period, no complaints related to our products and services were received.

Intellectual Property

The Group strictly observes the intellectual property rights of all parties, including those of the Group's, its suppliers, competitors, clients, and other organisations. The Group is aware of the procedures of obtaining, perfecting, and protecting its intellectual properties and gives instructions to employees on how they shall be executed.

Data Protection and Privacy

Due to the wide range of data that the Group processes and handles for its operations, data protection is regarded as the most material topic among stakeholders. The Group recognises its responsibility in protecting private information of its customers, business partners, and clients. It also strives to protect any confidential dealings, trade secrets, intellectual properties, or any other knowledge that is not publicly available.

Employees shall respect privacy and keep personal data obtained, held, and processed during the business process confidential in accordance with relevant confidential requirements as set out in internal policies to protect the privacy of customers. At no given time shall such information be disclosed or used beyond the purpose of the collection purpose as instructed by the Group. Any breach of such policies may face termination of employment without prior notice. Non-disclosure agreements are also made with external parties to ensure no sensitive information is leaked before any of them are made public.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations related to customer data protection.

Responsible Gaming

The Group has a Responsible Gaming Commitment for its gaming premises, which strives to provide guests an enjoyable gambling experience while minimising any harmful consequences. The Group is committed to complying with all applicable laws and regulations and collaborating with the government to help guests make responsible gaming decisions. Under the Responsible Gaming Awareness Program, all employees working at the Group's gaming premises are trained and assessed annually on responsible and problem gambling, and signs worth attention for assistance providence. Some of the safeguards within the programme include:

- Casino Self-Exclusion – Interested patrons may apply for self-exclusion from entering casinos

- Casino Entry Checks – Entry made available to patrons above 18 years old

- Responsible Service of Alcohol

- Gambling Product Information – Game Rules made available to patrons to educate them on chances of winnings and house advantage information

- Assistance and Support – Responsible Gambling email group available to patrons and displayed via pamphlets or information displays in the casino

Anticorruption

The Group places great importance on the ethicality and integrity of its employees. The Group complies with all relevant laws and regulations relating to anti-competition, bribery, extortion, fraud, and money laundering. To prohibit bribery and corruption, strict and clear internal-control policies and well-structured business processes are designed for employees and suppliers to follow when carrying out business activities. During the Reporting Period, no noted cases of non-compliance nor illegal practices regarding corrupt practices had been identified in any of the Group's operations.

The Group strictly prohibits the receipt and offering of bribes to affect the placing of an agreement with suppliers or the securing of business. Any occurrence of such misconduct or dishonesty may result in the termination of the employment.

To prevent such behaviours, clearly written terms and code of conduct are stated and agreed upon in the employment contract. Anti-corruption training is also provided upon employees' entrance into the company as well as regularly at the course of employment. Senior management and the Board, who have huge responsibility in governing the Group's anti-corruption performance, are encouraged to attend specifically designed courses organised by authorities, such as the Stock Exchange and Independent Commission Against Corruption (ICAC) to strengthen their understanding.

External professionals are also especially engaged to assess and review the adequacy and effectiveness of the Group's internal controls for anti-money laundering of the Group's casino operations. Assessment of internal controls is regularly reviewed and updated to strengthen the control over such practices.

A whistleblowing policy has been established to govern the receipt, retention, and treatment of complaints regarding malpractice, impropriety or fraud relating to Group's accounting, internal accounting controls, auditing matters and suspected breaches of the Group policies. All complaints will be reviewed in accordance with the policy review procedure. The person assigned to investigate a complaint will conduct an investigation and report the findings or recommendations to the Audit Committee, including recommended disciplinary or corrective action. The violation shall be immediately reported to the proper governmental authority if legally required.

The Group will make every effort to keep all whistleblowing reports and identities of employees who have made reports confidential. In no event will there be any retaliation against someone for reporting an activity that he or she in good faith believes to be a violation of any law, rule or regulation.

Well-Being

The health and safety of its staff and customers was the Group's top priority during the Reporting Period. The Group has implemented intensified precautionary measures in its Hong Kong office as well as properties overseas to achieve the highest degree of health and safety vigilance, in accordance with advisories and protocols issued by local and international authorities. Some of the measures included: mandatory mask-wearing, body temperature checking, and social distancing; frequent deep cleaning and disinfection of public areas and common touch points; provision of face masks and hand sanitiser to guests upon request; request for health declaration from all contractors and other third parties who visit the Group's properties; regular cleaning of air filters and air conditioning systems; and briefing all staff on enhanced personal hygiene.

OUR COMMUNITY

The Group practices corporate social and environmental responsibilities and regards public welfare as an important aspect of its corporate culture. Donation to local charity organisation and participation in charity activities are highly recommended to employees. The Group will explore opportunities in the neighbourhoods, where it can invest resources and engage employees in the community service.

During the Reporting Period, our employee volunteer team continued to be a key component of our overall community engagement strategy providing emotional and financial support to the local non-profit institutions, such as: Artyom Boarding school for orphans and children without parental care and physically challenged children; and Vladivostok Special Boarding School for aurally challenged children.

The Group organised the following activities:

In May 2024, our team congratulated veterans on the Victory Day and handed over charitable aid; held a clean-up day, helped clean and beautify the territory of the boarding school in Sadgorod; attended the graduation of a sponsored boarding school in Sadgorod, congratulated the graduates and donated sports equipment for physical education classes.

In December 2024, our team participated in the All-Russian “Christmas Tree of Wishes” campaign and handed over New Year gifts to children in difficult life situations.

During the Reporting Period, the Group has contribution in the following activities:

Organisations/events	Donation nature (RUB’000)
Adoption of a female Suberian tiger named Crystal	960
Gratuitous transfer	732
Support of local special forces	546
Children’s and youth festival “Iron Fist”	100
Charity Event in Boarding School in Sadgorod “Saturday voluntary work day”	44
Sponsorship of food	27
Total in 2024	2,409
Total in 2023	1,485

Independent Auditor's Report

國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LET GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of LET Group Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 87 to 96, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a material accounting policy 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and have been properly prepared in compliance with the disclosure requirements of 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**"), and we have 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.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements, the Group incurred a net operating cash outflow of approximately HK$109,671,000 for the year ended 31 December 2024. During the year ended 31 December 2024, the Company defaulted the repayment of other borrowing with principal amount of HK$137,500,000. These conditions, along with the matters as set forth in Note 2 to the consolidated financial statements indicate that a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTER

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

Revenue from gaming operations

Refer to Note 6 to the consolidated financial statements and the significant accounting policies Note 4(j) to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
Revenue generated from gaming operations amounted to approximately HK$377,069,000 for the year ended 31 December 2024. We identified the revenue from gaming operations as a key audit matter due to its significance to the consolidated financial statements.	Our audit procedures included: – Obtaining an understanding of the processes in relation to revenue recognition. – Evaluating the design and implementation and testing the operating effectiveness of the key controls over the recognition of gaming operations revenues. – Re-performing cash counts, on a selection basis, to check the controls are carried out as planned. – Performing analytical review and trend analysis to identify any irregular or unexplained revenues. – Tracing samples of revenue transactions from gaming operations throughout the year to source documents, recalculating the gaming wins and losses, and agreeing to the amount recorded for revenue. – Evaluating the appropriateness of disclosures made in the consolidated financial statements with respect to revenue recognised during the year as required by applicable accounting standard.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by HKICPA and the disclosure requirements of 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.

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. This report is made solely to you, as a body, 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.

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

- 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.

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 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 this independent auditor's report is Poon Cheuk Ngai.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 10 July 2025

Poon Cheuk Ngai
Practising Certificate Number P06711

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
Continuing operations			
Revenue	6	**414,505**	369,127
Cost of sales		**(173,213)**	(193,024)
Gross profit		**241,292**	176,103
Other income, gains and losses	7	**(131,700)**	116,466
Selling and distribution expenses		**(10,105)**	(9,652)
Administrative expenses		**(271,386)**	(232,298)
Other operating expenses		**–**	(2,910)
Change in fair value of derivative financial instruments	26	**197**	(541)
Loss on disposal of a subsidiary	32	**–**	(2,396)
Reversal of impairment loss on equity loans to a joint venture	18	**–**	137,842
Reversal of impairment loss on loans to a joint venture	18	**–**	207,153
Reversal of impairment loss on amounts due from a joint venture	18	**–**	67,526
Impairment loss on property, operating right and equipment	14(d)	**–**	(483,107)
Reversal of share of loss of a joint venture	18(a)	**232,899**	112,327
Net loss on deregistration of a joint venture	18(d)	**(8,947)**	–
Finance costs	8	**(14,423)**	(34,054)
Profit before taxation		**37,827**	52,459
Income tax expense	11	**(40,953)**	(26,319)
(Loss) profit for the year from continuing operations	9	**(3,126)**	26,140
Discontinued operation			
Loss for the year from discontinued operation	32	**–**	(2,045)
(Loss) profit for the year		**(3,126)**	24,095

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(141,985)**	62,258
Reclassification of exchange reserve upon disposal of subsidiaries	32	**–**	643
Reclassification of exchange reserve upon deregistration of a joint venture		**77,645**	–
Share of other comprehensive income of a joint venture, net of related income tax		**10,448**	14,201
Other comprehensive (expense) income for the year		**(53,892)**	77,102
Total comprehensive (expense) income for the year		**(57,018)**	101,197
(Loss) profit for the year attributable to:			
– Equity holders of the Company:			
– Shareholders of the Company		**(215,064)**	8,169
– Holder of perpetual securities	30	**269,800**	270,299
		54,736	278,468
– Non-controlling interests		**(57,862)**	(254,373)
		(3,126)	24,095
Total comprehensive (expense) income for the year attributable to:			
– Equity holders of the Company:			
– Shareholders of the Company		**(260,372)**	99,276
– Holder of perpetual securities	30	**269,800**	270,299
		9,428	369,575
– Non-controlling interests		**(66,446)**	(268,378)
		(57,018)	101,197

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Total comprehensive income (expense) for the year attributable to equity holders of the Company arose from:			
– Continuing operations		**9,428**	372,609
– Discontinued operation	32	**–**	(3,034)
		9,428	369,575
(Loss) earnings per share attributable to shareholders of the Company:			
Basic (HK cents)	13		
– For (loss) profit for the year		**(3.10)**	0.12
– For (loss) profit from continuing operations		**(3.10)**	0.15
Diluted (HK cents)	13		
– For (loss) profit for the year		**(3.39)**	0.12
– For (loss) profit from continuing operations		**(3.39)**	0.15

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Non-current assets			
Property, operating right and equipment	14	**4,626,395**	3,613,078
Right-of-use assets	15	**1,402,285**	1,604,232
Intangible assets	16	**250**	250
Prepayments and deposits for non-current assets	17	**304,733**	360,114
Interest in a joint venture	18	**–**	–
Derivative financial instrument	26(b)	**3,873**	4,787
		6,337,536	5,582,461
Current assets			
Inventories	19	**4,724**	4,693
Other receivables and prepayments	20	**395,025**	286,323
Bank balances and cash	22	**905,047**	1,210,861
		1,304,796	1,501,877
Current liabilities			
Trade and other payables	23	**291,706**	144,602
Amounts due to a non-controlling shareholders of a subsidiary	21(b)	**82,389**	71,455
Contract liabilities	24	**4,802**	4,735
Other borrowing	25	**137,500**	–
Lease liabilities	27	**12,822**	3,850
Convertible bonds	26(a)	**21,893**	–
Derivative financial instrument	26(a)	**1,392**	2,227
Current tax liabilities		**35,908**	30,782
		588,412	257,651
Net current assets		**716,384**	1,244,226
Total assets less current liabilities		**7,053,920**	6,826,687

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	As at 31 December 2024 HK$'000	2023 HK$'000
Non-current liabilities			
Bank borrowing	25	**1,412,787**	1,172,713
Other payables	23	**199,290**	121,572
Lease liabilities	27	**880,934**	885,398
Amount due to immediate holding company	21(a)	**4,049**	1,516
Loan from immediate holding company	21(a)	**46,257**	46,938
Loans from non-controlling shareholders of a subsidiary	21(b)	**7,449**	14,669
Convertible bonds	26(a)	**–**	20,510
		2,550,766	2,263,316
Net assets		**4,503,154**	4,563,371
Capital and reserves			
Share capital	29	**693,697**	693,697
Perpetual securities	30	**6,564,762**	6,294,962
Reserves		**(3,847,203)**	(3,587,074)
Equity attributable to equity holders of the Company		**3,411,256**	3,401,585
Non-controlling interests		**1,091,898**	1,161,786
Total equity		**4,503,154**	4,563,371

Approved and authorised for issue by the board of directors of the Company on 10 July 2025 and are signed on its behalf by:

Lo Kai Bong
Director

Lam Hung Tuan
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

		Attributable to equity holders of the Company										
	Notes	Share capital HK$'000	Share premium HK$'000	Perpetual securities HK$'000	Statutory reserve HK$'000	Share option reserve HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2023		666,797	2,104,372	6,036,663	6,111	26,856	297,132	156,046	(6,264,604)	3,029,373	1,280,860	4,310,233
Profit (loss) for the year		–	–	270,299	–	–	–	–	8,169	278,468	(254,373)	24,095
Exchange differences on translating foreign operations		–	–	–	–	–	–	76,263	–	76,263	(14,005)	62,258
Share of other comprehensive income of a joint venture, net of related income tax		–	–	–	–	–	–	14,201	–	14,201	–	14,201
Reclassification of exchange reserve upon disposal of subsidiaries		–	–	–	–	–	–	643	–	643	–	643
Total comprehensive income (expense) for the year		–	–	270,299	–	–	–	91,107	8,169	369,575	(268,378)	101,197
Disposal of subsidiaries		–	–	–	(6,111)	–	–	(53)	6,164	–	–	–
Ordinary shares issued	29	26,900	23,134	–	–	–	–	–	–	50,034	–	50,034
Transaction costs attributable to issue of new shares		–	(1,351)	–	–	–	–	–	–	(1,351)	–	(1,351)
Capital injection from non-controlling shareholders of a subsidiary		–	–	–	–	–	–	–	–	–	196,113	196,113
Deemed distribution to non-controlling shareholders of a subsidiary	21(b)	–	–	–	–	–	–	–	–	–	(25,247)	(25,247)
Transactions with non-controlling shareholders of a subsidiary		–	–	–	–	–	(34,007)	(5,722)	–	(39,729)	(17,707)	(57,436)
Dividend paid to non-controlling shareholders of a subsidiary		–	–	–	–	–	–	–	–	–	(172)	(172)
Redemption of perpetual securities	30	–	–	(12,000)	–	–	2,000	–	–	(10,000)	–	(10,000)
Lapse of share options	31	–	–	–	–	(7,998)	–	–	11,681	3,683	(3,683)	–

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

		Attributable to equity holders of the Company										
	Notes	Share capital HK$'000	Share premium HK$'000	Perpetual securities HK$'000	Statutory reserve HK$'000	Share option reserve HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 31 December 2023 and 1 January 2024		**693,697**	**2,126,155**	**6,294,962**	**-**	**18,858**	**265,125**	**241,378**	**(6,238,590)**	**3,401,585**	**1,161,786**	**4,563,371**
Profit (loss) for the year		-	-	269,800	-	-	-	-	(215,064)	54,736	(57,862)	(3,126)
Exchange differences on translating foreign operations		-	-	-	-	-	-	(133,401)	-	(133,401)	(8,584)	(141,985)
Share of other comprehensive income of a joint venture, net of related income tax		-	-	-	-	-	-	10,448	-	10,448	-	10,448
Reclassification of exchange reserve upon deregistration of a joint venture		-	-	-	-	-	-	77,645	-	77,645	-	77,645
Total comprehensive income (expense) for the year		-	-	269,800	-	-	-	(45,308)	(215,064)	9,428	(66,446)	(57,018)
Deemed distribution to non-controlling shareholders of a subsidiary	21(b)	-	-	-	-	-	-	-	-	-	(3,034)	(3,034)
Dividend paid to non-controlling shareholders of a subsidiary		-	-	-	-	-	-	-	-	-	(165)	(165)
Lapse of share options	31	-	-	-	-	(247)	-	-	490	243	(243)	-
At 31 December 2024		**693,697**	**2,126,155**	**6,564,762**	**-**	**18,611**	**265,125**	**196,070**	**(6,453,164)**	**3,411,256**	**1,091,898**	**4,503,154**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
OPERATING ACTIVITIES			
Profit before taxation – Continuing operations		**37,827**	52,459
Loss before taxation – Discontinued operation		**–**	(2,149)
Profit before taxation		**37,827**	50,310
Adjustments for:			
Bank interest income		**(35,743)**	(19,308)
Interest income on loans to a joint venture	7	**–**	(19,116)
Imputed interest income on loans to a joint venture	7	**–**	(7,996)
Gain on early repayment of loans to a joint venture	7	**–**	(98,439)
Unrealised exchange loss, net		**136,418**	88,707
Loss on disposal of property, operating right and equipment		**426**	757
Loss on disposal of intangible assets		**3**	–
Gain on forfeiture of deposits from the sale of properties	7	**–**	(37,828)
Finance costs		**14,423**	35,766
Depreciation of property, operating right and equipment	14	**54,696**	73,369
Depreciation of right-of-use assets		**7,111**	9,756
Amortisation of intangible assets	16	**–**	9
Written-off of other payables		**–**	(9,307)
Gain on modification of leases		**(49)**	(56)
Change in fair value of derivative financial instruments	26	**(197)**	541
(Reversal of) impairment loss recognised in respect of other receivables, prepayments and deposits		**(55)**	2,013
Impairment loss on property, operating right and equipment	14(d)	**–**	483,107
Reversal of impairment loss on equity loans to a joint venture		**–**	(137,842)
Reversal of impairment loss on loans to a joint venture		**–**	(207,153)
Reversal of impairment loss on amounts due from a joint venture		**–**	(67,526)
Loss on disposal of subsidiaries, net	32	**–**	1,010
Reversal of share of loss of a joint venture		**(232,899)**	(112,327)
Net loss on deregistration of a joint venture		**8,947**	–

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Operating cash flows before movements in working capital		**(9,092)**	28,447
Increase in inventories		**(31)**	(915)
Increase in trade and other receivables and prepayments		**(101,570)**	(40,970)
Decrease in pledged bank deposits		**–**	485
Increase (decrease) in trade and other payables		**35,148**	(2,409)
Increase (decrease) in contract liabilities		**66**	(109)
Decrease in rental and other deposits		**–**	(452)
Cash used in operations		**(75,479)**	(15,923)
Income tax paid		**(34,192)**	(938)
NET CASH USED IN OPERATING ACTIVITIES		**(109,671)**	(16,861)
INVESTING ACTIVITIES			
Purchase of property, operating right and equipment		**(618,035)**	(574,136)
Purchase of intangible assets		**(3)**	–
Placement of deposits and prepayments for non-current assets		**(210,825)**	(220,903)
Proceeds from disposal of property, operating right and equipment		**437**	876
Net cash inflow from disposal of subsidiaries	32	**–**	7,375
Repayment of equity loans to a joint venture		**243,347**	264,370
Repayment of loans to a joint venture		**–**	501,460
Repayment of amounts due from a joint venture		**–**	133,062
Return of VAT refunded under VAT arrangements		**(7,417)**	(8,623)
VAT refunded under VAT arrangements		**–**	378
Interest received		**68,973**	25,135
NET CASH (USED IN) FROM INVESTING ACTIVITIES		**(523,523)**	128,994

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
FINANCING ACTIVITIES			
Loan from immediate holding company	21(a)	**–**	47,051
Loan from a joint venture	21(c)	**68,861**	–
Capital injection from non-controlling shareholders of a subsidiary		**–**	196,113
Repayment of loans from non-controlling shareholders of a subsidiary	21(b)	**–**	(83,831)
New bank borrowing raised	25	**300,444**	1,213,536
New other borrowings raised	25	**137,500**	150,000
Repayment of other borrowings		**–**	(550,000)
Proceeds from issue of new shares	29	**–**	50,034
Transaction costs attributable to issue of new shares		**–**	(1,351)
Transaction costs attributable to new bank borrowing raised		**–**	(27,931)
Acquisition of addition interest of a subsidiary from a non-controlling shareholder of a subsidiary		**–**	(139,260)
Dividend paid to non-controlling shareholder of a subsidiary		**(165)**	(172)
Redemption of perpetual securities	30	**–**	(10,000)
Redemption of bond payables		**–**	(628,442)
Interest paid		**(107,675)**	(106,760)
Repayment of lease liabilities		**(7,951)**	(8,957)
NET CASH FROM FINANCING ACTIVITIES		**391,014**	100,030
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(242,180)**	212,163
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**1,210,861**	1,036,314
Effect of foreign exchange rate changes		**(63,634)**	(37,616)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER			
Represented by bank balances and cash		**905,047**	1,210,861

The accompanying notes form an integral part of these consolidated financial statements.

1. GENERAL

LET Group Holdings Limited is a public company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As at the date of this report, the registered office of the Company is at Citrus Grove, Ground Floor, 106 Goring Avenue, George Town, Grand Cayman, Cayman Islands . The principal place of business of the Company is at Unit 1705, 17/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. Its immediate holding company is Major Success Group Limited ("**Major Success**"), a company incorporated in the British Virgin Islands (the "**BVI**") and Mr. Lo Kai Bong ("**Mr. Lo**") is the ultimate controlling party of the Company.

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

The principal activity of the Company is investment holding. The Group is principally engaged in (i) through Suntrust Resort Holdings, Inc. ("**Suntrust**") and its subsidiaries (collectively referred to as the "**Suntrust Group**"), the development and operation of a 5-star hotel and casino complex (the "**Main Hotel Casino**") in the Philippines; (ii) through Summit Ascent Holdings Limited ("**Summit Ascent**") and its subsidiaries (collectively referred to as the "**Summit Ascent Group**"), the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region ("**IEZ Primorye**") in the Russian Federation; and (iii) property development in Japan.

Significant events in the current reporting period

On 15 January 2024, Oriental Regent Limited ("**ORL**"), an indirect non-wholly owned subsidiary of the Company, as seller, entered into a binding agreement with to an independent third party buyer (the "**Buyer**") incorporated in the Russian Federation for the sale and purchase of the entire equity interest G1 Entertainment Limited Liability Company ("**G1 Entertainment**") at a consideration of US$116 million (subject to adjustment). This sale and purchase agreement was terminated on 19 February 2024. Details of which are set out in the announcements of the Company dated 17 January 2024 and 22 February 2024.

On 14 February 2024, the Securities and Futures Commission has directed the Stock Exchange to suspend all dealings in the shares of the Company under Section 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) with effect from 9:00 a.m. on 14 February 2024.

2. BASIS OF PREPARATION

The Group incurred a net operating cash outflow of approximately HK$109,671,000 for the year ended 31 December 2024. During the year ended 31 December 2024, the Company defaulted the repayment of other borrowing with principal amount of HK$137,500,000. Subsequent to the end of the reporting period, the abovementioned other borrowing has not yet been settled.

In addition, as at 31 December 2024, the Group had entered into agreements which will involve capital commitments of approximately HK$1,892,203,000 mainly in relation to the construction of the Main Hotel Casino. Pursuant to the agreement of bank borrowing, the Group is required to complete the construction of the Main Hotel Casino by 31 December 2025 or such later date as the bank and the Group may mutually agree upon writing, otherwise, it will constitute default of the bank borrowing. Based on the latest estimates, the completion and opening of the Main Hotel Casino are now targeted for Q3 of 2026. As at 31 December 2024, the remaining available facilities of the bank borrowing is approximately HK$1,870,083,000, which may not be sufficient to complete the construction of the Main Hotel Casino and further funds are required.

As at 31 December 2024, the Group reported net current assets and net assets, primarily attributable to Summit Ascent and Suntrust Group. Excluding Summit Ascent and Suntrust Group, the Group would have net current liabilities. Since Summit Ascent and Suntrust Group are both publicly listed companies, the distribution of their assets to the Company is subject to relevant rules and regulations. As such, those assets may not be readily available for use by the Company to settle the abovementioned other borrowing in default or to support its operations in the foreseeable future.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors considered that the fair value of pledged assets can fully cover the other borrowing in default. In addition, the directors prepared the Group's cash flow projection which covers a period of at least 12 months from 31 December 2024.

2. BASIS OF PREPARATION (Cont'd)

The following plans and measures have been taken by the Group during the year and subsequent to the end of the reporting period to mitigate the liquidity risk and to improve the financial position of the Group which include, but not limited to the following:

(i) negotiate with the lenders so that they would not demand immediate repayment of the other borrowing or take further actions against the Group even though there was an event of default;

(ii) plan and negotiate for the disposal of certain of the Group's non-core assets;

(iii) continue to perform value-added procedures on the non-current assets to enhance their salable value for disposal;

(iv) continue to negotiate with the bank in relation to the release of the covenants and continue to fulfil the conditions of the bank loan agreement and draw down the bank loan by installments to fund in part of the capital commitments of Suntrust in the construction of the Main Hotel Casino;

(v) continue to take active measures to control operating expenses of the Group; and

(vi) continue to explore other debt and/or equity financing of the Company and/or subsidiaries of the Group.

Taking into account of the plans and measures as described above, the directors of the Company are of the opinion that the Group will have sufficient working capital to maintain its operations and to meet its financial obligations and to raise adequate funds to finance the development of the Main Hotel Casino project in the next twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's financial annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs 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.

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Annual Improvements to HKFRS Accounting Standards 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFFRS 10 and HKAS 7[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

1 Effective as annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ("HKFRSs") (Cont'd)

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRSs

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements* ("**HKAS 1**"). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the statements of profit or loss and notes to the financial statements as follows:

(a) HKFRS 18 requires an entity:

(i) to classify income and expenses into operating, investing and financing categories in the statement of profit or loss, plus income taxes and discontinued operations; and

(ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.

(b) It requires an entity to disclose management-defined performance measures ("**MPM**") and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRSs.

(c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

HKFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 *Basis of Preparation of Financial Statements* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18 and consequential amendments to other HKFRSs are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss and derivative 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**") (since 1 January 2020) or HKAS 17 *Leases* (before application of 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**").

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 Group 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.

The principal accounting policies are set out below.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(c) 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.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(d) Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* ("**HKFRS 9**") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("**CGU(s)**") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(e) Goodwill (Cont'd)

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of associates and a joint venture is described below.

(f) Interests in associates and a joint venture

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.

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 associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and 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, investments in associates or 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 associates or joint venture. Changes in net assets of the associates/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. When the Group's share of losses of the associates or joint venture exceeds the Group's interests in those associates or joint venture (which includes any other long-term interests that, in substance, form part of the Group's net investment in the associates or joint venture), 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 the associates or joint venture.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(f) Interests in associates and a joint venture (Cont'd)

Interests in associates or a joint venture are accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investments in associates or 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 interests in associates or a joint venture may be impaired. When any 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 assets, including goodwill, 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.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(g) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/a joint venture.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e., HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(g) Foreign currencies (Cont'd)

Exchange differences relating to the retranslation of the Group's net assets in United States dollars ("**US$**"), Japanese Yen ("**JPY**"), Renminbi ("**RMB**"), Philippines Peso ("**PHP**") and Russian Ruble ("**RUB**") to the Group's presentation currency in HK$ are recognised directly in other comprehensive income and accumulated in exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss subsequently.

(h) Property, operating right and equipment

Property, operating right and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Buildings and improvements in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. 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 these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. 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, operating right 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 the disposal or retirement of an item of property, operating right and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(i) Impairment on property, operating right and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, operating right and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these 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, operating right and equipment, right-of-use assets and tangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(i) Impairment on property, operating right and equipment, right-of-use assets and intangible assets other than goodwill (Cont'd)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a 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 first to reduce the carrying amount of any goodwill (if applicable) and then to the other 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 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.

(j) 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 and 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(j) Revenue from contracts with customers (Cont'd)

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

The Group recognises revenue from the following major sources:

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (typically include settling a customer's wager, providing rooms and food and beverage services to the customers on a discounted or complimentary basis and points earned under the Group's customer loyalty program), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Revenue from gaming operations represents the aggregate net difference between gaming wins and losses and is recognised at a point in time. The commissions rebated to customers related to their play are recorded as a reduction to revenue from gaming operations.

For revenue contracts that include discounted or complimentary products and services provided by the Group to customers, the Group allocates the relative stand-alone selling price of each product and service to the respective revenue type. Cost of the respective products or services provided by the Group are recorded as an expense.

For revenue transactions that entitles a customer to earn points under the Group's customer loyalty programs, the Group allocates the estimated stand-alone selling price of the points earned to the loyalty program liability. Such amount is deferred as loyalty program liability in other payables until redemption occurs. Upon redemption of the loyalty program points for products and services provided by the Group, the amount deferred of each product or service provided by the Group is allocated to the respective revenue type.

For the rooms and food and beverage services provided for which the control of services is transferred over time and at a point in time, respectively, revenue is recognised when the customer obtains the control of the completed services and the Group has present right to payment and the collection of the consideration is probable.

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.

The contract liabilities represent deposits received from buyers of the properties held for sale and advance payments from the customers in relation to provision of hotel and integrated resort general consultancy services prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(j) Revenue from contracts with customers (Cont'd)

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 another party (i.e. the Group is an agent).

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

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good 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.

Gaming tax

The Group is required to make certain variable and fixed payments to the tax authority in the Russian Federation based on the number of tables and slot machines in its possession. These expenses are reported as "gaming tax" in the consolidated statement of profit or loss and other comprehensive income and are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(k) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. 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

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies the 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 and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(k) Leases (Cont'd)

The Group as a lessee (Cont'd)

Right-of-use assets (Cont'd)

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

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. Right-of-use assets that meet the definition of investment property are presented within "Investment Properties".

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and are initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognised 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 lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;

- variable lease payments that depend on an index or a rate; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(k) Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease liabilities (Cont'd)

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:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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 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 asset. When the modified contract contains a lease component and one or more additional lease or non-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 and the aggregate stand-alone price of the non-lease components.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(k) Leases (Cont'd)

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating 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 except for investment properties measured under fair value model.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* ("**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.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(l) Inventories

Inventories includes food and beverages which are stated at the lower of cost and net realisable value.

Costs of food and beverages are determined on a weighted average method. Net realisable value represents the estimated selling price for food and beverages less all estimated costs necessary to make the sale.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 by regulation or convention in the market place.

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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial instruments 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets

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.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/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.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost of Financial instruments at fair value through other comprehensive income ("**FVTOCI**") if doing so eliminates or significantly reduces an accounting mismatch.

(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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is presented as the "change in fair value of financial assets at fair value through profit or loss" in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, pledged bank deposits, bank balances, other receivables, other deposits, equity loans to a joint venture, loans to a joint venture and amounts due from a joint venture) 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. Assessments 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 both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

Financial assets at amortised cost is subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(i) 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;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

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 more than 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.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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.

(iv) 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, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. 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.

(v) 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 adjusted by 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

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.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- 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.

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 receivable is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

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 an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial liabilities and equity (Cont'd)

Financial liabilities at FVTPL (Cont'd)

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as derivative financial instruments, the changes in fair value of derivative financial instruments are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, amounts due to related companies, a director and non-controlling shareholders, loans from a related company and non-controlling shareholders, rent and other deposits, bank and other borrowings, debt component of convertible bonds and interest payables) are subsequently measured at amortised cost, using the effective interest method.

Convertible bond

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

An early redemption option provides the Group the right to redeem its convertible bond before the maturity date at principal amount is an early redemption option derivative.

At the date of issue, both the debt component and derivative component are recognised at fair value. In subsequent periods, the debt component of the convertible bond is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(n) Financial instruments (Cont'd)

Financial liabilities and equity (Cont'd)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Derecognition 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.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

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. Accordingly, such exchange of debt instruments or 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(o) Retirement benefit costs and termination benefits

The Group operates defined contribution benefits schemes in Hong Kong, Macau, the PRC, the Russian Federation and other jurisdictions. Payments to defined contribution benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

(p) Share-based payment

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the 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 option reserve). At the end of each reporting period, the Group revises its estimate 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, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expenses immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. 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 option reserve will be transferred to accumulated losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(p) Share-based payment (Cont'd)

Equity-settled share-based payment transactions (Cont'd)

Share options granted to employees (Cont'd)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value 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 entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

(q) 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(r) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint venture, 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 period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(r) Taxation (Cont'd)

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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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 *Income Taxes requirements* to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

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 they relate 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(s) Discontinued operation

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. The component comprises operations and cash flows that can be clearly distinguished from the rest of the Group and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount in the consolidated statement of profit or loss and other comprehensive income comprising the total of: (i) the post-tax profit or loss of discontinued operation and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group constituting the discontinued operation.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors 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 associated 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.

(a) Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the Directors 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.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(a) Critical judgements in applying accounting policies (Cont'd)

(i) Determination on lease term of contracts with renewal options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The factors that are normally the most relevant are (a) if there are significant penalties should the Group per-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(ii) Going concern

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the financial statements. The assessment of the going concern assumption involves making a judgement by the Directors about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the uncertainties that may cast significant doubt on the going concern assumption are set out in Note 2.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) 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.

(i) Fair values of derivative financial instruments

The Directors use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, the estimation of fair value of derivatives includes some assumptions not supported by observable market prices or rates. The carrying amounts of the derivative financial instruments in relation to convertible bonds and put option as at 31 December 2024 were approximately HK$1,392,000 and HK$3,873,000, respectively (31 December 2023: HK$2,227,000 and HK$4,787,000, respectively). Details of the assumptions used are disclosed in Note 26. Directors believe that the chosen valuation techniques and assumptions are appropriate in determining the fair values of derivative financial instruments.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(ii) Useful lives and depreciation and impairment of property, operating right and equipment and right-of-use assets

The Group determines the estimated useful lives and related depreciation charges for its property, operating right and equipment. This estimate is based on the historical experience of the actual useful lives of property, operating right and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are expected to be shorter than previously estimated, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold. The property of the Group mainly comprises a hotel and entertainment complex, which is situated on land plots in the Russian Federation with a lease term of 14 years. Taking into account the Russian legislation and legal advice, the management expected that the lease terms could be renewed upon expiry of the relevant lease or the land plots could be acquired by the Group at a minimal consideration if the land lease is not extended, to match with the estimated useful lives of the buildings of 30 years.

Property, operating right and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 December 2024, the carrying amounts of property, operating right and equipment and right-of-use assets were approximately HK$4,626,395,000 and HK$1,402,285,000 respectively, Impairment loss on property, operating right and equipment for the operation of integrated resort in the Russian Federation of Nil has been recognised for the year ended 31 December 2024 (2023: HK$483,107,000). No impairment loss on right-of use assets has been recognised for the year ended 31 December 2024 (2023: Nil).

6. REVENUE AND SEGMENT INFORMATION

Segment Information

Information reported to the executive Director(s), being the chief operating decision maker ("**CODM**") for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's operating and reportable segments are as follows:

(a) Continuing operations

(1) Operation of integrated resort in the Philippines – Development and operation of an integrated resort at the Entertainment City, Manila, the Philippines through a non-wholly owned subsidiary, Suntrust;

(2) Operation of integrated resort in the Russian Federation – Operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation through a non-wholly owned subsidiary, Summit Ascent; and

(3) Property development – Development and sales of properties and hotel premises in Japan.

(b) Discontinued operation

(1) Management and operation of malls – Management and operation of malls in the PRC through a wholly-owned subsidiary, Dongyang Xinguang.

Pursuant to the Dongyang Disposal as mentioned in Note 32, the entire management and operation of malls segment was reported as discontinued operation for the year ended 31 December 2023.

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue

	Continuing operations								Discontinued operation			
Segment	Operation of integrated resort in the Philippines		Operation of integrated resort in the Russian Federation		Property development		Sub-total		Management and operation of malls		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Types of goods and services												
Revenue from management and operation of malls	**-**	–	**-**	–	**-**	–	**-**	–	**-**	13,783	**-**	13,783
Revenue from gaming and hotel operations												
– Gaming operations	**-**	–	**377,069**	335,688	**-**	–	**377,069**	335,688	**-**	–	**377,069**	335,688
– Hotel operations	**-**	–	**37,436**	33,439	**-**	–	**37,436**	33,439	**-**	–	**37,436**	33,439
Revenue from contracts with customers	**-**	–	**414,505**	369,127	**-**	–	**414,505**	369,127	**-**	13,783	**414,505**	382,910
Leases	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–
Total revenue	**-**	–	**414,505**	369,127	**-**	–	**414,505**	369,127	**-**	13,783	**414,505**	382,910

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue (Cont'd)

Segment	Continuing operations								Discontinued operation			
	Operation of integrated resort in the Philippines		Operation of integrated resort in the Russian Federation		Property development		Sub-total		Management and operation of malls		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Geographical markets												
The PRC	**–**	–	**–**	–	**–**	–	**–**	–	**–**	13,783	**–**	13,783
The Russian Federation	**–**	–	**414,505**	369,127	**–**	–	**414,505**	369,127	**–**	–	**414,505**	369,127
Revenue from contracts with customers	**–**	–	**414,505**	369,127	**–**	–	**414,505**	369,127	**–**	13,783	**414,505**	382,910
Leases	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Total revenue	**–**	–	**414,505**	369,127	**–**	–	**414,505**	369,127	**–**	13,783	**414,505**	382,910
Timing of revenue recognition												
At a point in time	**–**	–	**397,496**	354,169	**–**	–	**397,496**	354,169	**–**	–	**397,496**	354,169
Over time	**–**	–	**17,009**	14,958	**–**	–	**17,009**	14,958	**–**	13,783	**17,009**	28,741
	–	–	**414,505**	369,127	**–**	–	**414,505**	369,127	**–**	13,783	**414,505**	382,910
Leases	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Total revenue	**–**	–	**414,505**	369,127	**–**	–	**414,505**	369,127	**–**	13,783	**414,505**	382,910

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue (Cont'd)

The duration of contracts in relation to revenue from management and operation of malls usually varies from 3 months to 15 years.

Performance obligations for contracts with customers

Revenue from gaming and hotel operations

Revenue from gaming operations represents the aggregate net difference between gaming wins and losses and is recognised at a point in time. The commissions rebated to customers related to their play are recorded as a reduction to revenue from gaming operations.

For the rooms and food and beverage, revenue is recognised when the Group's performance obligations are satisfied, either over time or a point in time, as appropriate.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 and the expected timing of recognising revenue are as follows:

	Revenue from gaming and hotel operations HK$'000	**Total** HK$'000
As at 31 December 2024		
Within one year	**4,802**	**4,802**
As at 31 December 2023		
Within one year	4,735	4,735

For revenue from gaming and hotel operations, outstanding gaming chip liabilities are expected to be recognised as revenue or redeemed within one year of being purchased. Loyalty program liabilities are generally expected to be recognised as revenue within one year of being earned.

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenue and results

Segment	Continuing operations								Discontinued operation					
	Operation of integrated resort in the Philippines		Operation of integrated resort in the Russian Federation		Property development		Sub-total		Management and operation of malls		Sub-total		Total	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
Segment revenue from external customers	-	–	414,505	369,127	-	–	414,505	369,127	-	13,783	-	13,783	414,505	382,910
Segment (loss) profit	(96,249)	(57,307)	126,018	(435,648)	(625)	36,622	29,144	(456,333)	-	(3,535)	-	(3,535)	29,144	(459,868)
Change in fair value of derivative financial instruments							197	(541)			-	–	197	(541)
(Loss) gain on disposal of subsidiaries							-	(2,396)			-	1,386	-	(1,010)
Reversal of Impairment loss on equity loans to a joint venture							-	137,842			-	–	-	137,842
Reversal of Impairment loss on loans to a joint venture							-	207,153			-	–	-	207,153
Reversal of Impairment loss on amounts due from a joint venture							-	67,526			-	–	-	67,526
Reversal of share of loss of a joint venture							232,899	112,327			-	–	232,899	112,327
Net loss on deregistration of a joint venture							(8,947)	–			-	–	(8,947)	–
Unallocated other income, gains and losses							(168,900)	48,552			-	–	(168,900)	48,552
Unallocated finance costs							(9,519)	(25,206)			-	–	(9,519)	(25,206)
Unallocated expenses							(37,047)	(36,465)			-	–	(37,047)	(36,465)
Profit (loss) before taxation							37,827	52,459			-	(2,149)	37,827	50,310
Income tax (expense) credit							(40,953)	(26,319)			-	104	(40,953)	(26,215)
(Loss) profit for the year							(3,126)	26,140			-	(2,045)	(3,126)	24,095

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenue and results (Cont'd)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies set out in Note 4. Segment results represent the profit earned by/loss from each segment without allocation of certain other income, gains and losses, certain finance costs, change in fair value of derivative financial instruments, (loss) gain on disposal of subsidiaries, reversal of impairment losses on equity loans to, loans to and amounts due from a joint venture, reversal of share of loss of a joint venture, net loss on deregistration of a joint venture, and corporate expenses. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Segment assets		
Operation of integrated resort in the Philippines	**6,162,413**	5,622,799
Operation of integrated resort in the Russian Federation	**1,098,352**	1,018,132
Property development	**372,327**	418,344
Total segment assets	**7,633,092**	7,059,275
Unallocated assets:		
Interest in a joint venture	**–**	–
Property, operating right and equipment	**–**	126
Right-of-use assets	**813**	886
Derivative financial instrument	**3,873**	4,787
Bank balances and cash	**3,125**	17,414
Others	**1,429**	1,850
Consolidated total assets	**7,642,332**	7,084,338

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities (Cont'd)

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Segment liabilities		
Operation of integrated resort in the Philippines	**2,757,038**	2,294,617
Operation of integrated resort in the Russian Federation	**136,723**	137,080
Property development	**80**	53
Total segment liabilities	**2,893,841**	2,431,750
Unallocated liabilities:		
Current tax liabilities	**35,908**	30,782
Convertible bonds	**21,893**	20,510
Derivative financial instrument	**1,392**	2,227
Lease liabilities	**774**	841
Other borrowing	**137,500**	–
Others	**47,870**	34,857
Consolidated total liabilities	**3,139,178**	2,520,967

For the purposes of monitoring segment performance and allocating resources among segments:

- all assets are allocated to operating segments other than interest in a joint venture, certain right-of-use assets, derivative financial instrument, certain property, operating right and equipment, certain bank balances and cash, and corporate assets of investment holding companies; and

- all liabilities are allocated to operating segments other than certain lease liabilities, convertible bonds, derivative financial instrument, current tax liabilities, other borrowing, and corporate liabilities of investment holding companies.

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Other segment information

For the year ended 31 December 2024

	Continuing operations					Discontinued operation	
	Operation of integrated resort in the Philippines	Operation of integrated resort in the Russian Federation	Property development	Unallocated	Sub-total	Management and operation of malls	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets (Note)	1,282,754	15,084	113	-	1,297,951	-	1,297,951
Depreciation of property, operating right and equipment	(1,932)	(52,639)	-	(125)	(54,696)	-	(54,696)
Depreciation of right-of-use assets	(2,341)	(3,771)	-	(999)	(7,111)	-	(7,111)
Loss on disposal of property, operating right and equipment	(348)	(78)	-	-	(426)	-	(426)
Gain on modification of lease	49	-	-	-	49	-	49
Loss on disposal of intangible assets	-	(3)	-	-	(3)	-	(3)
Impairment loss of other receivables	-	(55)	-	-	(55)	-	(55)
Bank interest income	-	35,560	-	183	35,743	-	35,743
Finance costs	(431)	(4,474)	-	(9,518)	(14,423)	-	(14,423)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:							
Change in fair value of derivative financial instruments	-	-	-	197	197	-	197
Reversal of share of loss of a joint venture	-	-	-	232,899	232,899	-	232,899
Income tax expense	-	-	-	(40,953)	(40,953)	-	(40,953)
Net loss on deregistration of a joint venture	-	-	-	(8,947)	(8,947)	-	(8,947)

Note: Non-current assets excluded certain deposits for non-current assets and derivative financial instrument.

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

For the year ended 31 December 2023

	Continuing operations					Discontinued operation	
	Operation of integrated resort in the Philippines	Operation of integrated resort in the Russian Federation	Property development	Unallocated	Sub-total	Management and operation of malls	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets (Note)	876,287	51,644	2,828	1,029	931,788	93	931,881
Depreciation of property, operating right and equipment	(682)	(72,359)	–	(202)	(73,243)	(126)	(73,369)
Depreciation of right-of-use assets	(330)	(5,465)	–	(145)	(5,940)	(3,816)	(9,756)
Amortisation of intangible assets	–	(9)	–	–	(9)	–	(9)
Loss on disposal of property, operating right and equipment	–	(683)	–	–	(683)	(74)	(757)
Gain on lease modification	–	56	–	–	56	–	56
Reversal of (impairment loss) of other receivables	–	12	–	(2,025)	(2,013)	–	(2,013)
Written off of other payables	–	9,167	–	140	9,307	–	9,307
Gain on forfeiture of deposits from the sale of properties	–	–	37,828	–	37,828	–	37,828
Gain on early repayment of loans to a joint venture	–	–	–	98,439	98,439	–	98,439
Bank interest income	56	18,232	35	961	19,284	24	19,308
Finance costs	(53)	(7,822)	(972)	(25,207)	(34,054)	(1,712)	(35,766)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:							
Interest income on loans to a joint venture	–	–	–	19,116	19,116	–	19,116
Imputed interest income on loans to a joint venture	–	–	–	7,996	7,996	–	7,996
Change in fair value of derivative financial instruments	–	–	–	(541)	(541)	–	(541)
Reversal of impairment loss on equity loans to a joint venture	–	–	–	137,842	137,842	–	137,842
Reversal of impairment loss on loans to a joint venture	–	–	–	207,153	207,153	–	207,153
Reversal of impairment loss on amounts due from a joint venture	–	–	–	67,526	67,526	–	67,526
Reversal of share of loss of a joint venture	–	–	–	112,327	112,327	–	112,327
Income tax expense	–	–	–	(26,319)	(26,319)	–	(26,319)

Note: Non-current assets excluded certain deposits for non-current assets and derivative financial instrument.

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about major customers

No customer represented over 10% of total revenue of the Group for both years ended 31 December 2024 and 2023.

Geographical information

Below the information about non-current assets (Note) by location of assets and interests in a joint venture by location of its business operations are detailed below:

	Non-current assets as at 31 December	
	2024	2023
	HK$'000	HK$'000
The Russian Federation	**574,517**	617,107
Hong Kong	**7,539**	2,713
Japan	**371,689**	417,114
The Philippines	**5,379,918**	4,540,740
	6,333,663	5,577,674

Note: Non-current assets exclude derivative financial instrument.

7. OTHER INCOME, GAINS AND LOSSES

	2024 HK$'000	2023 HK$'000
Bank interest income	**35,743**	19,284
Interest income on loans to a joint venture	**–**	19,116
Imputed interest income on loans to a joint venture	**–**	7,996
Total interest income	**35,743**	46,396
Gain on early repayment of loans to a joint venture (Note 18(c))	**–**	98,439
Loss on disposal of property, operating right and equipment	**(426)**	(683)
Written-off of other payables	**–**	9,307
Gain on forfeiture of deposits from the sale of properties	**–**	37,828
Exchange losses, net	**(169,075)**	(76,082)
Others	**2,058**	1,261
	(131,700)	116,466

8. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Imputed interest expense on convertible bonds (Note 26(a))	**1,510**	1,411
Imputed interest expense on loans from non-controlling shareholders of a subsidiary	**1,213**	5,570
Imputed interest expense on VAT arrangements	**1,326**	207
Interest on loan from immediate holding company	**3,285**	1,635
Interest on loans from non-controlling shareholders of a subsidiary	**–**	972
Interest on bank borrowing	**116,773**	27,479
Interest on other borrowings	**9,494**	25,199
Interest on lease liabilities	**36,342**	35,861
Total finance costs	**169,943**	98,334
Less: capitalised in construction in progress included in property, operating right and equipment	**(155,520)**	(64,280)
Finance costs expensed	**14,423**	34,054

9. (LOSS) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

(Loss) profit for the year from continuing operations has been arrived at after charging (crediting) the following:

	2024	2023
	HK$'000	HK$'000
Depreciation of property, operating right and equipment	**54,696**	73,243
Depreciation of right-of-use assets	**104,161**	108,351
Amortisation of intangible assets	**–**	9
Total depreciation and amortisation	**158,857**	181,603
Less: capitalised in construction in progress included in property, operating right and equipment	**(97,050)**	(102,411)
Total depreciation and amortisation expensed	**61,807**	79,192
Total depreciation and amortisation expensed is presented in the consolidated statement of profit or loss as:		
– Cost of sales	**39,981**	57,279
– Administrative expenses	**21,826**	21,913
	61,807	79,192
Auditor's remuneration	**3,150**	3,150

9. (LOSS) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (Cont'd)

	2024 HK$'000	2023 HK$'000
Directors' remuneration	**13,049**	13,634
Staff costs, excluding Directors		
– salaries and wages	**182,951**	148,048
– retirements benefits scheme contributions*	**22,948**	23,260
Staff costs, excluding Directors	**205,899**	171,308
Total staff costs	**218,948**	184,942
Less: capitalised in construction in progress included in property, operating right and equipment	**(13,064)**	(7,699)
Total staff costs expensed	**205,884**	177,243
(Reversal of) impairment loss recognised in respect of other receivables, prepayments and deposits	**(55)**	2,013
Short-term and variable lease payments	**7,599**	1,747
Cost of sales		
– operating expenses of gaming and hotel operations	**173,213**	193,024

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

	Fees HK$'000	Salaries and allowances HK$'000	Retirement benefit scheme contributions HK$'000	Benefit in kind HK$'000	Share-based compensation benefits HK$'000	Total HK$'000
Year ended 31 December 2024						
Executive directors						
Lo Kai Bong * (Chairman)	**6,000**	**2,985**	**18**	**3,906**	**–**	**12,909**
Independent non-executive directors						
Tou Kin Chuen +	**36**	**–**	**–**	**–**	**–**	**36**
Wu Kam Fun Roderick@	**5**	**–**	**–**	**–**	**–**	**5**
Lo Wai Tung John +	**36**	**–**	**–**	**–**	**–**	**36**
Kwok Kai Bun Bennie ^	**31**	**–**	**–**	**–**	**–**	**31**
Fu Chi King Johnson ~	**32**	**–**	**–**	**–**	**–**	**32**
Total	**6,140**	**2,985**	**18**	**3,906**	**–**	**13,049**

	Fees HK$'000	Salaries and allowances HK$'000	Retirement benefit scheme contributions HK$'000	Benefit in kind HK$'000	Share-based compensation benefits HK$'000	Total HK$'000
Year ended 31 December 2023						
Executive directors						
Lo Kai Bong * (Chairman)	5,305	3,233	18	4,718	–	13,274
Independent non-executive directors						
Tou Kin Chuen	120	–	–	–	–	120
Wu Kam Fun Roderick	120	–	–	–	–	120
Lo Wai Tung John	120	–	–	–	–	120
Total	5,665	3,233	18	4,718	–	13,634

* The amounts included fees, salaries and benefit in kind paid by Suntrust and/or Summit Ascent.
+ resigned on 15 January 2024, appointed on 2 May 2024 and resigned on 5 November 2024.
^ appointed on 9 August 2024 and resigned on 11 November 2024.
~ appointed on 2 May 2024 and resigned on 9 August 2024.
@ resigned on 15 January 2024.

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

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 emoluments of the Independent Non-executive Directors shown above were for their services as Directors.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

Of the five individuals with the highest emoluments in the Group, 1 (2023: 1) were the Directors whose emoluments are included in the disclosure above. The emoluments of the remaining 4 (2023: 4) individuals were as follows:

	2024 **HK$'000**	2023 HK$'000
Fees, salaries and allowances	**14,997**	19,077
Share-based compensation benefits	**–**	–
Retirement benefit scheme contributions	**20**	36
	15,017	19,113

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

The emoluments of the remaining 4 (2023: 4) individuals with the highest emolument are within the following bands:

	Number of individuals 2024	Number of individuals 2023
HK$2,500,001 to HK$3,000,000	**1**	1
HK$3,500,001 to HK$4,000,000	**1**	1
HK$4,000,001 to HK$4,500,000	**2**	–
HK$4,500,001 to HK$5,000,000	**–**	1
HK$7,000,001 to HK$7,500,000	**–**	1

During both years, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

Apart from details of the balances with related parties disclosed in the consolidated statement of financial position and other details disclosed elsewhere in the consolidated financial statements, the Company has not entered into a transaction, arrangement or contract in which a director of the Company or a connected entity of a director of the Company has a material interest.

11. INCOME TAX EXPENSE

	2024 HK$'000	2023 HK$'000
Current		
– Philippines withholding tax	**36,887**	26,124
– Russian withholding tax	**3,908**	–
– Russian corporate tax	**158**	195
	40,953	26,319

11. INCOME TAX EXPENSE (Cont'd)

(a) Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

(b) Overseas income tax

The Company and a subsidiary were incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands and accordingly, are exempted from the Cayman Islands income tax. Pursuant to the rules and regulations of the BVI and Bermuda, the Company's subsidiaries are not subject to any income tax in the respective jurisdictions.

(c) Macau Complementary Income Tax ("CIT")

Macau CIT is calculated at the progressive rate on the estimated assessable profits. The maximum tax rate is 12% for both years.

11. INCOME TAX EXPENSE (Cont'd)

(d) Philippines Corporate Income Tax ("PCIT")

PCIT is calculated at 25% of the estimated profits for the years ended 31 December 2024 and 2023. No provision for PCIT has been made for both years as no assessable profits are earned by subsidiaries incorporated in the Philippines.

(e) Philippines withholding tax

Philippines withholding tax of 25% shall be levied on the dividend declared by the companies incorporated in the Philippines to non-resident foreign corporations in the Philippines.

Interests on bank savings and time deposits received by the companies incorporated in the Philippines and gross interest income from intergroup borrowings are subject to a final tax between 15% to 20%.

(f) Japan corporate income tax

Corporate tax in Japan is calculated on the estimated assessable profit for both years at the rates of taxation prevailing in Japan in which the Group operates. No provision for Japan corporate income tax has been made for both years as the Japan subsidiaries incurred losses for both years.

(g) Russian corporate tax

Russian corporate tax is calculated at a rate of 20% of the estimated assessable profit for both years. However, no Russian corporate tax is levied on the Group's gaming activities in the Russian Federation in accordance with Russian legislation.

(h) Russian withholding tax

Russian withholding tax of 5% shall be levied on the dividend declared by the company incorporated in the Russian Federation to non-resident foreign corporations in the Russian Federation.

11. INCOME TAX EXPENSE (Cont'd)

(i) The income tax expense for the year from continuing operations can be reconciled to the profit before taxation from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HK$'000	2023 HK$'000
Profit before taxation from continuing operations	**37,827**	52,459
Notional tax calculated at domestic income tax rate of 20% (2023: 20%) (Note)	**7,565**	10,492
Tax effect of reversal of share of loss of a joint venture	**(46,580)**	(22,465)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**5,707**	743
Tax effect of non-taxable income	**(39,246)**	(207,121)
Tax effect of non-deductible expenses	**62,758**	212,964
Tax effect of temporary difference not recognised	**35,043**	25,362
Tax effect of tax losses not recognised	**25,847**	15,892
Utilisation of tax losses previously not recognised	**(10,141)**	(9,548)
Income tax expense for the year from continuing operations	**40,953**	26,319

Note: The tax rate represents the statutory tax rate of the operations in the jurisdiction where the operations of the Group are substantially based. The Russian corporate tax rate is used as the domestic income tax rate for the years ended 31 December 2024 and 2023.

As at 31 December 2024, the Group had unused tax losses of approximately HK$241,807,000 (31 December 2023: approximately HK$162,495,000), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

Included in unrecognised tax losses of approximately HK$230,475,000 (31 December 2023: approximately HK$141,464,000) will be expired at various times within three to ten years from the year of origination. Other losses may be carried forward indefinitely.

12. DIVIDENDS

The Board does not recommend the payment of a final dividend for each of the years ended 31 December 2024 and 2023.

13. (LOSS) EARNINGS PER SHARE

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

(Loss) earnings figures are calculated as follows:

	2024 HK$'000	2023 HK$'000
(Loss) Earnings		
(Loss) profit for the year attributable to shareholders of the Company for the purpose for calculating basic (loss) earnings per share		
– Continuing operations	**(215,064)**	10,214
– Discontinued operation	**–**	(2,045)
	(215,064)	8,169
Effect of dilutive potential ordinary shares:		
– Adjustment to the share of loss of Suntrust based on dilution of its loss per share	**(19,719)**	–
(Loss) profit for the purpose of calculating diluted (loss) earnings per share	**(234,783)**	8,169
Attributable to:		
– Continuing operations	**(234,783)**	10,214
– Discontinued operation	**–**	(2,045)
	(234,783)	8,169

	Number of shares	
	2024	2023
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	**6,936,972,746**	6,894,227,541

For the years ended 31 December 2024 and 2023, the calculation of diluted (loss) earnings per share does not assume the exercise of the Company's outstanding share options because exercise price of those share options exceed the average market price of the Company's shares of the both reporting periods.

For the years ended 31 December 2024 and 2023, the calculation of diluted (loss) earnings per share does not assume the exercise of the outstanding share options issued by Summit Ascent and conversion of outstanding convertible bonds issued by Summit Ascent because the exercise price of the share options exceed the average market price of Summit Ascent's shares of the both reporting periods and the assumed conversion of those convertible bonds would have anti-dilutive effect on the basic (loss) earnings per share from continuing operations presented.

13. (LOSS) EARNINGS PER SHARE (Cont'd)

For the year ended 31 December 2023, the calculation of diluted earnings per share does not assume the conversion of outstanding convertible bonds issued by Suntrust to the Group because the assumed conversion of those convertible bonds would have anti-dilutive effect on the basic earnings per share from continuing operations presented.

14. PROPERTY, OPERATING RIGHT AND EQUIPMENT

	Freehold land HK$'000	Buildings, operating right and leasehold improvements HK$'000 Note (a)	Furniture and fixture HK$'000	Motor vehicles HK$'000	Gaming equipment HK$'000	Construction in-progress HK$'000	Total HK$'000
At cost							
As at 1 January 2023	427,051	1,462,331	46,825	12,897	37,312	1,705,726	3,692,142
Additions	–	1,313	28,936	3,629	887	895,019	929,784
Disposal of subsidiaries (Note 32)	–	(1,073)	(294)	–	–	–	(1,367)
Disposals	–	(1,149)	(15,404)	(5,792)	(1,055)	–	(23,400)
Transfers	–	62	–	–	–	(62)	–
Exchange difference	(24,008)	(43)	300	–	–	22,666	(1,085)
As at 31 December 2023 and 1 January 2024	403,043	1,461,441	60,363	10,734	37,144	2,623,349	4,596,074
Additions	–	1,194	47,784	782	5,629	1,227,491	1,282,880
Disposals	–	(1,163)	(3,658)	(1,403)	(9,509)	–	(15,733)
Exchange difference	(44,378)	(73)	(794)	(12)	–	(168,829)	(214,086)
As at 31 December 2024	**358,665**	**1,461,399**	**103,695**	**10,101**	**33,264**	**3,682,011**	**5,649,135**
Accumulated depreciation and impairment							
As at 1 January 2023	–	407,391	30,109	3,050	8,728	–	449,278
Charge for the year	–	49,844	9,682	3,298	10,545	–	73,369
Disposal of subsidiaries (Note 32)	–	(1,073)	(168)	–	–	–	(1,241)
Eliminated on disposals	–	(355)	(15,013)	(5,474)	(925)	–	(21,767)
Impairment	–	458,000	–	–	–	25,107	483,107
Exchange difference	–	(47)	297	–	–	–	250
As at 31 December 2023 and 1 January 2024	–	913,760	24,907	874	18,348	25,107	982,996
Charge for the year	–	29,497	13,118	3,198	8,883	–	54,696
Eliminated on disposals	–	(671)	(3,540)	(1,151)	(9,509)	–	(14,871)
Exchange difference	–	(27)	(54)	–	–	–	(81)
As at 31 December 2024	–	**942,559**	**34,431**	**2,921**	**17,722**	**25,107**	**1,022,740**
Carrying values							
As at 31 December 2024	**358,665**	**518,840**	**69,264**	**7,180**	**15,542**	**3,656,904**	**4,626,395**
As at 31 December 2023	403,043	547,681	35,456	9,860	18,796	2,598,242	3,613,078

14. PROPERTY, OPERATING RIGHT AND EQUIPMENT (Cont'd)

Notes:

(a) Operating right represents the right to conduct business in the IEZ Primorye, one of the five integrated entertainment zones in the Russian Federation for gaming activities. Although the right was awarded by the Administration of the Primorye Region, the Russian Federation for an indefinite period, the Directors determine its estimated useful life as 30 years and accordingly, the right is amortised over 30 years. The building mainly includes the hotel and entertainment complex situated on land plots from a third party with a lease term of 14 years. Taking into account the Russian legislation and a legal opinion as advised by an external legal counsel, the management expected that the lease terms could be renewed upon expiry or the land plots could be acquired by the Group if the land lease is not extended, to reflect the estimated useful life of the buildings of 30 years.

(b) Except for the freehold land and construction in-progress, all above items of property, operating right and equipment are depreciated over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, as follows:

Buildings, operating right and leasehold improvements	3 to 30 years or over the term of the lease
Leasehold improvement	Over the term of the lease
Gaming equipment	2 to 20 years
Furniture and fixture	2 to 20 years
Motor vehicles	3 to 7 years

(c) During the year ended 31 December 2024, the Group has capitalised borrowing costs amounting to approximately HK$155,520,000 (2023: approximately HK$64,280,000) and depreciation of right-of-use assets amounting to approximately HK$97,050,000 (2023: approximately HK$102,411,000) in construction in-progress for the construction of a 5-star hotel and casino complex at the Entertainment City, Manila, the Philippines, which is currently under development by Suntrust (the "**Main Hotel Casino**").

(d) For the year ended 31 December 2023, the recoverable amount of the CGU of operation of integrated resort in the Russian Federation was based on its value in use and was determined with the assistance of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional qualified valuer not connected to the Group. The calculation used cash flow projections based on financial budgets approved by management covering a six-year period. A six-year forecast was considered appropriate for the gaming and hotel operation to take into account the ongoing Russia-Ukraine conflict, along with the associated sanctions levied against Russia and suspension of the Phase II of Tigre de Cristal. Cash flows beyond the six-year period were extrapolated using an estimated growth rate stated below which does not exceed the long-term average growth rate for the industry. The cash flows were discounted using a discount rate stated below, which were pre-tax and reflect specific risks relating to the relevant CGU.

Key assumptions used for the value-in-use calculations are as follows:

	31 December 2023
Average revenue growth rate	9.53%
Terminal growth rate	4.20%
Discount rate	24.50%

The cash flow projections had taken into account the unfavourable changes for the suspension of Phase II development of Tigre de Cristal project, and the ongoing Russia-Ukraine conflict, particularly the associated sanctions levied against Russia and the economic uncertainties and the decrease in volume of its rolling chip business. Therefore, the carrying amount of the relevant CGU was written down to the recoverable amount of approximately HK$683 million and an impairment loss on property, operating right and equipment of approximately HK$483,107,000 has been recognised for the year ended 31 December 2023.

15. RIGHT-OF-USE ASSETS

	Leased properties	
	2024	2023
	HK$'000	HK$'000
Carrying amount as at 1 January	**1,604,232**	1,767,020
Additions	**15,071**	2,097
Disposal of subsidiaries (Note 32)	**–**	(50,554)
Leases modification	**(22,575)**	(18,741)
	1,596,728	1,699,822
Depreciation charge for the year	**(104,161)**	(112,167)
Exchange difference	**(90,282)**	16,577
Carrying amount as at 31 December	**1,402,285**	1,604,232
Expense relating to short-term leases with lease terms end within 12 months	**7,599**	1,747
Total cash outflow for leases	**8,831**	11,366

For the year ended 31 December 2024, the Group leases various offices and accommodation (2023: various offices) for its operations. Lease contracts are entered into for fixed terms of 12 to 36 months. 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.

15. RIGHT-OF-USE ASSETS (Cont'd)

The Group regularly entered into short-term leases for various offices. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

During the year ended 31 December 2024, the Group entered into new lease agreements for the use of properties for 1 to 3 years (2023: 1 to 2 years).

On the date of lease commencement, the Group recognised right-of-use assets of approximately HK$15,071,000 (2023: HK$2,097,000) and lease liabilities approximately HK$15,071,000 (2023: HK$2,097,000) during the year ended 31 December 2024.

Details of the lease maturity analysis of lease liabilities are set out in Notes 27 and 37(b).

Restrictions or covenants on leases

In addition, lease liabilities of approximately HK$893,757,000 (31 December 2023: approximately HK$889,248,000) are recognised with related right-of-use assets of approximately HK$1,402,285,000 (31 December 2023: approximately HK$1,604,232,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
	HK$'000	HK$'000	HK$'000
Cost			
At 1 January 2023	12,984	347	13,331
Disposal of subsidiaries (Note 32)	(12,408)	–	(12,408)
Exchange difference	(576)	–	(576)
At 31 December 2023 and 1 January 2024	–	347	347
Addition	–	3	3
Disposal	–	(3)	(3)
At 31 December 2024	**–**	**347**	**347**
Accumulated amortisation and impairment			
At 1 January 2023	–	88	88
Amortisation charge for the year	–	9	9
At 31 December 2023 and 1 January 2024	–	97	97
At 31 December 2023, 1 January 2024 and 31 December 2024	**–**	**97**	**97**
Carrying amount			
At 31 December 2024	**–**	**250**	**250**
At 31 December 2023	–	250	250

17. PREPAYMENTS AND DEPOSITS FOR NON-CURRENT ASSETS

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Deposits in relation to construction of the Main Hotel Casino (Note)	**297,905**	357,417
Deposits for purchase of property, operating right and equipment	**15,675**	11,544
	313,580	368,961
Less: Allowance for impairment	**(8,847)**	(8,847)
	304,733	360,114

Note: The balance mainly represents the advance deposits paid to the main contractor for the construction of the Main Hotel Casino.

18. INTEREST IN A JOINT VENTURE

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Interest in a joint venture		
Cost of unlisted investment (Note (d))	–	414,998
Share of post-acquisition losses and other comprehensive expenses	–	(415,136)
Exchange realignment	–	138
	–	–
Equity loans to a joint venture (Note (a))	–	243,496
Deemed capital contribution (Notes (b) and (c))	–	208,141
Share of post-acquisition losses and other comprehensive expenses in excess of the cost of investment (Note (e))	–	(446,872)
Exchange realignment	–	(4,765)
Interest in a joint venture	–	–

Notes:

(a) The loans in the aggregate amount of approximately HK$507,086,000 to a joint venture are interest-free, unsecured and with no fixed repayment term. Such loans form the Group's net investment in the joint venture. On 17 March 2023, certain outstanding amount of equity loans to a joint venture of approximately US$33,765,000 (equivalent to approximately HK$263,367,000 at the repayment date) was partially repaid. On 18 April 2024, all outstanding amount of equity loans to a joint venture of approximately US$31,191,000 (equivalent to approximately HK$243,360,000 at the repayment date) was fully repaid by the joint venture on 18 April 2024.

The carrying amount of equity loan had been fully reduced to zero by recognition of allowance for impairment and share of post-acquisition losses and other comprehensive expenses in previous years. As a result of the repayment, reversal of allowance for impairment of Nil (2023: HK$137,842,000), reversal of share of loss of a joint venture of HK$232,899,000 (2023: HK$112,327,000) and share of other comprehensive income of a joint venture of HK$10,448,000 (2023: HK$14,201,000) have been recognised during the year ended 31 December 2024.

(b) During the year ended 31 December 2020, the Group advanced a loan in principal amount of US$30,000,000 (equivalent to approximately HK$232,500,000 at the drawdown date) to a joint venture ("**Loan A**"). Loan A is interest bearing at 14% per annum, unsecured and repayable after 12 months from the first drawdown date of the facility and the maturity date may be extended up to 28 February 2022. Loan A has not yet been repaid by 28 February 2022 and became interest bearing at 25% per annum with effect from 1 March 2022.

The total current amount due from a joint venture represented the interest on Loan A receivable by the Group. As the interest rate charged on Loan A is below prevailing market interest rate, aggregated imputed interest of approximately HK$25,957,000 of Loan A upon initial recognition was calculated based on the difference between the prevailing market interest rate and the coupon interest rate has been recognised as deemed contribution to a joint venture as at 31 December 2023. The prevailing market interest rate of the loan was 29.54% per annum.

On 17 March 2023, the entire principal amount of Loan A (equivalent to approximately HK$234,000,000 at the repayment date), together with the total current amount due from a joint venture which represents the interest receivables of Loan A accrued up to 17 March 2023 of US$15,437,000 (equivalent to approximately HK$120,494,000 at the repayment date) was repaid by the joint venture on 17 March 2023.

18. INTEREST IN A JOINT VENTURE (Cont'd)

Notes: (Cont'd)

(c) During the year ended 31 December 2020, the Group advanced loans in aggregate principal amount of US$34,045,000 (equivalent to approximately HK$263,849,000 at the drawdown date) to a joint venture ("**Loans B**"). Loans B are interest bearing at 1.5% per annum, unsecured and repayable after 5 years from the first drawdown date of the facilities.

The total non-current amount due from a joint venture represented interest on Loans B receivable by the Group. As the interest rates charged on Loans B are below prevailing market interest rates, aggregated imputed interest of approximately HK$182,184,000 of Loans B upon initial recognition were calculated based on the difference between the prevailing market interest rates and the coupon interest rate has been recognised as deemed contribution to a joint venture as at 31 December 2023. The prevailing market interest rates of the loans were ranged from 25.63% to 28.90% per annum.

On 17 March 2023, the entire principal amount of Loans B (equivalent to approximately HK$265,551,000 at the repayment date), together with the total non-current amounts due from a joint venture which represents the interest receivables of Loans B accrued up to 17 March 2023 of US$1,553,000 (equivalent to approximately HK$12,116,000 at the repayment date) was repaid by the joint venture on 17 March 2023.

The difference of HK$98,439,000 between the aggregate principal amount and the carrying amount of Loans B up to the date of repayment was recognised as gain on early repayment of loans to a joint venture in other income (Note 7) for the year ended 31 December 2023.

(d) During the year ended 31 December 2024, the board of directors of GYE resolved to proceed voluntary dissolution of GYE. In December 2024, voluntary dissolution of GYE has been completed and the joint venture was deregistered, and a net loss from deregistration of the joint venture of approximately HK$8,947,000 was recognised after taking into account of the reclassification adjustments for the cumulative exchange differences of approximately HK$77,645,000.

(e) As mentioned in Note (a), the equity loans to a joint venture which formed the Group's net investment in the joint venture are repaid during the years ended 31 December 2023 and 2024, the carrying amount of outstanding equity loans to a joint venture and deemed capital contribution before share of loss and other comprehensive expenses in excess of cost of investment in the joint venture is approximately HK$451,637,000 as at 31 December 2023.

As at 31 December 2023, the Group limits the recognition of the share of post-acquisition losses and other comprehensive expenses in excess of the cost of investment in the joint venture to approximately HK$446,872,000 as the carrying amount of its net investment in the joint venture is then zero. During the year ended 31 December 2024, the Group reversed the share of loss of the joint venture recognised in previous years of approximately HK$232,899,000 (31 December 2023: approximately HK$112,327,000).

18. INTEREST IN A JOINT VENTURE (Cont'd)

Notes: (Cont'd)

(f) The Group has discontinued recognition of its share of loss of a joint venture. The amount of unrecognised share of loss of a joint venture is as follows:

	2024 **HK$'000**	2023 HK$'000
Unrecognised share of loss of interest in a joint venture for the year	–	541,025

	As at 31 December	
	2024 **HK$'000**	2023 HK$'000
Unrecognised share of loss of interest in a joint venture cumulatively	–	611,109

The following sets out the particulars of the joint venture of the Group at 31 December 2024 and 2023 which, in the opinion of the Directors of the Company, principally affected the results or net assets of the Group.

Name of joint venture	Place of registration and operation	Legal form	Paid up share capital	Attributable equity interest held by the Group		Principal business
				2024	2023	
Gold Yield Enterprises Limited ("**GYE**")	Place of registration: BVI Place of operation: Vietnam	Limited Company	US$2	**Nil (Note)**	50%	Operation of an integrated resort project in Vietnam

Note: The joint venture was deregistered in December 2024.

Included in the cost of unlisted investment of GYE is goodwill of Nil as at 31 December 2024 (31 December 2023: HK$99,762,000).

The joint venture is accounted for using the equity method in the consolidated financial statements for both years.

18. INTEREST IN A JOINT VENTURE (Cont'd)

Summarised financial information of the joint venture

Summarised financial information in respect of GYE is set out below. The summarised financial information below represents amounts shown in GYE's financial statements prepared in accordance with HKFRSs.

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Current assets	–	753,268
Non-current assets	–	8,352,612
Current liabilities	–	(3,147,745)
Non-current liabilities	–	(8,821,791)
Non-controlling interests	–	747,518

The above amounts of assets and liabilities include the following:

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Cash and cash equivalents	–	291,922
Development right	–	919,623
Current financial liabilities (excluding trade and other payables)	–	(2,235,556)
Non-current financial liabilities (excluding trade and other payables)	–	(8,062,707)

	2024	2023
	HK$'000	HK$'000
Revenue	**680,136**	720,235
Profit (loss) for the year attributable to the owners of GYE	**3,131,442**	(857,396)
Other comprehensive income for the year attributable to the owners of GYE	**20,897**	28,403
Total comprehensive income (expense) for the year attributable to the owners of GYE	**3,152,339**	(828,993)
Dividends received from joint venture during the year	**68,699**	–

18. INTEREST IN A JOINT VENTURE (Cont'd)

Summarised financial information of the joint venture (Cont'd)

The above loss for the year includes the following:

	2024 HK$'000	2023 HK$'000
Depreciation and amortisation	**318,889**	366,051
Interest income	**(411)**	(1,333)
Interest expense	**657,959**	712,852
Income tax credit	**(2,501)**	(3,012)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

	As at 31 December	
	2024 HK$'000	2023 HK$'000
Net liabilities of GYE	**N/A**	(2,116,138)
Proportion of the Group's ownership interest in GYE	**N/A**	50%
	N/A	(1,058,069)
Equity loans to GYE	**N/A**	243,496
Deemed capital contribution	**N/A**	208,141
Unrecognised share of loss of interest in a joint venture	**N/A**	611,109
Exchange difference	**N/A**	(4,677)
Carrying amount of the Group's interest in GYE	**N/A**	–

19. INVENTORIES

Inventories consist of retail products, food and beverage items and certain general operating supplies, which are stated at the lower of cost or net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

20. OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Other receivables	**4,955**	9,817
Indirect tax recoverable (Note)	**314,397**	221,353
Other deposits	**2,118**	2,173
Prepayments	**73,690**	55,196
	395,160	288,539
Less: Allowance for impairment	**(135)**	(2,216)
	395,025	286,323

Note: Amount represents mainly input VAT paid by Suntrust Group for the construction of the Main Hotel Casino.

21. AMOUNTS DUE TO/LOANS FROM IMMEDIATE HOLDING COMPANY/NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY/A JOINT VENTURE

(a) Amount due to/loan from immediate holding company

During the year ended 31 December 2023, the Group entered into a loan agreement dated 25 May 2023 with Major Success with a total loan facility of USD6.0 million (equivalent to HK$47,051,000 at the drawdown date) (the "**Major Success Loan**"). The amount was unsecured, interest bearing at 5.5% per annum, and repayable within five years from drawdown unless extended by the Group.

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Non-trade related:		
Major Success Loan (Note)	**46,257**	46,938
Accrued interest of Major Success Loan	**4,049**	1,516
	50,306	48,454
Less: Amount due within one year	**–**	–
Amount due after one year	**50,306**	48,454

Note:

Movement of the Major Success Loan during the years is as follows:

	HK$'000
At 1 January 2023	–
Advance during the year	47,051
Exchange difference recognised in profits or loss	(113)
At 31 December 2023 and 1 January 2024	46,938
Exchange difference recognised in profit or loss	(681)
At 31 December 2024	**46,257**

21. AMOUNTS DUE TO/LOANS FROM IMMEDIATE HOLDING COMPANY/NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY/A JOINT VENTURE (Cont'd)

(b) Loans from non-controlling shareholders of a subsidiary/amounts due to non-controlling shareholders of a subsidiary

Upon completion of acquisition Summit Ascent Group, Summit Ascent Group owed outstanding loans with carrying amount of approximately HK$170,292,000 to the non-controlling shareholders of Oriental Regent Limited ("**Oriental Regent**"), a non-wholly owned subsidiary of Summit Ascent, with a total principal amount of US$30,276,400 (equivalent to approximately HK$234,642,000) (the "**ORL Loans**"). The ORL Loans are non-interest bearing, unsecured and due on 15 July 2023 and shall automatically renew for another term of three years. No repayment at all time shall be made by Oriental Regent unless there are sufficient free cash flows generated from its operations to make the repayment. The ORL Loans can only be converted into new shares of Oriental Regent at the option of Oriental Regent at such conversion price(s) and ratio(s) as Oriental Regent shall agree with the shareholders of Oriental Regent at the relevant time. The conversion period is from the date on which the payment for the entire principal amount of the ORL Loans was made by the shareholders of Oriental Regent to the day immediately prior to the repayment date. The ORL Loans were discounted at an effective interest rate calculated at 5.76% per annum.

On 16 November 2020, Summit Ascent Group repurchased the 7.5% of ORL Loans with a total principal amount of US$5,676,825 (equivalent to approximately HK$43,995,000) from the non-controlling shareholders of Oriental Regent under the equity transactions.

For the year ended 31 December 2024, Summit Ascent Group declared repayments of US$1,462,500 (2023: US$19,854,099), resulting in an outstanding principal amount of US$1,037,075 (2023: US$2,499,575) contributed by the non-controlling shareholders of Oriental Regent, but made no repayments (2023: repayment of US$10,703,849 (equivalent to approximately HK$83,831,000)). The difference between the carrying amount of the portion of the ORL Loans repaid to the non-controlling interests and the repayment sum of approximately HK$3,034,000 (2023: approximately HK$25,247,000) was recognised as deemed distribution to equity participant and attributable to and included in non-controlling interests.

For the year ended 31 December 2024, imputed interest expense on loans from non-controlling shareholders of a subsidiary amounting to approximately HK$1,213,000 (2023: approximately HK$5,570,000) was recognised and disclosed under "finance costs" in Note 8.

The amounts due to non-controlling shareholders of a subsidiary as at 31 December 2024 and 2023 were unsecured, non-interest bearing and mainly represented the unpaid repayments declared for the ORL Loans.

21. AMOUNTS DUE TO/LOANS FROM IMMEDIATE HOLDING COMPANY/NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY/A JOINT VENTURE (Cont'd)

(c) Loan from a joint venture

During the year ended 31 December 2024, the Group entered into a loan agreement dated 17 April 2024 with a joint venture with a total loan facility of US$8,805,537 (equivalent to approximately HK$68,861,000 at the drawdown date) (the "**JV Loan**"). The amount was unsecured, non-interest bearing and repayable on demand.

During the year ended 31 December 2024, the joint venture declared a distribution-in-species by distribution of the JV Loan receivable by the joint venture of US$8,805,537 to the Group (the "**Distribution in Species**") for the purpose of setting off the JV Loan. Following the completion of the Distribution in Species, the JV Loan was fully settled in November 2024.

22. BANK BALANCES AND CASH

The carrying amounts of the Group's bank balances and cash are denominated in the following currencies:

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
HK$	**1,775**	25,881
US$	**250,586**	192,991
RMB	**–**	70,161
Macau Pataca	**–**	3,744
JPY	**412**	978
PHP	**274,093**	690,340
RUB	**378,181**	226,766
	905,047	1,210,861

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to the relevant rules and regulation of foreign exchange control promulgated by the PRC government.

At 31 December 2024, bank balances carry interest at prevailing deposit rates which ranged from 0% to 24% (31 December 2023: 0% to 16%) per annum.

23. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Trade payables (Note (a))	**1,165**	367
Interest payables	**29,207**	17,064
Liabilities for VAT arrangements (Note (b))	**9,037**	16,186
Retention payables	**196,644**	112,641
Other tax payables	**10,862**	10,409
Provision for indemnity (Note 33)	**21,749**	22,462
Construction cost payables	**169,119**	34,136
Other payables and accruals	**53,213**	52,909
	490,996	266,174
Amounts presented as:		
– Current	**291,706**	144,602
– Non-current	**199,290**	121,572
	490,996	266,174

Notes:

(a) The credit period of trade payables ranges from 30 to 180 days.

An aging analysis of trade payables at the end of each reporting period based on invoice dates is as follows:

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
0–90 days	**1,165**	367

23. TRADE AND OTHER PAYABLES (Cont'd)

Notes: (Cont'd)

(b) In the relevant jurisdiction of the Russian Federation, G1 Entertainment Limited ("**G1 Entertainment**"), an indirectly held and non-wholly owned subsidiary of Summit Ascent, is entitled to deduct VAT liabilities ("**Output VAT**") against VAT which was previously paid to the tax authority in the Russian Federation for the construction and purchase of assets or services for the gaming and hotel operations ("**Input VAT**"). Input VAT arising from the construction and the purchase of property and equipment is refunded by the relevant tax authority within 4 months after the application.

However, according to Russian regulations, as gaming activities are not subject to Output VAT in the Russian Federation, the Input VAT refunded to G1 Entertainment cannot be utilised. Instead it is required to be divided into 10 equal parts and each has to be returned to the tax authority in each of the next 10 years from the first year of operations to the extent of the annual proportion of the revenue generated from the gaming activities over the total revenues of G1 Entertainment's gaming and hotel operations in the Russian Federation. Such assessment is performed on an annual basis over a period of 10 years from the year when the relevant VAT is refunded to G1 Entertainment. At 31 December 2024, a provision of approximately RUB118,368,000 (equivalent to approximately HK$9,037,000) (31 December 2023: approximately RUB185,902,000 (equivalent to approximately HK$16,186,000)) is recognised for the estimated amount of the relevant Input VAT that has been refunded to G1 Entertainment but has to be returned to the tax authority under this regulation. The estimated repayable amount to the tax authority is calculated by using an effective interest rate of 13.72% (2023: 14.67%) per annum. Accordingly, approximately RUB83,706,000 (equivalent to approximately HK$6,391,000) (31 December 2023: approximately RUB83,326,000 (equivalent to approximately HK$7,255,000)) of such provision is presented as current and as such amount is under the aforesaid assessment within the next twelve months and is expected to be returned to the tax authority upon final assessment, with the remainder of approximately RUB34,662,000 (equivalent to approximately HK$2,646,000) (31 December 2023: approximately RUB102,576,000 (equivalent to approximately HK$8,931,000)) presented as non-current.

24. CONTRACT LIABILITIES

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Gaming and hotel operations	**4,802**	4,735
Analysed for reported purposes as:		
Current liabilities	**4,802**	4,735

The Group mainly has two types of liabilities related to contracts with customers which are included in the above: (1) outstanding gaming chip liabilities for gaming chips in the customers' possession amounting to approximately HK$2,899,000 (31 December 2023: approximately HK$2,495,000); and (2) loyalty program liabilities for the revenue deferred in relation to points earned by customers under gaming revenue transactions amounting to approximately HK$1,903,000 (31 December 2023: approximately HK$2,240,000).

Outstanding gaming chip liabilities are expected to be recognised as revenue or redeemed within one year of being purchased. Loyalty program liabilities are generally expected to be recognised as revenue within one year of being earned.

25. BANK AND OTHER BORROWINGS

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Bank borrowing – Secured (Note (a))	**1,412,787**	1,172,713
Other borrowing – Secured (Note (b))	**137,500**	–
	1,550,287	1,172,713

25. BANK AND OTHER BORROWINGS (Cont'd)

(a) Bank borrowing

(i) The maturity profile of bank borrowing is as follows:

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Over five years	**1,412,787**	1,172,713
Less : Amounts due for settlement within one year (shown under current liabilities)	**–**	–
Amounts due for settlement after one year	**1,412,787**	1,172,713

(ii) During the year ended 31 December 2023, the Group obtained a term loan facility in principal amount of up to PHP25.0 billion (equivalent to approximately HK$3.6 billion), subject to the satisfaction of certain conditions, for a term of 8 years from China Banking Corporation (the "**Loan Facility**"). The Loan Facility is guaranteed by Mr. Lo and bearing interest at a 5-year Bloomberg Valuation Services reference rate provided by Bloomberg LP plus an agreed interest premium factor, subject to repricing after 5 years since the initial drawdown. As at 31 December 2024, the Group has drawn PHP11.00 billion (equivalent to approximately HK$1,514 million) (31 December 2023: PHP8.74 billion (equivalent to approximately HK$1,214 million) from the Loan Facility.

The Loan Facility is secured by:

- all assets of Suntrust with a carrying amount of approximately HK$6,166 million as at 31 December 2024 (31 December 2023: HK$5,628 million) and material contracts entered into by Suntrust in relation to the construction of the Main Hotel Casino;
- certain shares of the subsidiary of the Company; and
- a first charge and an assignment over all present and future convertible bonds issued by Suntrust that subscribed by the Group.

As at 31 December 2024, none of the covenants relating to drawn down facilities have been breached.

25. BANK AND OTHER BORROWINGS (Cont'd)

(b) Other borrowing

(i) The maturity profile of other borrowing is as follows:

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Within one year	**137,500**	–
Less: Amounts due for settlement within one year	**(137,500)**	–
Amounts due for settlement after one year	**–**	–

(ii) During the year ended 31 December 2024, there was a new other borrowing of HK$137,500,000 raised from five independent third party lenders (the "**2024 Other Borrowing**"). The new other borrowing, being a loan facility for a term of 6 months, is interest bearing at 12% per annum compounded monthly.

The facility is secured by certain shares of the unlisted subsidiaries of the Company and debentures incorporating a first fixed charge and a first floating charge over certain undertaking, property and assets of the Group and certain unlisted subsidiaries of the Company with a carrying value of approximately HK$149 million as at 31 December 2024.

On 18 December 2024, the 2024 Other Borrowing and the interest accrued thereon were overdue for which the Group has not repaid. The accrued and default interests of approximately HK$9,494,000 were recognised in trade and other payables as at 31 December 2024.

In January 2025, the Group received a demand letter from the lenders of the 2024 Other Borrowing for immediate repayment of the outstanding loan balance, accrued and the applicable default interests. The Group has been actively negotiating with the lenders for renewal and extension for repayments of the 2024 Other Borrowing.

During the year ended 31 December 2023, there was a new other borrowing of HK$150,000,000 raised from an independent third party lender. The new other borrowing, being a loan facility for a term of 6 months, is secured by certain shares of a subsidiary of the Company and a debenture, with interest bearing at 24% per annum. The other borrowing of HK$150,000,000 has been repaid in July 2023.

26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL INSTRUMENTS

(a) Convertible bonds payable issued by Summit Ascent ("Summit Ascent CB")

On 16 November 2020, a non-wholly owned subsidiary of the Company, Summit Ascent, issued convertible bonds denominated in United States dollars ("**US$**") for acquisition of additional interests in its subsidiary from a non-controlling shareholder in an aggregate principal amount of US$3,000,000 with an initial conversion price of HK$3.50 (to be translated to US$ at a fixed rate of HK$7.75 to US$1.00) per share with adjustments clauses, which will mature on the fifth anniversary of the respective issue dates. The Summit Ascent CB carries no interest.

The Summit Ascent CB contained two components, a debt component and a derivative financial instrument. The derivative financial instrument represented the conversion option given to the holder the right at any time to convert the Summit Ascent CB into ordinary shares of Summit Ascent ("**Summit Ascent Shares**"). However, since the conversion option would be settled other than by the exchange of a fixed amount of Summit Ascent's own equity instruments, the conversion option was accounted for as a derivative financial instrument.

At initial recognition, the derivative financial instrument in the Summit Ascent CB is measured at fair value and is separately presented. Any excess of the fair values of the Summit Ascent CB over the amounts initially recognised as the derivative financial instrument in Summit Ascent CB is recognised as debt component in the Summit Ascent CB.

At the end of the reporting period, the fair value of the derivative financial instrument in the Summit Ascent CB is remeasured and the gain or loss on remeasurement to the fair value is recognised in profit or loss.

26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

(a) Convertible bonds payable issued by Summit Ascent ("Summit Ascent CB") (Cont'd)

The debt component in the Summit Ascent CB is subsequently carried at amortised cost with interest expenses calculated using the effective interest method recognised in profit or loss. The effective interest rate of the debt component in the Summit Ascent CB is 7.37% per annum.

When the Summit Ascent CB is converted, the Summit Ascent Shares to be issued are measured at fair value and any difference between the fair value of Summit Ascent Shares to be issued and the carrying amounts of the derivative financial instrument and debt component in the Summit Ascent CB is recognised in profit or loss.

The fair value of the Summit Ascent CB as at 31 December 2024 and 31 December 2023 is determined by Valplus Consulting Limited, an independent and professionally qualified valuer not connected to the Group, based on the Binomial Option Pricing Model (the "**Binomial Model**").

The significant inputs used for the calculation of fair value of the Summit Ascent CB and the derivative financial instrument of the Summit Ascent CB are as follows:

	31 December 2024	31 December 2023
Summit Ascent CB		
Share price of Summit Ascent	**HK$0.05**	HK$0.05
Conversion price	**HK$3.5**	HK$3.5
Expected volatility (Note (a))	**43.01%**	58.63%
Expected remaining life	**0.88 Year**	1.88 Years
Expected dividend yield (Note (b))	**Zero**	Zero
Risk-free rate (Note (c))	**4.27**%	4.30%

Notes:

(a) The expected volatility was determined by using the historical volatility of Summit Ascent's share price over a period commensurate with the remaining term.

(b) The expected dividend yield was estimated with reference to the historical dividend payment record and the expected dividend payment in the remaining term of Summit Ascent.

(c) Risk-free rate is estimated with reference to the US Treasury Yield Curve of similar remaining tenure.

26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

(a) Convertible bonds payable issued by Summit Ascent ("Summit Ascent CB") (Cont'd)

The movements of the debt component and derivative financial instrument of Summit Ascent CB are shown as follows:

	Debt component HK$'000	Derivative financial instrument HK$'000	Total HK$'000
At 1 January 2023	19,073	167	19,240
Charge to profit or loss	–	2,060	2,060
Imputed interest expense (Note 8)	1,411	–	1,411
Exchange difference recognised in profit or loss	26	–	26
At 31 December 2023 and 1 January 2024	20,510	2,227	22,737
Credit to profit or loss	–	(835)	(835)
Imputed interest expense (Note 8)	1,510	–	1,510
Exchange difference recognised in profit or loss	(127)	–	(127)
At 31 December 2024	**21,893**	**1,392**	**23,285**

(b) Put option

On 28 October 2019, the Group has entered into an agreement with Westside City Resorts World Inc. ("**Westside**") and Travellers International Hotel Group Inc. ("**Travellers**"), related companies of a non-controlling shareholder of Suntrust. Pursuant to the agreement, the Group is entitled, at its sole discretion, to exercise a put option in relation to its equity interest in Suntrust with consideration of approximately HK$169,382,000 plus interest of 3.5% per annum to Westside and Travellers upon the occurrence of events stated in the agreement.

The fair value of the derivative financial instrument of the put option as at 31 December 2024 and 31 December 2023 were approximately HK$3,873,000 and HK$4,787,000, respectively, which are determined by Grant Sherman Appraisal Limited, an independent and professionally qualified valuer not connected to the Group, based on the Binomial Model.

26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

(b) Put option (Cont'd)

The significant input used for the calculation of fair values of the derivative financial instrument of the put option are as follows:

	31 December 2024	31 December 2023
Put option		
Share price of Suntrust	**PHP0.900**	PHP0.850
Expected volatility (Note (a))	**43.65%**	53.22%
Expected option life (Note (b))	**1.00 Year**	1.25 Years
Expected dividend yield (Note (c))	**Zero**	Zero
Risk-free rate (Note (d))	**5.31%**	5.07%

Notes:

(a) The expected volatility was determined by using the historical volatility of Suntrust's share price over a period commensurate with the remaining term.

(b) The option period is assumed to be expiring in 2025 (2023: 2025), being the date of expected commencement of operation of the Main Hotel Casino. The expected option life used in the model is based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(c) The expected dividend yield was estimated with reference to the historical dividend payment record and the expected dividend payment during the expected option life of Suntrust.

(d) Risk-free rate is estimated based on the yield-to-maturity in continuous compounding of the Philippines peso swap rates with a similar remaining tenure.

The movements of the fair value of the derivative financial instrument of the put option are as follows:

	HK$'000
At 1 January 2023	3,232
Credit to profit or loss	1,519
Exchange difference	36
At 31 December 2023 and 1 January 2024	4,787
Charge to profit or loss	(638)
Exchange difference	(276)
At 31 December 2024	**3,873**

27. LEASE LIABILITIES

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Lease liabilities payable:		
Within one year	**12,822**	3,850
Within a period of more than one year but not exceeding two years	**50,921**	12,229
Within a period of more than two years but not exceeding five years	**155,569**	155,088
Within a period of more than five years	**674,444**	718,081
	893,756	889,248
Less: Amount due for settlement with 12 months shown under current liabilities	**(12,822)**	(3,850)
Amount due for settlement after 12 months shown under non-current liabilities	**880,934**	885,398

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	US$	**RUB**
	HK$'000	HK$'000
As at 31 December 2024	**933,339**	**2,512**
As at 31 December 2023	882,112	3,059

28. RETIREMENT BENEFITS SCHEMES

The Group provides defined contribution plans to its employees and executive officers in Hong Kong, the PRC and other jurisdictions.

As at 31 December 2024 and 2023, there were no forfeited contributions which arose upon employees leaving the retirement plans and which are available to reduce the contributions payable in the future years. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Hong Kong

The Group operates Mandatory Provident Fund Schemes for all qualifying employees in Hong Kong. The assets of these schemes were held separately from those of the Group, in funds under the control of trustees. The cost charged to the profit or loss represented contributions payable to the funds by the Group at rates specified in the rules of the schemes.

The Philippines

Defined contribution plan operates in the Philippines. A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into local social insurance programs and has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

Japan

Contributions to the plans by the Group are calculated as a percentage of employees' basic salaries. The retirement benefit plan cost charged to profit or loss represents contributions payable by the Group to the funds.

Russian Federation

The Group is required to contribute for the range of 0% to 30% of payroll costs to the Russian Federation State Pension Fund depending on the annual gross remuneration of the staff, to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

29. SHARE CAPITAL AND RESERVES

(a) Share capital

Ordinary shares of HK$0.1 each

	Number of shares		Share capital	
	2024	2023	**2024**	2023
			HK$'000	HK$'000
Authorised				
At beginning and end of year	**50,000,000,000**	50,000,000,000	**5,000,000**	5,000,000
Issued and fully paid				
At beginning of year	**6,936,972,746**	6,667,972,746	**693,697**	666,797
Ordinary shares issued (Note)	**–**	269,000,000	**–**	26,900
At end of year	**6,936,972,746**	6,936,972,746	**693,697**	693,697

Note: On 3 February 2023, the Company entered into a conditional placing agreement ("**Placing Agreement**") with two securities firms ("**Joint Placing Agents**") pursuant to which the Joint Placing Agents have conditionally agreed, as agents of the Company, to procure, on a best effort basis, not less than six placees who and whose ultimate beneficial owners and parties acting in concert with them shall be independent third parties (the "**2023 Shares Placing**") to subscribe for a maximum of 269,000,000 new shares ("**Placing Share(s)**") of the Company at the placing price of HK$0.186 per Placing Share under the general mandate granted to the Directors. Further details of the 2023 Shares Placing are set out in the Company's announcement dated 3 February 2023.

Completion of the 2023 Shares Placing took place on 24 February 2023 in accordance with the terms and conditions of the Placing Agreement. The 269,000,000 Placing Shares have been placed and represent approximately 3.88% of the issued share capital of the Company immediately after the completion of the 2023 Shares Placing. The net proceeds of the 2023 Shares Placing are approximately HK$48,683,000. Proceeds of HK$26,900,000, representing the par value of the shares issued, were credited to the share capital of the Company and the remaining proceeds of HK$21,783,000 net of share issue expense were credited to the share premium account.

(b) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

29. SHARE CAPITAL AND RESERVES (Cont'd)

(c) Nature and purpose of reserves

(i) Share premium

Share premium arose from the issue of shares at a price greater than the par value of the shares. The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Statutory reserve

In accordance with the PRC regulations, all of the Group's subsidiaries in the PRC are required to transfer part of their profit after tax to the statutory surplus reserve, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the board of directors of these companies in accordance with their articles of association.

(iii) Share option reserve

The share option reserve represents the portion of the grant date fair value of unexercised share options granted to eligible participants that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 4(p).

(iv) Capital reserve

Capital reserve represents (1) the deemed capital contribution from a shareholder regarding the difference between the coupon interest rate and the market interest rate of advance and (2) changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over those subsidiaries as equity transactions and any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid was recorded in capital reserve.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from translating foreign operations and from translation of financial statements of group companies from their respective functional currencies to the presentation currency of the Company. The reserve is dealt with in accordance with the accounting policies set out in Note 4(g).

30. PERPETUAL SECURITIES

	HK$'000
Principal	
At 1 January 2023	5,408,000
Redemption during the year (Note (a))	(12,000)
At 31 December 2023 and 31 December 2024	**5,396,000**
Distribution	
At 1 January 2023	628,663
Provision for the year (Note (b))	270,299
At 31 December 2023 and 1 January 2024	898,962
Provision for the year (Note (b))	269,800
At 31 December 2024	**1,168,762**
Total	
At 31 December 2024	**6,564,762**
At 31 December 2023	6,294,962

On 18 August 2020, the Company and Star Hope Limited ("**Star Hope**"), a related company owned by a former controlling shareholder, entered into the subscription agreement, pursuant to which the Company agreed to issue, and Star Hope agreed to subscribe for, the HK$6,000 million 5.00% perpetual securities of the Company (the "**Perpetual Securities**").

The Perpetual Securities confer on their holder a right to receive distribution at 5% per annum on the principal amount and has no fixed redemption date. The Company may elect to defer (in whole or in part) any distribution accrued on the Perpetual Securities at its sole and absolute discretion. The Company may elect to redeem (in whole or in part) the Perpetual Securities at 100% of the outstanding principal amount, together with any distribution accrued thereon, on the date falling 10 years after the date of issue of the Perpetual Securities or change of control of the Company.

On 13 May 2022, the Perpetual Securities were acquired by Major Success, a company wholly-owned by Mr. Lo, an executive Director of the Company.

30. PERPETUAL SECURITIES (Cont'd)

Notes:

(a) During the year ended 31 December 2023, Major Success agreed and the Company partially redeemed the outstanding principal amount of the Perpetual Securities in the sum of HK$12,000,000 (the "**Principal Amount**") at HK$10,000,000 (the "**Redemption Amount**"), the difference between the Principal Amount and the Redemption Amount has been charged to capital reserve as deemed contribution from a shareholder during the year ended 31 December 2023.

(b) During the year ended 31 December 2024, the distribution provision in relation to Perpetual Securities issued is approximately HK$270 million (2023: approximately HK$270 million).

31. SHARE OPTION SCHEMES

(a) Equity-settled share option scheme of the Company

The Company adopted a share option scheme (the "**2007 Scheme**") on 31 January 2007.

The purpose of the 2007 Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Company and/or its subsidiaries and/or its associated companies (as defined under the 2007 Scheme). The 2007 Scheme was adopted on 31 January 2007 and terminated on 2 June 2016.

Under the 2007 Scheme, the board of Directors of the Company may, at its discretion, offer the Directors (including Executive or Non-executive Directors), executives, officers, employees or certain other eligible participants, share options to subscribe for shares of the Company.

The exercise price in relation to each share option was determined by the board of Directors of the Company at its absolute discretion and was not less than the highest of (i) the official closing price of the shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the date of offer of share options; (ii) the average of the official closing prices of the shares of the Company as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of offer of share options; and (iii) the nominal value of a share of the Company on the date of offer of share options. Each of the grantees was required to pay HK$10 as consideration for the grant of share options in accordance with the 2007 Scheme. The offer of a grant of share options must be accepted within 60 days from the date of the offer. All share options are fully vested as at 31 December 2016.

31. SHARE OPTION SCHEMES (Cont'd)

(a) Equity-settled share option scheme of the Company (Cont'd)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, were subject to approval in advance by the Independent Non-executive Directors. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, or to any of their associates, in excess of in aggregate 0.1% of the shares of the Company in issue (based on the date of offer) and an aggregate value of HK$5 million (based on the closing price of the Company's shares at the date of each offer), within any 12-month period, were subject to shareholders' approval in advance in a general meeting.

The 2007 Scheme was terminated on 2 June 2016 and no further options can be granted under the 2007 Scheme. However, the share options granted under the 2007 Scheme prior to its termination shall continue to be valid and exercisable in accordance with the 2007 Scheme.

During the years ended 31 December 2024 and 2023, no share option was granted, exercised or cancelled in accordance with the terms of the 2007 Scheme.

As at 31 December 2024 and 2023, no share options are exercisable and remained outstanding under 2007 Scheme.

The Company adopted a new share option scheme (the "**2016 Scheme**") on 2 June 2016.

The purpose of the 2016 Scheme is to replace the 2007 Scheme and to continue to enable the Company to grant share options to selected participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of its subsidiaries and/or any entity in which any member of the Group holds any equity interest. The 2016 Scheme will remain in force for a period of 10 years commencing on 2 June 2016.

Under the 2016 Scheme, the board of Directors of the Company may, at its discretion, offer the Directors (whether Executive or Non-executive Directors and whether independent or not), executives, officers, employees or certain other eligible participants, share options to subscribe for shares of the Company.

31. SHARE OPTION SCHEMES (Cont'd)

(a) Equity-settled share option scheme of the Company (Cont'd)

The exercise price in relation to each share option will be determined by the board of Directors of the Company at its absolute discretion and shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the date of offer of share options; (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of offer of share options; and (iii) the nominal value of a share of the Company on the date of offer of share options. Each of the grantees is required to pay HK$1 as a consideration for the acceptance of the grant of share options in accordance with the 2016 Scheme. The offer of share options must be accepted within 21 days from the date of the offer.

364,300,000 share options have been granted under the 2016 Scheme since its adoption. As at 31 December 2024, 70,100,000 (31 December 2023: 71,100,000) share options are exercisable and remained outstanding under the 2016 Scheme. The maximum number of shares of the Company available for issue upon exercise of all outstanding share options which have been granted under the 2007 Scheme and the 2016 Scheme is 70,100,000, representing approximately 1.01% (2023: 1.02%) of the shares of the Company in issue at the end of the reporting period. The total number of shares of the Company issued and which may fall to be issued upon the exercise of share options to be granted under the 2016 Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding share options) to each grantee in any 12-month period up to the date of grant shall not exceed 1% of the number of shares of the Company in issue as at the date of grant. Any further grant of share option in excess of this 1% limit shall be subject to the issue of a circular by the Company and shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the Independent Non-executive Directors. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, or to any of their associates, in excess of in aggregate 0.1% of the shares of the Company in issue (based on the date of offer) and an aggregate value of HK$5 million (based on the closing price of the Company's shares at the date of each offer), in the 12-month period up to and including the date of the offer of such grant shall be subject to the issue of a circular by the Company and shareholders' approval in a general meeting.

During the years ended 31 December 2024 and 2023, no share option was granted, exercised or cancelled in accordance with the terms of the 2016 Scheme.

31. SHARE OPTION SCHEMES (Cont'd)

(a) Equity-settled share option scheme of the Company (Cont'd)

The following tables disclose details of the share options held by directors, employees and other eligible participants under the 2007 Scheme and 2016 Scheme and movements in such holdings during the years ended 31 December 2024 and 2023:

The terms and conditions of the grants that existed at the end of each reporting period are as follows, whereby all options are settled by physical delivery of shares:

2024

Grantees	As at 1.1.2024	Granted during 2024	Exercised during 2024	Cancelled during 2024	Lapsed during 2024 (Note (i))	As at 31.12.2024	Date of grant	Vesting period	Exercisable period	Exercise price per share HK$
Director										
Mr. Lo Kai Bong	8,000,000	–	–	–	–	**8,000,000**	4.9.2017	N/A	4.9.2017 – 3.9.2027	0.455
	12,000,000	–	–	–	–	**12,000,000**	4.9.2017	4.9.2017 – 3.9.2018	4.9.2018 – 3.9.2027	0.455
	20,000,000	–	–	–	–	**20,000,000**	4.9.2017	4.9.2017 – 3.9.2019	4.9.2019 – 3.9.2027	0.455
	40,000,000	–	–	–	–	**40,000,000**				
Other employees of the Group	1,900,000	–	–	–	–	**1,900,000**	4.9.2017	N/A	4.9.2017 – 3.9.2027	0.455
	2,850,000	–	–	–	–	**2,850,000**	4.9.2017	4.9.2017 – 3.9.2018	4.9.2018 – 3.9.2027	0.455
	4,750,000	–	–	–	–	**4,750,000**	4.9.2017	4.9.2017 – 3.9.2019	4.9.2019 – 3.9.2027	0.455
	1,530,000	–	–	–	(300,000)	**1,230,000**	22.9.2020	N/A	22.9.2020 – 21.9.2030	0.900
	1,530,000	–	–	–	(300,000)	**1,230,000**	22.9.2020	22.9.2020 – 21.9.2021	22.9.2021 – 21.9.2030	0.900
	2,040,000	–	–	–	(400,000)	**1,640,000**	22.9.2020	22.9.2020 – 21.9.2022	22.9.2022 – 21.9.2030	0.900
	14,600,000	–	–	–	(1,000,000)	**13,600,000**				
Consultants of the Group	16,500,000	–	–	–	–	**16,500,000**	19.4.2017	N/A	19.4.2017 – 18.4.2027	0.700
	16,500,000	–	–	–	–	**16,500,000**				
	71,100,000	–	–	–	(1,000,000)	**70,100,000**				
Exercisable	71,100,000					**70,100,000**				
Weighted average exercise price (HK$)	0.544				0.900	**0.539**				

31. SHARE OPTION SCHEMES (Cont'd)

(a) Equity-settled share option scheme of the Company (Cont'd)

The terms and conditions of the grants that existed at the end of each reporting period are as follows, whereby all options are settled by physical delivery of shares: (Cont'd)

2023

Grantees	As at 1.1.2023	Granted during 2023	Exercised during 2023	Cancelled during 2023	Lapsed during 2023 (Note (i))	As at 31.12.2023	Date of grant	Vesting period	Exercisable period	Exercise price per share HK$
Director										
Mr. Lo Kai Bong	8,000,000	–	–	–	–	8,000,000	4.9.2017	N/A	4.9.2017 – 3.9.2027	0.455
	12,000,000	–	–	–	–	12,000,000	4.9.2017	4.9.2017 – 3.9.2018	4.9.2018 – 3.9.2027	0.455
	20,000,000	–	–	–	–	20,000,000	4.9.2017	4.9.2017 – 3.9.2019	4.9.2019 – 3.9.2027	0.455
	40,000,000	–	–	–	–	40,000,000				
Other employees of the Group	462,559	–	–	–	(462,559)	–	12.12.2013	12.12.2013 – 12.12.2013	13.12.2013 – 12.12.2023	0.344
	1,900,000	–	–	–	–	1,900,000	4.9.2017	N/A	4.9.2017 – 3.9.2027	0.455
	2,850,000	–	–	–	–	2,850,000	4.9.2017	4.9.2017 – 3.9.2018	4.9.2018 – 3.9.2027	0.455
	4,750,000	–	–	–	–	4,750,000	4.9.2017	4.9.2017 – 3.9.2019	4.9.2019 – 3.9.2027	0.455
	1,530,000	–	–	–	–	1,530,000	22.9.2020	N/A	22.9.2020 – 21.9.2030	0.900
	1,530,000	–	–	–	–	1,530,000	22.9.2020	22.9.2020 – 21.9.2021	22.9.2021 – 21.9.2030	0.900
	2,040,000	–	–	–	–	2,040,000	22.9.2020	22.9.2020 – 21.9.2022	22.9.2022 – 21.9.2030	0.900
	15,062,559	–	–	–	(462,559)	14,600,000				
Consultants of the Group	91,937,628	–	–	–	(91,937,628)	–	12.12.2013	12.12.2013 – 12.12.2013	13.12.2013 – 12.12.2023	0.344
	16,500,000	–	–	–	–	16,500,000	19.4.2017	N/A	19.4.2017 – 18.4.2027	0.700
	108,437,628	–	–	–	(91,937,628)	16,500,000				
	163,500,187	–	–	–	(92,400,187)	71,100,000				
Exercisable	163,500,187					71,100,000				
Weighted average exercise price (HK$)	0.431	–	–	–	0.344	0.544				

Notes:

(i) During the year ended 31 December 2024, the lapse of the share options is due to the resignation or retirement of Director, employees and consultants of the Company (2023: due to the expiry of the exercisable period).

(ii) The number of share option and the corresponding exercise price have been adjusted due to the issue of rights share during the year 2016.

31. SHARE OPTION SCHEMES (Cont'd)

(a) Equity-settled share option scheme of the Company (Cont'd)

The Group recognised the share-based compensation benefits of Nil (2023: Nil) for the year ended 31 December 2024 in relation to share options granted by the Company.

(b) Equity-settled share option scheme of Summit Ascent

Pursuant to an annual general meeting of Summit Ascent held on 28 May 2021, the shareholders of Summit Ascent approved the adoption of a new share option scheme (the "**Summit Ascent Scheme**") and the termination of the previous share option scheme adopted on 7 July 2011.

Under the Summit Ascent Scheme, the directors of Summit Ascent may, at their discretion, grant to any directors, executives and employees of any members of the Summit Ascent Group and consultants, professionals and other advisors to any members of the Summit Ascent Group (the "**Participant(s)**") share options to subscribe for the Summit Ascent Shares, subject to the terms and conditions stipulated therein. The purpose of the Summit Ascent Scheme is to recognise the contribution of the Participants who have made or may make to Summit Ascent, to provide them with the opportunity to acquire proprietary interests in Summit Ascent and to encourage them to work towards enhancing the value of Summit Ascent and its shares for the benefit of Summit Ascent and its shareholders as a whole.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Summit Ascent Scheme (and under any other scheme of Summit Ascent) shall not in aggregate exceed 10% of the Summit Ascent Shares in issue as at the date of the adoption of the Summit Ascent Scheme, provided that Summit Ascent seeks approval from shareholders to refresh such limit. Moreover, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Summit Ascent Scheme (and under any other scheme of Summit Ascent) shall not exceed 30% of the Summit Ascent Shares in issue from time to time. The maximum entitlement of each Participant under the Summit Ascent Scheme in any 12-month period is 1% of the shares of Summit Ascent in issue from time to time.

As at 31 December 2024, the number of Summit Ascent Shares in respect of the options granted, exercisable and remained outstanding under the Summit Ascent Scheme was Nil (2023: 1,000,000), representing 0.00% (2023: 0.02%) of the total number of issued Summit Ascent Shares. As at 31 December 2024, the total number of shares available for issue under the Scheme was 450,944,459 (2023: 450,944,459), which represented approximately 10.00% (2023: 10.00%) of the issued Summit Ascent Shares.

The period within which an option may be exercised will be determined by the directors of Summit Ascent at its absolute discretion but no option may be exercised later than 10 years from the date on which the option is granted. The minimum period for which an option must be held before it can be exercised (i.e. vesting period) is determined by the directors of Summit Ascent upon the grant of an option.

31. SHARE OPTION SCHEMES (Cont'd)

(b) Equity-settled share option scheme of Summit Ascent (Cont'd)

The amount payable on acceptance of an option is HK$1. The exercise price is determined by the directors of Summit Ascent, and will not be less than the higher of (i) the closing price of Summit Ascent Shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of Summit Ascent Shares. As to the remaining life of the Summit Ascent Scheme, the Summit Ascent Scheme will be valid and effective for a period of ten years from the adoption date until 27 May 2031.

Movements of Summit Ascent's share options held by the independent non-executive directors of Summit Ascent, employees and consultants of Summit Ascent during the years ended 31 December 2024 and 31 December 2023 are set out below:

Grantees	As at 1 January 2024	Lapsed	As at 31 December 2024	Date of grant	Vesting period	Exercisable period	Exercise price per Summit Ascent Share
Consultants of Summit Ascent	300,000	(300,000)	-	2.11.2020	N/A	2.11.2020–1.11.2025	0.912
	300,000	(300,000)	-	2.11.2020	2.11.2020 - 1.11.2021	2.11.2021–1.11.2025	0.912
	400,000	(400,000)	-	2.11.2020	2.11.2020 - 1.11.2022	2.11.2022–1.11.2025	0.912
	1,000,000	(1,000,000)	-				
	1,000,000	(1,000,000)	-				
Exercisable	1,000,000	(1,000,000)	-				
Weighted average exercise price (HK$)	0.912		-				

31. SHARE OPTION SCHEMES (Cont'd)

(b) Equity-settled share option scheme of Summit Ascent (Cont'd)

Movements of Summit Ascent's share options held by the independent non-executive directors of Summit Ascent, employees and consultants of Summit Ascent during the years ended 31 December 2024 and 31 December 2023 are set out below: (Cont'd)

	Number of share options						
Grantees	As at 1 January 2023	Lapsed	As a 31 December 2023	Date of grant	Vesting period	Exercisable period	Exercise price per Summit Ascent Share
Independent non-executive directors of Summit Ascent	1,875,000	(1,875,000)	–	13.12.2018	N/A	13.12.2018–12.12.2023	1.05
Other employees of Summit Ascent	10,621,875	(10,621,875)	–	13.12.2018	N/A	13.12.2018–12.12.2023	1.05
	12,496,875	(12,496,875)	–				
Consultants of Summit Ascent	300,000	–	300,000	2.11.2020	N/A	2.11.2020–1.11.2025	0.912
	300,000	–	300,000	2.11.2020	2.11.2020 - 1.11 2021	2.11.2021–1.11.2025	0.912
	400,000	–	400,000	2.11.2020	2.11.2020 - 1.11 2022	2.11.2022–1.11.2025	0.912
	1,000,000	–	1,000,000				
	13,496,875	(12,496,875)	1,000,000				
Exercisable	13,496,875	(12,496,875)	1,000,000				
Weighted average exercise price (HK$)	1.04		0.912				

31. SHARE OPTION SCHEMES (Cont'd)

(b) Equity-settled share option scheme of Summit Ascent (Cont'd)

The vesting period of the Summit Ascent's share options is from the date of grant until the commencement of the exercise period. Once vested, each option gives the holder of the right to subscribe for one ordinary share of Summit Ascent.

Upon completion of the rights issue of Summit Ascent in 2020, Summit Ascent Group has calculated the necessary adjustments to the exercise prices of and the number of shares of the outstanding Summit Ascent's share options in accordance with the terms of the Summit Ascent Scheme.

During the year ended 31 December 2024, 1,000,000 (2023: 12,496,875) share options under the Summit Ascent Scheme were lapsed.

Summit Ascent Group recognised the share-based compensation benefits of Nil (2023: Nil) for the year ended 31 December 2024 in relation to share options granted by Summit Ascent.

The number of shares of Summit Ascent in respect of options available for grant under the mandate of the Summit Ascent Scheme was 450,944,459 as at 1 January 2024 and 31 December 2024. During the year ended 31 December 2024 and 2023, no share options were granted, exercised or cancelled under the Summit Ascent Scheme.

32. DISPOSAL OF SUBSIDIARIES

Disposal of subsidiaries during the year ended 31 December 2023

Dongyang Disposal

On 21 September 2023, the Group entered into a sale and purchase agreement (the "**Dongyang S&P Agreement**") with an independent third party (the "**Dongyang Purchaser**"). Pursuant to the Dongyang S&P Agreement, the Company agreed to sell and the Dongyang Purchaser agreed to purchase the entire equity interest of Dongyang Xinguang Pacific Enterprises Limited ("**Dongyang Xinguang**"), a wholly-owned subsidiary of the Company, at a total cash consideration of RMB20,000,000 (equivalent to approximately HK$21,395,000) subject to the terms and conditions of the Dongyang S&P Agreement (the "**Dongyang Disposal**"). The Dongyang Disposal was completed on 18 October 2023.

Faith Best Disposal

On 26 October 2023, the Group entered into a sale and purchase agreement (the "**Faith Best S&P Agreement**") with an independent third party (the "**Faith Best Purchaser**"). Pursuant to the Faith Best S&P Agreement, the Company agreed to sell and the Faith Best Purchaser agreed to purchase the entire equity interest of Faith Best Asia (HK) Limited ("**Faith Best**"), a wholly-owned subsidiary of the Company, at a total cash consideration of HK$19,950,000 subject to the terms and conditions of the Faith Best S&P Agreement (the "**Faith Best Disposal**"). The Faith Best Disposal was completed on 26 October 2023.

Faith Best is principally an investment holding company with no business operations.

(i) The net assets at the date of the disposal of subsidiaries are as follows:

	Dongyang Xinguang HK$'000	Faith Best HK$'000	Total HK$'000
Net assets disposed of			
Property, operating right and equipment	126	–	126
Right-of-use assets	50,554	–	50,554
Intangible assets	12,408	–	12,408
Inventories	653	–	653
Trade and other receivables and prepayments	7,436	21,245	28,681
Bank balances and cash	12,575	–	12,575
Trade and other payables	(4,975)	–	(4,975)
Contract liabilities	(1,637)	–	(1,637)
Rent and other deposits	(4,701)	–	(4,701)
Lease liabilities	(52,222)	–	(52,222)
Net assets disposed of	20,217	21,245	41,462

32. DISPOSAL OF SUBSIDIARIES (Cont'd)

Disposal of subsidiaries during the year ended 31 December 2023 (Cont'd)

(i) The net assets at the date of the disposal of subsidiaries are as follows: (Cont'd)

	Dongyang Xinguang HK$'000	Faith Best HK$'000	Total HK$'000
Cash consideration received and receivables	21,395	19,950	41,345
Net assets disposed	(20,217)	(21,245)	(41,462)
Other costs directly attributable to the disposal	(250)	–	(250)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss on control of the subsidiaries	458	(1,101)	(643)
Gain (loss) on disposal of subsidiaries	1,386	(2,396)	(1,010)

Analysis of net cash (outflow) inflow in respect of the disposal is as follows:

Cash consideration received	–	19,950	19,950
Bank balances and cash disposed of	(12,575)	–	(12,575)
Total net cash (outflow) inflow from the disposal	(12,575)	19,950	7,375

32. DISPOSAL OF SUBSIDIARIES (Cont'd)

Disposal of subsidiaries during the year ended 31 December 2023 (Cont'd)

(ii) Results of the discontinued operation have been included in the consolidated statement of profit or loss and other comprehensive income:

The Dongyang Disposal was completed on 18 October 2023 and was reported in the consolidated financial statements for the year ended 31 December 2023 as discontinued operation. Financial information relating to the discontinued operation for the period to the completion date of the Dongyang Disposal is set below.

The financial performance and cash flow information presented reflect the discontinued operation for the year ended 31 December 2023.

	Dongyang Xinguang 2023 HK$'000
Revenue	13,783
Cost of sales	(7,208)
	6,575
Other income, gains and losses	647
Selling expenses	(914)
Administrative expenses	(7,468)
Other operating expenses	(663)
Finance costs	(1,712)
Loss before taxation	(3,535)
Income tax credit	104
Loss for the year from discontinued operation	(3,431)
Gain on disposal of a subsidiary	1,386
Loss for the year from discontinued operation	(2,045)
Loss and total comprehensive expense for the year from discontinued operation	(3,034)

32. DISPOSAL OF SUBSIDIARIES (Cont'd)

Disposal of subsidiaries during the year ended 31 December 2023 (Cont'd)

(ii) Results of the discontinued operation have been included in the consolidated statement of profit or loss and other comprehensive income: (Cont'd)

	Dongyang Xinguang 2023 HK$'000
Net cash flows from operating activities	243
Net cash flows used in investing activities	(67)
Net cash flows used in financing activities	(232)
Effect of foreign exchange rate changes	(585)
Net decrease in cash and cash equivalents	(641)
Basic loss per share from discontinued operation attributable to shareholders of the Company (HK cents)	0.03
Diluted loss per share from discontinued operation attributable to shareholders of the Company (HK cents)	0.03

32. DISPOSAL OF SUBSIDIARIES (Cont'd)

Disposal of subsidiaries during the year ended 31 December 2023 (Cont'd)

(iii) Loss for the year from discontinued operation

Loss for the year from discontinued operation is stated after charging the following:

	Dongyang Xinguang 2023 HK$'000
Depreciation of property, operating right and equipment	126
Depreciation of right-of-use assets	3,816
	3,942
Staff costs, excluding Directors	
– salaries and wages	5,210
– retirements benefits scheme contributions	760
Total staff costs, excluding Directors	5,970
Short-term and variable lease payments	–
Cost of sales	
– cost of services rendered	7,208

33. CONTINGENT LIABILITIES

(a) On 30 June 2021, pursuant to the sale and purchase agreement in relation to the disposal of Access Achievement Limited ("**Access Achievement**") and a deed of indemnity entered into by the Company, the purchaser (the "**Purchaser**") and Access Achievement, the Company will indemnify the Purchaser against certain tax, litigation and contingent liabilities which, except for litigation liabilities, in aggregate cannot exceed the sum of (i) the consideration of the disposal of Access Achievement amounting to RMB155,290,000 (equivalent to approximately HK$164,904,000) (2023: RMB155,290,000 (equivalent to approximately HK$170,311,000)); and (ii) the principal amount of the loan owed by Shenzhen Zirui Real Estate Development Limited to Shenzhen Sky Alliance Property Company Limited amounting to RMB519,249,000 (equivalent to approximately HK$551,395,000) (2023: RMB519,249,000 (equivalent to approximately HK$569,477,000)), in the aggregate amount of RMB674,539,000 (equivalent to approximately HK$716,299,000) (2023: RMB674,539,000 (equivalent to approximately HK$739,788,000)). In this regard, approximately RMB20,481,000 (equivalent to approximately HK$21,749,000) (2023: approximately RMB20,481,000 (equivalent to approximately HK$22,462,000)) was recorded as provision for indemnity included in "other payables" in the consolidated financial statements as at 31 December 2024 and 31 December 2023.

(b) Pursuant to the announcement issued by the Securities and Futures Commission ("**SFC**") dated 27 September 2024, the SFC has commenced legal proceedings under section 214 of the Securities and Futures Ordinance (Cap. 571) in the Court of First Instance (the "**Court**") to seek a share repurchase order to protect the interests of independent minority shareholders of the Company and Summit Ascent Holdings Limited as a result of alleged misconduct of Mr. Lo Kai Bong, chairman, executive director of the Company and controlling shareholder of both companies. The share repurchase order, if granted by the Court, would require Mr. Lo Kai Bong, the Company and/or Summit Ascent Holdings Limited to make an offer to purchase shares from both companies' minority shareholders independent of Mr. Lo Kai Bong at a price and in a manner to be determined by the Court. As at 31 December 2024 and up to the date of this report, the legal proceedings remain ongoing and no order from the Court has been made. Given the early stage and complexity of the legal proceedings, and the inherent uncertainties involved, it is not possible to give a firm evaluation of the likelihood of the outcome or estimate the financial impact on the financial position of the Company, if any. Consequently, no provision in respect of the legal proceedings has been made in the consolidated financial statements as at 31 December 2024.

34. CAPITAL COMMITMENTS

The Group has the following material commitments in respect of property, operating right and equipment which are not provided for in the consolidated financial statements at the end of the reporting period:

	2024 **HK$'000**	2023 HK$'000
Contracted but not provided for*	**1,892,203**	2,219,656

* The amount included approximately HK$1,890,007,000 (2023: approximately HK$2,219,264,000) in relation to the construction project of the Main Hotel Casino.

35. RELATED PARTY DISCLOSURES

Apart from details of the balances with related parties disclosed in the consolidated statement of financial position and other details disclosed elsewhere in the consolidated financial statements, the Group also entered into the following significant transactions with related parties during both years:

Name of related parties	Notes	Nature of transactions	2024 HK$'000	2023 HK$'000
Major Success	(i)	Proposed distribution for Perpetual Securities	**269,800**	270,299
		Interest expense on Major Success Loan	**3,285**	1,635
GYE	(ii)	Interest income on loans to a joint venture	**–**	19,116
		Imputed interest income on loans to a joint venture	**–**	7,996
Non-controlling shareholders of Oriental Regent		Imputed interest expense on ORL Loans	**1,213**	5,570
Westside and/or Travellers	(iii)	Interest on lease liabilities capitalised in construction in progress included in property, operating right and equipment	**35,462**	35,166

Notes:

(i) Major Success is the immediate holding company of the Company which is wholly owned by Mr. Lo.

(ii) GYE is a joint venture of the Company. The Company indirectly interested in 50% equity interest in GYE.

(iii) Westside and Travellers are fellow subsidiaries of a non-controlling shareholder of Suntrust.

35. RELATED PARTY DISCLOSURES (Cont'd)

None of the above transactions are connected transactions or continuing connected transactions for the Company under Chapter 14A of the Listing Rules save for the following:

- the transactions with Major Success to which the above note (i) related constituted connected transactions or continuing connected transactions for the Company during the year ended 31 December 2024 and 2023. The Company confirmed that the transactions were on normal commercial terms and were exempted from the requirements of Chapter 14A of the Listing Rules; and

- the transactions with Westside and/or Travellers to which the above note (iii) related constituted connected transactions for the Company during the year ended 31 December 2024 and 2023. The Company confirmed that it has complied with the applicable disclosure requirement in accordance with Chapter 14A of the Listing Rules.

Remuneration for key management personnel of the Group, including amounts paid to Directors and certain of the highest paid employees as disclosed in Note 10.

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of debt, which includes amounts due to immediate holding company and non-controlling shareholders of a subsidiary, loans from immediate holding company and non-controlling shareholders of a subsidiary, bank and other borrowings and convertible bonds as disclosed in Notes 21, 25 and 26(a), respectively, net of bank balances and cash, comprising share capital, share premium and other reserves.

The management of the Group reviews the capital structure from time to time. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Financial assets		
Derivative financial instrument	**3,873**	4,787
Amortised cost	**911,990**	1,220,642
	915,863	1,225,429
Financial liabilities		
Amortised cost	**2,141,924**	1,516,685
Lease liabilities	**893,756**	889,248
Derivative financial instrument	**1,392**	2,227
	3,037,072	2,408,160

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets included in other receivables, financial assets included in deposits for non-current financial assets, derivative financial instruments, bank balances and cash, financial liabilities included in trade and other payable, amount due to immediate holding company and non-controlling shareholders of a subsidiary, loans from immediate holding company and non-controlling shareholders of a subsidiary, rent and other deposits, interest payables, lease liabilities, convertible bonds, derivative financial instruments, and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (represented by currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

(i) Currency risk

Certain subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. The Directors believe that the Group does not have significant foreign exchange exposures as foreign currency risk is mitigated through holding the relevant currencies for future settlement.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Market risks (Cont'd)

(i) Currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities other than the functional currency of the Group to which they related at the end of each reporting period are as follows:

	Liabilities		**Assets**	
	As at 31 December			
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
RMB	**21,749**	22,462	**378**	70,161
US$	**1,096,797**	1,040,060	**257,082**	199,137
RUB	**26,716**	29,297	**378,181**	227,705

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Sensitivity analysis

The sensitivity analysis below has been determined based on a 10% increase/decrease in functional currency of respective entities against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Market risks (Cont'd)

(i) Currency risk (Cont'd)

Sensitivity analysis (Cont'd)

31 December 2024

If HK$ had been 10% strengthened/weakened to RMB for respective RMB denominated monetary assets and liabilities, the Group's post-tax loss for the year ended 31 December 2024 would have decreased/increased by approximately HK$1,710,000.

As HK$ is pegged to the US$ within a narrow band, the Group does not expect any significant movements in the US$/HK$ exchange rate and the currency risk exposure for HK$ is not significant.

If HK$ had been 10% strengthened/weakened to RUB for respective RUB denominated monetary assets and liabilities, the Group's post-tax loss for the year ended 31 December 2024 would have increased/decreased by approximately HK$28,117,000.

31 December 2023

If HK$ had been 10% strengthened/weakened to RMB for respective RMB denominated monetary assets and liabilities, the Group's post-tax profit for the year ended 31 December 2023 would have decreased/increased by approximately HK$3,816,000.

As HK$ is pegged to the US$ within a narrow band, the Group does not expect any significant movements in the US$/HK$ exchange rate and the currency risk exposure for HK$ is not significant.

If HK$ had been 10% strengthened/weakened to RUB for respective RUB denominated monetary assets and liabilities, the Group's post-tax profit for the year ended 31 December 2023 would have decreased/increased by approximately HK$15,873,000.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Market risks (Cont'd)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to amount due to immediate holding company (Notes 21(a) and (c)), loan from immediate holding company (Note 21(a)), loans from non-controlling shareholders of a subsidiary (Note 21(b)), debt component of convertible bonds (Note 26(a)) and lease liabilities (Note 27).

The Group is also exposed to cash flow interest rate risk in relation to the bank balances (Note 22), and bank and other borrowings (Note 25), due to the fluctuation of the prevailing market interest rates for both years.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The Directors monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arise. The Group's cash flow interest rate risk is mainly sensitive to the fluctuation of interest rate arising from the Group's bank balances and bank and other borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for bank balances at the end of the reporting period. The analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points for bank balances increase or decrease is used during the year for the Group when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates of bank balances had been 10 basis points higher/lower and all other variables were held constant, the post-tax loss for the year ended 31 December 2024 would have decreased/increased by approximately HK$724,000 (2023: the post-tax profit for the year would have increased/decreased by approximately HK$969,000).

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Market risks (Cont'd)

(iii) Other price risk

The Group is also required to estimate the fair value of the derivative financial instruments at the end of each reporting period with changes in fair value to be recognised in the consolidated statement of profit or loss and other comprehensive income as long as the convertible bonds and the put option are outstanding. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in market interest rate, share market price and share price volatility of the Company and its subsidiary, Suntrust.

Sensitivity analysis

The sensitivity analyses of derivative financial instruments below have been determined based on the exposure to equity price risk and volatility risk arising from derivative financial instruments at the end of the reporting period only as the Directors consider that the change in market interest rate may not have significant financial impact on the fair value of derivative financial instruments.

Changes in share price

If the Suntrust's share price had been 5% higher/lower and all other variables were held constant, the Group's post-tax loss for the year would have increased/decreased by approximately HK$287,000 (2023: post-tax profit for the year would have decreased/increased by approximately HK$250,000) (as a result of changes in fair value of derivative financial instruments).

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, loans to/amounts due from a joint venture, bank balances and other receivables/other deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment is set out as follows.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

Trade receivables arising from contracts with customers

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

As at 31 December 2024, no loss allowance (2023: nil) was provided on trade receivables on individual basis. The Directors considered that no other loss allowance is necessary at the end of the reporting period.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

Other receivables/other deposits

For other receivables and other deposits, the Directors make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records and past experience. The Directors believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. As at 31 December 2024, approximately HK$135,000 (31 December 2023: HK$2,216,000) was provided on other receivable and other deposits on individual basis based on management's assessment of the credit risk. As at 31 December 2024 and 2023, the Group assessed the ECL for the remaining other receivables and other deposits were insignificant and thus no loss allowance was recognised.

Equity loans to a joint venture, loans to a joint venture and amounts due from a joint venture

The detail are set out in Note 18.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

Based on the Group's internal credit rating, no material loss allowance is recognised for bank balances for the years ended 31 December 2024 and 2023.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

The table below details the credit risk exposures of the Group, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount as at 31 December 2024 HK$'000	2023 HK$'000
Equity loans to a joint venture	18	N/A	(Note (i))	Lifetime ECL	**–**	243,496
Other receivables	20	N/A	(Note (i))	12m ECL	**4,955**	9,817
Other deposits	20	N/A	(Note (i))	12m ECL	**2,118**	2,173
Bank balances	22	AA+	N/A	12m ECL	**905,047**	1,210,861

Notes:

(i) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	As at 31 December 2024 HK$'000	2023 HK$'000
Not past due		
Equity loans to a joint venture	**–**	243,496
Other receivables	**4,955**	9,817
Other deposits	**2,118**	2,173

For the year ended 31 December 2024 and 2023, equity loans to a joint venture, loans to a joint venture and amounts due from a joint venture are assessed based on lifetime ECL while other receivables and other deposits are assessed based on 12m ECL.

(ii) After considering the quantitative and qualitative information that is reasonable and supportive forward-looking information and the financial position of the joint venture, the management of the Group considered that the credit risk on the equity loans to a joint venture had significantly increased for the years ended 31 December 2024 and 2023. In view of this, the management of the Group assessed the ECL on the equity loans, loans to and the amounts due from the joint venture based on lifetime ECL during the years ended 31 December 2024 and 2023.

Impairment assessment

The key measuring parameters of ECL include probability of default ("**PD**"), loss given default ("**LGD**") and exposure at default ("**EAD**"). Based on the requirements of HKFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

Notes: (Cont'd)

Impairment assessment (Cont'd)

Relative definitions are listed as follows:

– PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the results of the Internal Rating-Based Approach, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor's point-in-time PD under the current macroeconomic environment;

– LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies;

– EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

The assessment of credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk. The Group applied experts' judgement in this process, according to the result of experts' judgement, the Group predicts these economic indicators and determines the impact of these economic indicator on the PD and the LGD.

The following table provides information about the Group's exposure to credit risk and ECLs for equity loans to a joint venture as at 31 December 2024 and 2023:

	As at 31 December 2024			As at 31 December 2023		
	Expected loss rate (%)	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**	Expected loss rate (%)	Gross carrying amount HK$'000	Loss allowance HK$'000
Equity loans to a joint venture	**–**	**–**	**–**	–	243,496	–
		–	**–**		243,496	–

The following table shows the movement in lifetime ECL that has been recognised for equity loans to a joint venture.

	Equity loans to a joint venture HK$'000
At 1 January 2023	137,254
Reversal of allowance for impairment	(137,842)
Exchange realignment	588
31 December 2023, 1 January 2024 and 31 December 2024	**–**

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Liquidity risk

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. A monthly report on forecasted inflow and outflow of cash is compiled for the review by the Directors. The management monitors the utilisation of bank and other borrowing.

The Group relies on bank borrowing, other borrowing and other debt and/or equity financing as significant sources of liquidity. As at 31 December 2024, the Group's current assets exceeded its current liabilities by approximately HK$716,384,000 (31 December 2023: HK$1,244,226,000). The Group is in consolidated net assets position of approximately HK$4,549.8 million (31 December 2023: HK$4,563.0 million) as at 31 December 2024. Taking into consideration of the financial resources of the Group and the committed capital expenditure of approximately HK$1,892 million as at 31 December 2024 the Directors have been undertaking measures to improve the Group's liquidity and financial position to refinance its operations and to restructure its borrowings. Details of which are set out in Note 2.

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

	Weighted average effective interest rate %	Within 1 year or repayable on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 December 2024							
Non-derivative financial liabilities							
Trade and other payables	-	226,565	196,644	-	-	423,209	429,600
Liabilities for VAT arrangements	13.27%	6,391	2,561	415	193	9,560	9,037
Convertible bonds	7.37%	23,290	-	-	-	23,290	21,893
Loans from non-controlling shareholders of a subsidiary	5.76%	-	8,051	-	-	8,051	7,449
Amounts due to a non-controlling shareholders of a subsidiary	-	82,389	-	-	-	82,389	82,389
Amount due to immediate holding company	-	-	-	4,049	-	4,049	4,049
Loan from immediate holding company	5.67%	-	-	55,332	-	55,332	46,257
Bank borrowing	8.14%	120,743	120,743	964,676	931,751	2,137,913	1,412,787
Other borrowing	19.72%	137,500	-	-	-	137,500	137,500
Lease liabilities	7.66%	50,718	87,082	248,799	825,988	1,212,587	893,756
Total		647,596	415,081	1,273,271	1,757,932	4,093,880	3,044,717

37. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

Liquidity risk (Cont'd)

	Weighted average effective interest rate %	Within 1 year or repayable on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 December 2023							
Non-derivative financial liabilities							
Trade and other payables	–	68,988	112,641	–	–	181,629	188,884
Liabilities for VAT arrangements	14.67%	7,255	7,255	3,167	252	17,929	16,186
Convertible bonds	7.37%	–	23,427	–	–	23,427	22,737
Loans from non-controlling shareholders of a subsidiary	5.76%	–	–	19,519	–	19,519	14,669
Amounts due to a non-controlling shareholders of a subsidiary	–	71,455	–	–	–	71,455	71,455
Amount due to immediate holding company	–	–	–	1,516	–	1,516	1,516
Loan from immediate holding company	5.67%	–	–	58,236	–	58,236	46,938
Bank borrowing	8.14%	106,592	120,743	730,427	1,286,743	2,244,505	1,172,713
Lease liabilities	6.32%	5,715	85,516	252,041	882,141	1,225,413	889,248
Total		260,005	349,582	1,064,906	2,169,136	3,843,629	2,424,346

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available.

(i) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities 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 and financial liabilities 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 is observable.

37. FINANCIAL INSTRUMENTS (Cont'd)

(c) Fair value measurements of financial instruments (Cont'd)

(i) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (Cont'd)

Level 1 fair value measurements are those quoted prices (unadjusted) in active market for identical assets or liabilities at measurement date;

Level 2 fair value measurements 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 fair value measurements 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/ financial liabilities	Fair value as at **31.12.2024** **HK$'000**	Fair value as at 31.12.2023 HK$'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs
Derivative financial liabilities classified as FVTPL – convertible bonds	**1,392**	2,227	Level 3	Binomial Model – in this approach, certain parameters (Notes 26(a) and (b)) determined by management are input into the Binomial Model to derive the valuation of the derivative financial instruments. Certain parameters include: – Share price – Conversion price – Risk-free rate – Expected option life – Expected dividend yield – Expected volatility	Estimation of share price volatility, determined by reference to the average historical volatility of the Company and Summit Ascent
Derivative financial asset classified as FVTPL – Put Option	**3,873**	4,787	Level 3	Binomial Model – in this approach, certain parameters (Note 26(c)) determined by management are input into the Binomial Model to derive the valuation of the derivative financial instruments. Certain parameters include: – Share price – Risk-free rate – Expected option life – Expected dividend yield – Expected volatility	Estimation of share price volatility, determined by reference to the average historical volatility of Suntrust

37. FINANCIAL INSTRUMENTS (Cont'd)

(c) Fair value measurements of financial instruments (Cont'd)

(i) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (Cont'd)

Sensitivity analysis

If the volatility of the Suntrust's share price had been 5% higher/lower while all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2024 would have decreased/increased by approximately HK$77,000 (2023: post-tax profit would have increased/decreased by approximately HK$106,000) (as a result of changes in fair value of derivative financial instruments).

If the volatility of the Summit Ascent's share price had been 5% higher/lower while all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2024 would have increased/decreased by Nil (2023: post-tax profit would have decreased/increased by Nil) (as a result of changes in fair value of derivative financial instruments).

	Level 1 HK$'000	**Level 2** HK$'000	**Level 3** HK$'000	**Total** HK$'000
Fair value hierarchy as at 31 December 2024				
Financial asset				
Derivative financial instrument	**–**	**–**	**3,873**	**3,873**
Financial liability				
Derivative financial instrument	**–**	**–**	**1,392**	**1,392**
Fair value hierarchy as at 31 December 2023				
Financial asset				
Derivative financial instrument	–	–	4,787	4,787
Financial liability				
Derivative financial instrument	–	–	2,227	2,227

37. FINANCIAL INSTRUMENTS (Cont'd)

(c) Fair value measurements of financial instruments (Cont'd)

(ii) Reconciliation of Level 3 fair value measurements

	Derivative financial instruments HK$'000
At 1 January 2023	(3,065)
Total gains in profit or loss	(541)
Exchange realignment	(36)
At 31 December 2023 and 1 January 2024	(2,560)
Total gains in profit or loss	(197)
Exchange realignment	276
At 31 December 2024	**(2,481)**

Total gains in profit or loss are included in "change in fair value of derivative financial instruments" in the consolidated statement of profit or loss and other comprehensive income.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

There is no transfer among Level 1, Level 2 and Level 3 during both years.

38. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2024, the Group entered into the following major non-cash transactions:

(i) The Group capitalised certain depreciation of right-of-use assets of approximately HK$96,944,000, certain interest on lease liabilities of approximately HK$35,462,000 and interest on loan from immediate holding company of approximately HK$3,285,000 as part of the additions to the construction in progress included in property, operating right and equipment during the year ended 31 December 2024.

(ii) The proposed distribution for Perpetual Securities for the year ended 31 December 2024 of approximately HK$269,800,000 was remain unpaid as at 31 December 2024.

(iii) The JV Loan of US$8,805,537 (equivalent to approximately HK$68,861,000) was fully settled by way of Distribution in Species from the joint venture to the Group.

During the year ended 31 December 2023, the Group entered into the following major non-cash transactions:

(i) The Group capitalised certain depreciation of right-of-use assets of approximately HK$102,411,000, certain interest on lease liabilities of approximately HK$35,166,000 and interest on loan from immediate holding company of approximately HK$1,635,000 as part of the additions to the construction in progress included in property, operating right and equipment during the year ended 31 December 2023.

(ii) The proposed distribution for Perpetual Securities for the year ended 31 December 2023 of approximately HK$270,299,000 was remain unpaid as at 31 December 2023.

38. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(b) 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 from financing activities.

	Loan from immediate holding company	Amount due to immediate holding company	Loans from non-controlling shareholders of subsidiaries	Amounts due to non-controlling shareholders of subsidiaries	Bank and other borrowings	Interest payables	Convertible bonds/ derivative financial instruments/ bond payables	Other payable of the transfer of connection right	Lease liabilities	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 January 2023	–	–	216,408	6,204	400,000	2,449	647,682	11,286	933,411	2,217,440
Financing cash flows	47,051	–	(158,713)	(6,942)	745,260	(36,077)	(628,442)	–	(11,364)	(49,227)
Non-cash movements:										
Disposal of a subsidiary	–	–	–	–	–	–	–	–	(52,222)	(52,222)
Deemed distribution to non-controlling shareholders of a subsidiary	–	–	25,247	–	–	–	–	–	–	25,247
Change in fair value of derivative financial instruments	–	–	–	–	–	–	2,060	–	–	2,060
Interest expenses recognised	–	1,635	5,570	972	2,075	50,603	1,411	–	37,571	99,837
New leases entered	–	–	–	–	–	–	–	–	2,097	2,097
Modification of leases	–	–	–	–	–	–	–	–	(18,797)	(18,797)
Written-off	–	–	–	–	–	–	–	(9,167)	–	(9,167)
Repayments declared	–	–	(71,594)	71,594	–	–	–	–	–	–
Exchange difference	(113)	(119)	(2,249)	(373)	25,378	89	26	(2,119)	(1,448)	19,072
At 31 December 2023 and 1 January 2024	46,938	1,516	14,669	71,455	1,172,713	17,064	22,737	–	889,248	2,236,340
Financing cash flows	–	–	–	–	435,287	(104,138)	–	–	(8,831)	322,318
Non-cash movements:										
Deemed distribution to non-controlling shareholders of a subsidiary	–	–	3,034	–	–	–	–	–	–	3,034
Change in fair value of derivative financial instruments	–	–	–	–	–	–	(835)	–	–	(835)
Interest expenses recognised	–	3,285	1,213	–	8,536	117,731	1,510	–	36,342	168,617
New leases entered	–	–	–	–	–	–	–	–	15,071	15,071
Modification of leases	–	–	–	–	–	–	–	–	(22,624)	(22,624)
Repayments declared	–	–	(11,287)	11,287	–	–	–	–	–	–
Exchange difference	(681)	(752)	(180)	(353)	(66,249)	(1,450)	(127)	–	(15,450)	(85,242)
At 31 December 2024	**46,257**	**4,049**	**7,449**	**82,389**	**1,550,287**	**29,207**	**23,285**	**-**	**893,756**	**2,636,679**

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Non-current assets		
Interests in subsidiaries (Note (a))	**4,588,632**	5,232,508
Loan to a subsidiary	**465,792**	37,171
Amount due from a subsidiary	**17,941**	587
	5,072,365	5,270,266
Current assets		
Other receivables	**1,051**	1,327
Bank balances and cash	**3,125**	11,566
	4,176	12,893
Current liabilities		
Other payables	**44,566**	31,551
Amounts due to subsidiaries	**59,175**	959,845
Other borrowing	**137,500**	–
Provision for indemnity to a subsidiary	**348,938**	304,834
Current tax liabilities	**5,208**	5,208
	595,387	1,301,438
Net current liabilities	**(591,211)**	(1,288,545)
Net assets	**4,481,154**	3,981,721
Capital and reserves		
Share capital	**693,697**	693,697
Perpetual securities (Note (c))	**6,564,762**	6,294,962
Reserves (Note (c))	**(2,777,305)**	(3,006,938)
Total equity	**4,481,154**	3,981,721

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(a) Interests in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group. To give details of other subsidiaries would in the opinion of the Directors, result in particulars of excessive length.

Name of subsidiaries	Place of establishment/ incorporation/ registration	Place of operation	Registered capital/issued and fully paid up share capital	Attributable equity interest held by the Group				Principal activities
				2024		2023		
				Direct %	**Indirect %**	Direct %	Indirect %	
Star Admiral Limited	The BVI	Hong Kong	US$50,000	**-**	**100**	–	100	Investment holding
MSRD Corporation Limited	Japan	Japan	JPY60,100,000	**-**	**69.66**	–	69.66	Investment holding
Honour City Limited	Japan	Japan	JPY10,000,000	**-**	**100**	–	100	Investment holding
Fortune Noble Limited	The BVI	Hong Kong	US$1	**100**	**-**	100	–	Investment holding
Suntrust (Listed on The Philippine Stock Exchange, Inc.)	The Philippines	The Philippines	PHP7,250,000,000	**-**	**51**	–	51	Investment holding
Summit Ascent (Listed on the Stock Exchange)	Bermuda	Hong Kong	HK$112,736,115	**2.73**	**66.93**	2.73	66.93	Investment holding
Oriental Regent	Hong Kong	Hong Kong	HK$424,693	**-**	**53.99**	–	53.99	Investment holding

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(a) Interests in subsidiaries

Name of subsidiaries	Place of establishment/ incorporation/ registration	Place of operation	Registered capital/issued and fully paid up share capital	Attributable equity interest held by the Group				Principal activities
				2024		2023		
				Direct %	**Indirect %**	Direct %	Indirect %	
G1 Entertainment	Russian Federation	Russian Federation	RUB1,190,795,312	**-**	**53.99**	–	53.99	Operation of hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region of the Russian Federation
Summit Ascent Investments Limited	The BVI	Hong Kong	US$1	**-**	**69.66**	–	69.66	Investment holding

(b) The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation or establishment and operations	Proportion of equity interest/ voting rights held by non-controlling interests		Profit (loss) attributable to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Summit Ascent and its subsidiaries	Bermuda and Russian	**30.34%**	30.34%	**26,338**	(216,804)	**1,056,161**	1,036,245
Suntrust and its subsidiaries	The Philippines	**49%**	49%	**(84,200)**	(36,456)	**35,738**	125,541

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(b) The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests: (Cont'd)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests, on a group consolidation basis is set out below. The summarised financial information below represents amounts before intragroup eliminations.

(i) Summit Ascent

	2024	2023
	HK$'000	HK$'000
Current assets	**783,453**	589,490
Non-current assets	**2,563,984**	2,477,693
Total assets	**3,347,437**	3,067,183
Current liabilities	**(496,593)**	(417,720)
Non-current liabilities	**(12,416)**	(46,974)
Total liabilities	**(509,009)**	(464,694)
Equity attributable to non-controlling interests of the Group	**1,056,161**	1,036,245

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(b) The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests: (Cont'd)

(i) Summit Ascent (Cont'd)

	Year ended 31 December 2024 HK$'000	Year ended 31 December 2023 HK$'000
Revenue	**414,505**	369,127
Other income, gains and losses	**(24,374)**	(209,677)
Change in fair value of derivative financial instruments	**144,470**	(169,022)
Impairment loss on property, operating right and equipment	**–**	(483,107)
Expenses	**(285,632)**	(351,748)
Profit (loss) for the year (Note)	**248,969**	(844,427)
Total comprehensive income (expense) for the year	**239,138**	(846,505)
Profit (loss) for the year attributable to non-controlling interests of the Group	**26,338**	(216,804)
Total comprehensive income (expense) for the year attributable to non-controlling interests of the Group	**23,356**	(217,434)
Dividends paid to non-controlling interests of the Group	**165**	172
Net cash generated from operating activities	**139,567**	86,068
Net cash generated from (used in) investing activities	**13,068**	(437,987)
Net cash used in financing activities	**(4,238)**	(89,905)
Effect of foreign exchange rate changes	**(42,916)**	(50,571)
	105,481	(492,395)

Note: The amounts are presented on the basis of the Group and reflected the fair value adjustments on property, operating right, and equipment, goodwill and additional post-acquisition depreciation charge resulted from the acquisition of Summit Ascent.

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(b) The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests: (Cont'd)

(ii) Suntrust

	As at 31 December	
	2024	2023
	HK$'000	HK$'000
Current assets	**782,494**	1,082,059
Non-current assets	**6,458,925**	5,315,717
Total assets	**7,241,419**	6,397,776
Current liabilities	**(249,389)**	(103,790)
Non-current liabilities	**(5,848,881)**	(4,941,587)
Total liabilities	**(6,098,270)**	(5,045,377)
Equity attributable to non-controlling interests of the Group	**35,738**	125,541

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(b) The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests: (Cont'd)

(ii) Suntrust (Cont'd)

	Year ended 31 December 2024 HK$'000	Year ended 31 December 2023 HK$'000
Other income, gains and losses	**(45,506)**	7,535
Expenses	**(101,912)**	(56,611)
Loss for the year	**(147,418)**	(49,076)
Total comprehensive expense for the year	**(158,853)**	(44,326)
Loss for the year attributable to non-controlling interests of the Group	**(84,200)**	(36,456)
Total comprehensive expense for the year attributable to non-controlling interests of the Group	**(89,803)**	(34,129)
Net cash used in operating activities	**(349,107)**	(169,547)
Net cash used in investing activities	**(634,528)**	(739,344)
Net cash generated from financing activities	**611,348**	1,578,623
Effect of foreign exchange rate changes	**(24,237)**	2,654
	(396,524)	672,386

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(c) Reserves

	Share premium HK$'000	Perpetual securities HK$'000	Share option reserve HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2023	2,104,372	6,036,663	26,856	297,132	682,301	(5,559,648)	3,587,676
Profit (loss) for the year	–	270,299	–	–	–	(581,734)	(311,435)
Total comprehensive income (expense) for the year	–	270,299	–	–	–	(581,734)	(311,435)
Ordinary shares issued	23,134	–	–	–	–	–	23,134
Transaction costs attributable to issue of new shares	(1,351)	–	–	–	–	–	(1,351)
Redemption of perpetual securities	–	(12,000)	–	2,000	–	–	(10,000)
Lapse of share options	–	–	(7,998)	–	–	7,998	–
At 31 December 2023 and 1 January 2024	2,126,155	6,294,962	18,858	299,132	682,301	(6,133,384)	3,288,024
Profit for the year	–	269,800	–	–	–	229,633	499,433
Total comprehensive income for the year	–	269,800	–	–	–	229,633	499,433
Lapse of share options	–	–	(247)	–	–	247	–
At 31 December 2024	**2,126,155**	**6,564,762**	**18,611**	**299,132**	**682,301**	**(5,903,504)**	**3,787,457**

40. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 16 April 2025, Suntrust entered into another subscription agreement with Summit Ascent Investments Limited ("**SA Investments**"), a direct wholly owned subsidiary of Summit Ascent, for the issuance of zero-coupon convertible bond at a total subscription price of PHP8,632.5 million. The convertible bond is convertible into 8,632,500,000 shares of Suntrust at the conversion price of PHP1.00 per share, subject to antidilutive adjustments. The convertible bond is payable up to 2033, which maybe subject to agreement by SA Investments, upon request of the Suntrust, be extended up to 2035. The transaction had not been completed as of the date of this report, the issuance of the convertible bond remains subject to the fulfillment of the conditions precedent.