

GALAXY CASINO S.A.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008**

(Extracted from the unaudited financial statements prepared in accordance with Hong Kong Financial Reporting Standards)

	HK\$'000
Gross gaming income subject to special gaming tax	<u>10,915,839</u>
Revenue	8,889,930
Other income	95,201
Foreign exchange gains	7,879
Special gaming tax and other related taxes to the Government	(3,382,448)
Commission and allowances to VIP club promoters	(3,248,754)
Employee benefit expenses	(1,117,986)
Operating lease rental - land and buildings	(49,512)
Amortisation and depreciation	(294,691)
Other operating expenses	<u>(1,003,507)</u>
Operating loss	(103,888)
Finance costs	<u>(282,744)</u>
Loss before taxation	(386,632)
Taxation	<u>(90)</u>
Loss for the year	<u>(386,722)</u>

GALAXY CASINO S.A.

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2008

(Extracted from the unaudited financial statements prepared in accordance with Hong Kong Financial Reporting Standards)

	HK\$'000
ASSETS	
Non-current assets	
Property, plant and equipment	6,125,588
Intangible assets	20,199
Leasehold land	254,226
Finance lease receivable	80,049
Derivative financial instruments	1,522
Restricted bank deposits	52,890
Other non-current investments	12,912
	6,547,386
Current assets	
Inventories	13,058
Debtors and prepayments	913,750
Amount due from a fellow subsidiary	141,976
Cash and bank balances	5,112,099
	6,180,883
Total assets	12,728,269

GALAXY CASINO S.A.

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31ST DECEMBER 2008

(Extracted from the unaudited financial statements prepared in accordance with Hong Kong Financial Reporting Standards)

	HK\$'000
EQUITY	
Share capital	924,175
Reserves	(33,055)
Total equity	891,120
LIABILITIES	
Non-current liabilities	
Loan from the ultimate holding company	3,538,328
Borrowings	4,561,392
Derivative financial instruments	10,985
	8,110,705
Current liabilities	
Creditors and accruals	3,424,058
Amount due to a fellow subsidiary	22,892
Amounts due to related parties	348
Current portion of borrowings	4,389
Provision for claims from contractors	274,757
	3,726,444
Total liabilities	11,837,149
Total equity and liabilities	12,728,269

GALAXY CASINO S.A.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008**

(Extracted from the unaudited financial statements prepared in accordance with Hong Kong Financial Reporting Standards)

	HK\$'000
Cash flows from operating activities	
Cash used in operations	(472,239)
Tax paid	(90)
Interest paid	(445,476)
Income from cash flow hedges	23,747
Interest element of finance lease rental payments	(838)
Net cash used in operating activities	(894,896)
Cash flows from investing activities	
Purchases of property, plant and equipment	(1,476,604)
Purchases of intangible assets	(12,633)
Proceeds on disposal of property, plant and equipment	2,229
Increase in restricted bank deposits	(2,890)
Interest received	73,554
Dividends received	9,592
Decrease in finance lease receivable	56,796
Net cash used in investing activities	(1,349,956)
Cash flows from financing activities	
Loan from the ultimate holding company	3,830,000
Capital element of finance lease payments	(3,990)
Net cash from financing activities	3,826,010
Net increase in cash and bank balances	1,581,158
Cash and bank balances at beginning of the year	3,533,045
Effect of exchange rates changes	(2,104)
Cash and bank balances at end of the year	<u>5,112,099</u>