INTERNATIONAL ENTERTAINMENT CORPORATION
國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01009)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2025	Year ended 30 June 2024
Revenue *(HK$'000)*	**566,159**	229,786
Loss before taxation *(HK$'000)*	**(272,965)**	(162,246)
Loss for the year attributable to the owners of the Company *(HK$'000)*	**(282,145)**	(131,964)
Loss per share — Basic *(HK cents)*	**(20.61)**	(9.64)

The Board does not recommend the payment of a final dividend for the year ended 30 June 2025.

RESULTS

The board of directors (the "**Board**") of International Entertainment Corporation (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 30 June 2025 (the "**Year**"), together with the comparative figures for the year ended 30 June 2024, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Notes	**Year ended 30 June 2025** *HK$'000*	Year ended 30 June 2024 *HK$'000*
Revenue	*3(b)*	**566,159**	229,786
Gaming tax and licensing fee		**(180,731)**	(17,792)
Cost of sales		**(112,183)**	(79,564)
Gross profit		**273,245**	132,430
Other income	*4*	**44,250**	17,895
Other loss, net		**(82,638)**	(15,506)
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")	*11*	**(533)**	(723)
Change in fair value of financial liabilities at fair value through profit or loss		**3,208**	1,385
Change in fair value of investment properties	*9*	**(23,315)**	(14,145)
Share of results of associates		**5,686**	(4,090)
Selling and marketing expenses		**(74,494)**	(4,220)
General and administrative expenses		**(326,550)**	(204,639)
Finance costs		**(91,824)**	(70,633)
Loss before taxation	*5*	**(272,965)**	(162,246)
Income tax (expense)/credit	*6*	**(9,180)**	30,282
Loss for the year attributable to the owners of the Company		**(282,145)**	(131,964)

	Notes	Year ended 30 June 2025 HK$'000	Year ended 30 June 2024 HK$'000
Other comprehensive (loss)/income that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations		**(55)**	802
— Gain on revaluation of owner-occupied properties upon transfer to investment properties, net of related income tax		**14,383**	–
— Exchange differences arising on translation from functional currency to presentation currency		**24,124**	(59,008)
Total comprehensive loss for the year attributable to the owners of the Company		**(243,693)**	(190,170)
		HK Cents	*HK Cents*
Loss per share attributable to the owners of the Company			
Basic	*8*	**(20.61)**	(9.64)
Diluted	*8*	**(20.61)**	(9.64)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**30 June 2025** **HK$'000**	30 June 2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**793,127**	1,069,582
Investment properties	*9*	**336,000**	–
Loan receivables	*10*	**99,992**	57,602
Intangible assets		**5,386**	6,897
Interest in associates		**43,303**	36,187
Right-of-use assets		**33,046**	22,139
Restricted bank balances		**390,741**	411,027
Other receivables, deposits and prepayments	*13*	**71,615**	104,092
		1,773,210	1,707,526
Current assets			
Inventories		**6,382**	4,716
Trade receivables	*12*	**37,605**	1,398
Other receivables, deposits and prepayments	*13*	**78,701**	35,209
Contract assets		**250**	291
Tax recoverable	*17*	**59,135**	57,067
Financial assets at fair value through profit or loss	*11*	**4,423**	4,481
Amounts due from associates		**–**	4,284
Fixed bank deposit		**13,873**	91,855
Bank balances and cash		**562,519**	417,471
		762,888	616,772
Total assets		**2,536,098**	2,324,298
Current liabilities			
Trade payables	*14*	**1,209**	4,133
Other payables and accrued charges	*14*	**137,843**	95,464
Amounts due to associates		**12,478**	–
Promissory notes	*15*	**–**	441,291
Contract liabilities		**2,078**	690
Lease liabilities		**7,022**	2,894
Bank borrowings	*16*	**59,933**	–
Convertible bond		**–**	56,149
Tax payables		**17,716**	–
		238,279	600,621
Net current assets		**524,609**	16,151

	Notes	**30 June 2025** *HK$'000*	30 June 2024 *HK$'000*
Non-current liabilities			
Deferred tax liabilities		**86,355**	99,577
Other liabilities		**3,696**	1,082
Lease liabilities		**36,552**	27,869
Bank borrowing	*16*	**930,134**	578,360
Promissory notes	*15*	**467,986**	–
		1,524,723	706,888
NET ASSETS		**773,096**	1,016,789
EQUITY			
Equity attributable to owners of the Company			
Share capital		**13,692**	13,692
Share premium and reserves		**759,404**	1,003,097
TOTAL EQUITY		**773,096**	1,016,789

Notes:

1. BASIS OF PREPARATION

(a) General

International Entertainment Corporation was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Suites 1802–1803, 18/F., Three Exchange Square, 8 Connaught Place, Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together the "**Group**") were principally engaged in hotel operation (the "**Hotel Operation Business**"), operating the gaming business as operator under Provisional License (as defined below) and leasing of gaming venues at the Group's hotel and casino complex in Metro Manila in the Republic of the Philippines (the "**Philippines**") to tenant for authorized gaming operation (the "**Gaming Operation Business**") and live poker events (the "**Live Events Business**") in Macau.

(b) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair value.

The consolidated financial statements for the year ended 30 June 2025 comprise the Group and the Group's interest in associates.

(d) Functional and presentation currency

The functional currency of the Company is Philippine Peso ("**Peso**" or "**PHP**"), the currency of the primary economic environment in which the Company's major subsidiaries operate. The consolidated financial statements of the Group are presented in Hong Kong Dollars ("**HK$**") as the directors of the Company (the "**Directors**") consider that it is an appropriate presentation for a company listed in Hong Kong and for the convenience of the shareholders of the Company (the "**Shareholders**").

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Adoption of new and amendments to HKFRS Accounting Standards that are effective for the current year

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Except as described below, the application of the amendments to HKFRS Accounting Standards 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.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

(b) New and amendment to HKFRSs Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures — management performance measures (MPMs) — will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. The effective date is 1 January 2027 and early adoption is permitted. The directors of the Company anticipate that the application of HKFRS 18 has no impact on the Group's financial positions and performance in foreseeable future, but has impact on presentation of the consolidated statement of comprehensive income.

3. SEGMENT REPORTING

Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the executive directors of the Company.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's directors in order to allocate resources and assess performance of the segment.

The executive directors have determined that the Group has the following reportable segments:

— the "Hotel Operation" segment represents the operation of hotel business in the Philippines;

— the "Gaming Operation" segment represents operating the gaming business under provisional license operate by the Group and leasing of gaming venues at the hotel and casino complex of the Group in the Philippines to tenants for authorised gaming operation (2024: leasing of properties equipped with entertainment equipment at the hotel complex of the Group in the Philippines to Philippine Amusement and Gaming Corporation ("**PAGCOR**") up to takeover of gaming business by the Group); and

— the "Live Events" segment represents the operation of live poker events business.

(a) Business segment

Segment information about these reportable segments is presented below:

Year ended 30 June 2025

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Revenue — external	**56,211**	**509,948**	**–**	**566,159**
Segment results	**(19,613)**	**(234,889)**	**(147)**	**(254,649)**
Unallocated other income				**13,615**
Exchange gain, net				**32,524**
Change in fair value of financial assets at FVTPL				**(533)**
Change in fair value of financial liabilities at FVTPL				**3,208**
Share of results of associates				**5,686**
Auditor's remuneration				**(3,486)**
Depreciation of right-of-use assets				**(2,723)**
Amortisation of intangible assets				**(3,744)**
Unallocated finance costs				**(28,033)**
Other unallocated expenses				**(34,830)**
Loss before taxation for the year				**(272,965)**

At 30 June 2025

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	**113,058**	**2,133,087**	**1,473**	**2,247,618**
Unallocated assets				
Bank balances and cash				**224,696**
Financial assets at FVTPL				**4,423**
Interests in associates				**43,303**
Others				**16,058**
Consolidated total assets				**2,536,098**
LIABILITIES				
Segment liabilities	**36,722**	**1,184,004**	**2,520**	**1,223,246**
Unallocated liabilities				
Promissory notes				**467,986**
Lease liabilities				**13,371**
Amounts due to associates				**12,478**
Others				**45,921**
Consolidated total liabilities				**1,763,002**

Other information

Year ended 30 June 2025

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation of property, plant and equipment	**16,071**	**74,851**	**–**	**43**	**90,965**
Depreciation of right-of-use assets	**2,899**	**677**	**–**	**2,723**	**6,299**
Amortisation of intangible asset	**–**	**146**	**–**	**3,598**	**3,744**
Additions to property, plant and equipment	**40,432**	**236,222**	**–**	**–**	**276,654**
Provision for expected credit losses — trade receivables	**–**	**4,757**	**–**	**–**	**4,757**
(Reversal of)/provision for expected credit losses — other receivables	**(461)**	**2,250**	**–**	**–**	**1,789**
Change in fair value of investment properties	**–**	**23,315**	**–**	**–**	**23,315**
Change in fair value of financial assets at FVTPL	**–**	**–**	**–**	**533**	**533**
Change in fair value of financial liabilities at FVTPL	**–**	**–**	**–**	**(3,208)**	**(3,208)**
Share of results of associates	**–**	**–**	**–**	**(5,686)**	**(5,686)**
Interest income	**(10)**	**(20,620)**	**–**	**(11,393)**	**(32,023)**
Finance costs	**1,969**	**61,822**	**–**	**28,033**	**91,824**
Income tax expense	**377**	**8,803**	**–**	**–**	**9,180**

Year ended 30 June 2024

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Revenue — external	59,832	169,954	–	229,786
Segment results	(27,710)	(59,136)	(635)	(87,481)
Unallocated other income				13,746
Exchange loss, net				(8,714)
Change in fair value of financial assets at FVTPL				(723)
Change in fair value of financial liabilities at FVTPL				1,385
Share of loss of associates				(4,090)
Auditor's remuneration				(3,100)
Amortisation of intangible asset				(3,586)
Finance costs				(31,439)
Unallocated expenses				(38,244)
Loss before taxation for the year				(162,246)

At 30 June 2024

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	221,761	1,736,925	17,097	1,975,783
Unallocated assets				
Bank balances and cash				298,154
Financial assets at FVTPL				4,481
Interest in associates				36,187
Others				9,693
Consolidated total assets				2,324,298
LIABILITIES				
Segment liabilities	73,797	721,653	2,520	797,970
Unallocated liabilities				
Promissory notes				441,291
Convertible bond				56,149
Others				12,099
Consolidated total liabilities				1,307,509

Other information

Year ended 30 June 2024

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation of property, plant and equipment	22,837	17,042	–	20	39,899
Depreciation of right-of-use assets	2,986	352	–	–	3,338
Amortisation of intangible asset	–	–	–	3,586	3,586
Additions to property, plant and equipment	18,904	36,745	–	123	55,772
Reversal of expected credit losses — trade receivables	(2,026)	(268)	–	–	(2,294)
Provision for expected credit losses — other receivables	163	308	–	58	529
Change in fair value of investment properties	–	14,145	–	–	14,145
Change in fair value of financial assets at FVTPL	–	–	–	723	723
Change in fair value of financial liabilities at FVTPL	–	–	–	(1,385)	(1,385)
Share of results of associates	–	–	–	4,090	4,090
Interest income	(35)	(1,803)	–	(13,708)	(15,546)
Finance costs	2,316	36,878	–	31,439	70,633
Income tax credit	(1,422)	(28,860)	–	–	(30,282)

(b) Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

Year ended 30 June 2025

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Primary geographical market				
The Philippines	**56,211**	**509,948**	**–**	**566,159**
Timing of revenue recognition				
Transferred at a point in time				
Casino operations	**–**	**440,528**	**–**	**440,528**
Food and beverages	**16,064**	**–**	**–**	**16,064**
Other hotel service income	**2,939**	**–**	**–**	**2,939**
	19,003	**440,528**	**–**	**459,531**
Transferred over time				
Room revenue	**37,208**	**–**	**–**	**37,208**
Other source of income				
Leasing of gaming venues	**–**	**69,420**	**–**	**69,420**
	56,211	**509,948**	**–**	**566,159**

Year ended 30 June 2024

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Primary geographical market				
The Philippines	**59,832**	**169,954**	**–**	**229,786**
Timing of revenue recognition				
Transferred at a point in time				
Casino operations	**–**	**48,964**	**–**	**48,964**
Food and beverages	**16,153**	**–**	**–**	**16,153**
Other hotel service income	**1,481**	**–**	**–**	**1,481**
	17,634	**48,964**	**–**	**66,598**
Transferred over time				
Room revenue	**42,198**	**–**	**–**	**42,198**
Other source of income				
Leasing of investment properties equipped with entertainment equipment for gaming operation	**–**	**120,990**	**–**	**120,990**
	59,832	**169,954**	**–**	**229,786**

All room revenue, food and beverages and other hotel services income are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

(c) Geographic information

The following table provides a geographical analysis of the Group's non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("**Specified non-current assets**").

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
The Philippines	**1,253,474**	1,231,887
Others	**15,499**	7,010
	1,268,973	1,238,897

(d) Information about major customers

Included in the revenue generated from gaming operation segment of approximately HK$69,420,000 (2024: HK$120,990,000) were contributed by the Group's largest customer and the aggregate revenue from this customer represented approximately 12% (2024: 53%) of the total revenue of the Group. There are no other single customer contributing over 10% of the Group's total revenue.

4. OTHER INCOME

	2025	2024
	HK$'000	*HK$'000*
Interest income	**32,023**	15,546
Sundry income *(Note)*	**12,227**	2,349
	44,250	17,895

Note:

Sundry income mainly includes (i) rental income of approximately HK$8,942,000 (2024: HK$747,000) from leasing of insignificant portion of the Group's spare hotel units as office, currently classified as property, plant and equipment, to external parties on a short-term basis.

5. LOSS BEFORE TAXATION

	2025	2024
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	**5,488**	5,223
Staff costs (excluding directors' emoluments):		
Salaries and allowances	**149,739**	81,322
Retirement benefits scheme contributions	**2,798**	929
Total staff costs	**158,025**	87,474
Depreciation		
— Depreciation of property, plant and equipment (included in cost of sales and general and administrative expenses)	**90,965**	39,899
— Depreciation of right-of-use assets (included in general and administrative expenses)	**6,299**	3,338
Total depreciation	**97,264**	43,237
Amortisation of intangible asset	**3,744**	3,586
Change in fair value of financial assets at FVTPL *(Note 11)*	**533**	723
Change in fair value of financial liabilities at FVTPL	**(3,208)**	(1,385)
Change in fair value of investment properties *(Note 9)*	**23,315**	14,145
Auditor's remuneration		
— Audit services	**3,100**	3,510
— Non-audit service	**755**	524
Cost of inventories recognised as expense	**8,845**	5,544
Short-term lease payment	**1,960**	1,723
Provision for/(reversal) expected credit losses of		
— Trade receivables	**4,757**	(2,294)
— Other receivables	**1,789**	529
Gaming tax and licensing fee (included in cost of sales)	**180,731**	17,792

6. INCOME TAX (EXPENSE)/CREDIT

The amount of income tax recognised in the consolidated statement of comprehensive income represents:

	2025	2024
	HK$'000	*HK$'000*
Current tax		
— Current year	**(17,818)**	–
Deferred tax credit	**8,638**	30,282
Income tax (expense)/credit	**(9,180)**	30,282

Hong Kong profits tax for the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK$2 million for the years ended 30 June 2025 and 2024. Hong Kong profits tax for other group entities is calculated at 16.5% on the estimated profits. No provision for current income tax in Hong Kong was made in the consolidated financial statements for both years as the Company's subsidiaries in Hong Kong had no assessable profits.

Except for group entities engage in gaming business, the businesses of the Company's subsidiaries in the Philippines are subject to the corporate income tax rate of 25% for the year ended 30 June 2025 (2024: 25%). The withholding tax rate in respect of a dividend distributed by a subsidiary of the Company operating in the Philippines to its overseas immediate holding company is 15% for the years ended 30 June 2025 and 2024. The group entities engage in gaming business in the Philippines are exempt from Philippine corporate income tax, among other taxes, pursuant to the Philippine Amusement and Gaming Corporation charter ("**PAGCOR charter**") as a result of payments the 5% gaming tax based on gross gaming revenue in the Philippines, in lieu of all other taxes.

The Company's subsidiary in Macau is subject to Macau profits tax rate of 12% for the years ended 30 June 2025 and 2024. No provision for taxation in Macau was made in the consolidated financial statements for both years as the Group's operations in Macau had no assessable profits.

The Group operates in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

At 30 June 2025, there are taxes dispute cases between Marina Square Properties, Inc. ("**MSPI**"), an indirect wholly-owned subsidiary of the Company and Bureau of Internal Revenue in the Philippines (the "**BIR**") in the Philippines for the calendar years of 2008, 2012, 2014, 2015, 2018 and 2019 in aggregate of around Peso 5,009,650,000 (equivalent to approximately HK$695,003,000 (2024:HK$670,691,000)).

For the alleged deficiency taxes covering the calendar year of 2008, 2012, 2014, 2015 and 2018, it is pending for final decisions from BIR or Court of Tax Appeal ("**CTA**").

For the alleged deficiency taxes covering the calendar year of 2019, MSPI filed administrative protests with BIR and request for reinvestigation during 2023. The BIR rejected MSPI's request and MSPI received BIR's final decision on disputed assessment for the calendar year of 2019 in May 2024. MSPI filed petition for review with CTA for BIR's assessments for the calendar year of 2019 on June 2024 and pre-trial conference was held on March 2025. The case is still under hearing up to date of authorization of these consolidation financial statements.

The directors of the Company considered it is not probable BIR will accept the uncertain tax treatments related to above tax disputes before final decisions from BIR or CTA. Based on the advices of the independent tax and legal advisors of MSPI, the directors of the Company believe that the most likely outcome is MSPI would have valid legal arguments to defend the above tax disputes with no deficiency taxes liable, no provision has been made for the tax disputes in the consolidated financial statements of the Group for the years ended 30 June 2025 and 2024.

7. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2025 (2024: nil).

8. LOSS PER SHARE

The basic and diluted loss per share attributable to the owners of the Company are calculated as follows:

	2025	2024
	HK$'000	*HK$'000*
Loss for the year	**(282,145)**	(131,964)

	2025	2024
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,369,157**	1,369,157

	2025	2024
	HK Cents	*HK Cents*
Loss per share		
Basic	**(20.61)**	(9.64)
Diluted	**(20.61)**	(9.64)

The computation of diluted loss per share for the years ended 30 June 2025 and 2024 does not assume the conversion of the Company's outstanding convertible bond since their assumed exercise would have anti-dilutive effect.

The computation of diluted loss per share for the year ended 30 June 2024 does not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for shares for the year.

9. INVESTMENT PROPERTIES

	Total
	HK$'000
FAIR VALUE	
At 1 July 2023	**989,000**
Fair value loss	**(14,145)**
Exchange adjustment	**(21,083)**
Transfer to property, plant and equipment	**(953,772)**
At 30 June 2024	**–**
Transfer from property, plant and equipment	**334,822**
Gain on revaluation of owner-occupied properties upon transfer to investment properties	**19,178**
Fair value loss	**(23,315)**
Exchange adjustment	**5,315**
At 30 June 2025	**336,000**

The above investment properties are located in the Philippines. The Group's property interest held to earn rentals is measured using the fair value model and is accounted for as investment property. On 9 May 2024, the entire investment properties represent the casino and office floors previously leased to PAGCOR were transferred to "property, plant and equipment" upon the commencement of the gaming operation by the Group with fair value of HK$953,772,000 at the date of change in use as its deemed cost. During the year, the Group has leased certain area inside its hotel and casino complex to an independent tenant for authorised gaming operation, carrying amount of HK$334,822,000 were transferred from "property, plant and equipment" when there was evidence of change in use. Difference between fair value at date of transfer of HK$354,000,000 and the carrying amount transferred from "property, plant and equipment" of HK$334,822,000, amounting to HK$19,178,000 is recognised in revaluation reserve through other comprehensive income.

The fair values at date of transfer and year end date have been arrived at based on a valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), independent professional valuer not connected with the Group. JLL is a member of the Hong Kong Institute of Surveyors.

The fair values were determined based on the income approach, where capitalising the estimated net income derived from the investment properties with reference to the lease agreements and taking into account the future growth potential be on latest market condition. The discount rate was determined by reference to weighted average cost of capital of the listed companies with similar business portfolio. Key assumptions used in calculating the fair values are as follows:

	At 30 June 2025
Long term growth rate of revenue	3.5%
Discount rate	12%
Capitalisation rate	7.5%

The fair values of the investment properties were measured using valuation techniques with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy. There were no transfer into or out of Level 3 during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

In addition, significant judgement is required when evaluating the inputs used in the fair value measurement. Reasonably possible changes at the reporting date to any of the relevant assumptions would have affected the fair value of the investment properties as presented below:

	At 30 June 2025 *HK$'000*
Discount rate increased by 1%	**4,000**
Rental growth rate decreased by 1%	**2,000**
Capitalisation rate increased by 1%	**5,000**

10. LOAN RECEIVABLES

As at 30 June 2025 and 2024, the Group's loan receivables represent three loans to associates as below:

(a) A loan advance with principal amount of Peso 338,000,000 (equivalent to HK$46,892,000 (2024: HK$45,285,000)) was granted in prior years to Harbor View Properties and Holdings, Inc. ("**HVPHI**"), which is an associate of the Company. The loan is interest bearing at 3.5% per annum and the whole principal amount is repayable on 3 August 2032.

The loan was secured by a parcel of land owned by HVPHI. Management considered that the estimated fair value of the collateral was not less than the carrying amount of the respective loan receivable as at 30 June 2025 and 2024, no material expected credit loss is recognised.

The Group also granted another loan with principal amount of Peso 92,000,000 (equivalent to HK$12,798,000 (2024: HK$12,317,000)) in prior years to HVPHI. The loan is interest bearing at 3.5% per annum, repayable on demand and unsecured. The Group does not intend to request for repayment within twelve months after the end of the reporting period.

(b) A loan facility of Peso 500,000,000 (equivalent to HK$69,366,000) has granted to Pacific Bayview Properties, Inc. ("**PBBI**") during the year, which is the wholly owned subsidiary of Blue Marine Properties, Inc., an associate of the Company. The loan is interest bearing at 6% per annum and repayable from 3 years from date of drawdown. Peso 290,500,000 (equivalent to HK$40,302,000) was drawn down during the year.

The loan was secured by condominium properties owned by PBPI. Management considered that the estimated fair value of these collaterals was not less than the carrying amount of the loan receivable as at 30 June 2025, no material expected credit loss is recognised.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
Unlisted investment fund *(Note)*	**4,423**	4,481

Note:

The unlisted investment fund represented approximately 48% (2024: 48%) interests in Foresight Fund III Limited Partnership (the "**Foresight Fund**") (Formerly known as Hontai Capital Fund II Limited Partnership).

The Foresight Fund was established principally to achieve long-term capital appreciation primarily through privately-negotiated investments in companies and/or its affiliates which is/are engaged in the production and distribution of the sports events and entertainment content and sports media rights market. The Group is a limited partner in the Foresight Fund and does not have control nor significant influence in the Foresight Fund's operational and financing decisions.

The directors of the Company have determined the fair value of its interest held in the Foresight Fund as at 30 June 2024 with reference to the valuation report issued by, an independent professional valuer who has professional qualifications and relevant experience. The fair value of the Foresight Fund is determined by NAV summation method with fair value of underlying investment determined by market approach, with references to comparable companies benchmark multiples. During the year ended 30 June 2025, the Group recognised a fair value loss of HK$533,000 (2024: HK$723,000) in the consolidated statement of comprehensive income.

12. TRADE RECEIVABLES

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
Trade receivables	**42,818**	1,972
Less: provision for expected credit losses	**(5,213)**	(574)
	37,605	1,398

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on invoice date which approximate the respective revenue recognition date at the end of the reporting period.

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
0–30 days	**22,211**	1,025
31–60 days	**7,160**	–
61–90 days	**5,713**	23
Over 90 days	**2,521**	350
	37,605	1,398

The Group has a policy allowing its customers credit periods normally ranging from 0 to 90 days. The Group does not hold any collateral as security.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
Deposits	**16,144**	3,773
Other tax recoverables	**44,422**	–
Other receivables	**26,720**	889
Prepayment — acquisition of plant and equipment	**58,111**	81,099
Prepayment — others	**3,258**	40,000
Interest receivables	**1,661**	13,540
	150,316	139,301
Represented by:		
Non-current portion	**71,615**	104,092
Current portion	**78,701**	35,209
	150,316	139,301

14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

	At 30 June 2025 HK$'000	At 30 June 2024 HK$'000
Trade payables	**1,209**	4,133
Other payables and accrued expense		
— Unredeemed chips *(Note)*	**12,727**	1,967
— Interest payable	**17,411**	17,156
— Provision of Gaming tax	**25,706**	9,815
— Provision of Jackpot	**19,014**	12,796
— Professional services fee	**9,783**	6,397
— Others	**53,202**	47,333
	137,843	95,464

Trade payables, other payables and accrued charges comprise amounts outstanding for the purchase and ongoing costs.

Note: Unredeemed chips represent the amounts owed in exchange for gaming chips held by customers and gaming promoters which are generally expected to be recognised as revenues within one year. Decrease in balance generally represent the recognition of revenues and increase in the balance represent additional chips held by customers and gaming promoters.

Movements in unredeemed chips are as follow:

	Unredeemed chips	
	At 30 June 2025 HK$'000	At 30 June 2024 HK$'000
Balance at 1 July	**1,967**	–
Balance at 30 June	**12,727**	1,967
Net increase during the year	**10,760**	1,967

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

The average credit period on purchase of goods is 90 days.

	At 30 June 2025 *HK$'000*	At 30 June 2024 *HK$'000*
0–30 days	**614**	2,472
31–60 days	**230**	1,565
61–90 days	**200**	96
Over 90 days	**165**	–
	1,209	4,133

15. PROMISSORY NOTE

On 29 March 2024, Fortune Growth Overseas Limited ("**Fortune Growth**"), a wholly owned subsidiary of the Company issued 6 new promissory notes (the "**2024 PNs**") to the holder, an independent third party ("**Holder**"), in exchange for the matured promissory notes issued in prior years. No default for repayment of matured promissory notes before the exchange of 2024 PNs. The 2024 PNs in principal amount of HK$73,548,504 each and totalling approximately HK$441,291,000 represented the principal amount and accrued interest of the matured promissory notes. The 2024 PNs carry interest which accrues on the outstanding principal amount of approximately HK$441,291,000 from its issue date until repayment in full of the principal amount at the fixed rate of 6% per annum. The 2024 PNs shall become due and payable in full on the business day immediately preceding the first anniversary of its issue date and is unsecured and guaranteed by the Company.

On 31 March 2025, Fortune Growth issued 6 new promissory notes (the "**2025 PNs**") to the Holder in exchange for the matured debt under the 2024 PNs. No default for repayment of 2024 PNs before the exchange of 2025 PNs for 2024 PNs. The 2025 PNs in principal amount of HK$77,997,684 each and totalling approximately HK$467,986,000 represented the principal amount and accrued interest of the 2024 PNs. The 2025 PNs carry interest which accrues on the outstanding principal amount of approximately HK$467,986,000 from its issue date until repayment in full of the principal amount at the fixed rate of 6% per annum. The 2025 PNs shall become due and payable in full on 31 March 2027 and is unsecured and guaranteed by the Company. Future Growth has the right to defer repayment of the 2025 PNs for at least twelve months after the reporting period and the Group has classified the entire 2025 PNs as non-current liabilities at 30 June 2025.

The above promissory notes are denominated in HK$ which is the foreign currency of the relevant group entity (where functional currency is Peso).

16. BANK BORROWING

	At 30 June 2025 *HK$'000*	At 30 June 2024 *HK$'000*
Bank borrowings — secured	**990,067**	578,360

Note:

On 25 September 2023, a banking facility had been granted to subsidiaries of the Company of Peso 4,320,000,000 which has been fully utilised as at 30 June 2025. Interest is charged at variable rate at higher of one year PHP BVAL Reference Rates+2% per annum or 7.5% per annum in respect to this banking facility.

On 4 July 2024, a bank facility had been granted to a subsidiary of the Company of United States Dollars ("**USD**") 50,000,000 (equivalent to HK$392,387,000) which has been fully utilised as at 30 June 2025. Interest is charged at a rate of 3.75% per annum in respect to this banking facility.

As at 30 June 2025, the bank loans and the banking facilities were secured by the Group's properties as classified under properties, plant and equipment of approximately HK$518,664,000 (2024: HK$1,010,420,000), and investment properties of approximately HK$336,000,000 (2024: nil), certain bank balances of approximately HK$403,809,000 (2024: HK$14,688,000) of the Group, certain land use rights and condominiums of associates of the Group, together with financial guarantees provided by associates of the Group. The loan is carried at amortised cost.

The subsidiaries of the Company are required to comply with the following financial covenants which are tested annually:

— Debt-equity ratio shall not be more than 2.33x; and

— Debt Service Coverage Ratio of at least 1.10x

At 30 June 2025, total non-current bank loans was scheduled to repay as follows:

	At 30 June 2025 *HK$'000*	At 30 June 2024 *HK$'000*
The carrying amounts of the bank borrowings are repayable:		
Within one year	**59,933**	–
More than one year but not exceeding two years	**119,865**	86,754
More than two years but not exceeding five years	**810,269**	347,016
After five years	**–**	144,590
	990,067	578,360
Less: Amounts due within one year shown under current liabilities	**(59,933)**	–
Amounts shown under non-current liabilities	**930,134**	578,360

17. TAX RECOVERABLE

On 15 June 2022, the Group received a warrant of distraint and/or levy ("**WDL**") from BIR which directed its collection and enforcement team to distrain and/or levy on MSPI's properties in relation to alleged deficiency tax for calendar year of 2015 (Note 12). MSPI filed an Urgent Motion to Quash WDL ("**Motion to Quash**") to Court of Tax Appeals ("**CTA**") on 23 June 2022. In August and September 2022, bank balances of approximately Peso 426,000,000 have been garnished by the BIR upon receipt of warrants of garnishment by certain of MSPI's banks. MSPI filed a Motion for Reconsideration ("**MR**") on 19 January 2023 in response to rejection from CTA on MSPI's Motion to Quash dated 19 December 2022.

On 11 April 2023, MSPI received the CTA's resolution which granted the MSPI's MR and resolved that the WDL is being cancelled and the warrants of garnishment are lifted. Further collection by BIR or refund of garnished amount is suspended pending on judicial resolution of the case which is still pending for final decision of CTA upto date of approval of these consolidated financial statements.

Based on the advice of the independent legal adviser of MSPI, the directors of the Company believe that MSPI has valid legal arguments to defend the tax disputes (including the alleged deficiency tax for calendar year of 2015) with right to request for refund of the garnished amounts when the judicial review complete. Alternatively, the garnished amounts would be utilized to settle tax payable if MSPI lose in the tax dispute in the highly unlikely situation. The amount accounted for as tax recoverable.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

According to market research, the casino gambling market in the Philippines is projected to reach USD3,749.4 million by 2033, growing at a compound annual growth rate of 9.2% from 2023 to 2033. Key drivers include the rise in dual-income households, which has boosted local customers' spending power, and rising disposable income in developed countries, enabling greater spending on leisure activities. This trend has been further fueled by the increasing use of social media marketing by casino operators. This marketing is attracting and engaging customers by positioning casino gaming as a status symbol for high-income individuals, thereby contributing to the continuous expansion of the market.

The growth of the Philippine casino gambling market can also be attributed to the increasing popularity of integrated resorts, which offer a wide range of gaming options and non-gaming amenities, attracting both local and foreign tourists. During the Year, various supportive government policies aimed at boosting the tourism industry led to the Philippines being increasingly recognised as a premier destination for international tourists. According to the Department of Tourism and information released by PAGCOR, the tourism sector is projected to generate PHP2.7 trillion for the Philippine economy in 2025, compared with PHP2.35 trillion in 2024. For the first six months of 2025, PAGCOR reported net income of PHP10.79 billion (USD187.5 million), an increase of approximately 64.3% compared with the corresponding period of 2024.

Benefiting from the sustained robust growth of the Philippine casino gaming industry and the Group's assumption of the casino operation on 9 May 2024 under the provisional license (the "**Provisional License**") granted by PAGCOR on 27 September 2023, the Group's total revenue for the Year increased significantly from approximately HK$229.8 million for the year ended 30 June 2024 (the "**Previous Year**") to approximately HK$566.2 million for the Year. This increase was primarily due to the recognition of gross gaming revenue under the Provisional License versus the sharing of net gaming revenue prior to the takeover of casino operation in May 2024. The Group's revenue from the gaming operation for the Year increased significantly by 200.0% from approximately HK$170.0 million for the Previous Year to approximately HK$509.9 million for the Year. However, due to the temporary closure of certain hotel rooms for renovation during the Year, the Group's hotel operation revenue for the Year was approximately HK$56.2 million, a slight decrease of 6.0% compared with approximately HK$59.8 million for the Previous Year.

During the Year, the Group reported gross profit of approximately HK$273.2 million, as compared with approximately HK$132.4 million in the Previous Year. Gross profit margin for the Year was approximately 48.3%, as compared with gross profit margin of approximately 57.6% for the Previous Year. The decrease in gross profit margin was mainly due to the gaming tax and licensing fee incurred after the takeover of casino operation in May 2024.

The Group's other income for the Year was approximately HK$44.3 million, representing an increase of approximately 147.3%, as compared with approximately HK$17.9 million for the Previous Year. This was mainly due to the increase in interest income during the Year.

The Group's other net loss mainly comprise (i) loss on written off of property, plant and equipment; and (ii) net foreign exchange gain or loss. The Group recorded a net loss of approximately HK$82.6 million for the Year as compared with approximately HK$15.5 million for the Previous Year. This significant increase is mainly attributable to a one-off written off of property, plant, and equipment due to the demolition of leasehold improvements on the ground floor of the Casino, which was resulted from the renovation works carried out at the Casino under the Phase I and Phase II construction contracts dated 14 February 2025, and 30 May 2025, respectively.

The Group recorded a loss of approximately HK$0.5 million on changes in the fair value of financial assets at fair value through profit or loss during the Year, as compared with a loss of approximately HK$0.7 million during the Previous Year.

The Group recorded a gain of approximately HK$3.2 million on changes in the fair value of financial liabilities at fair value through profit or loss for the Year, as compared with approximately HK$1.4 million for the Previous Year, representing an increase of approximately 131.6%.

The fair value of the Group's investment properties has been determined based on a valuation performed by JLL, an independent professional valuer not affiliated with the Group. The fair value loss for the Year amounted to approximately HK$23.3 million, as compared with approximately HK$14.1 million for the Previous Year.

During the Year, the Group recorded a gain of approximately HK$5.7 million from the results of its associates, as compared with a loss of approximately HK$4.1 million from its associates for the Previous Year.

The Group's selling and marketing expenses increased by approximately 1,665.3% to approximately HK$74.5 million for the Year, up from approximately HK$4.2 million for the Previous Year. This significant increase was mainly attributable to the higher costs incurred for marketing campaigns and promotional activities during the first full year of casino operations aimed at enhancing the attractiveness and competitiveness of the Casino offerings.

The Group's general and administrative expenses increased by approximately 56.8%,from approximately HK$204.6 million for the Previous Year to approximately HK$326.6 million for the Year. During the Year, approximately 46.8% and 7.6% of the general and administrative expenses were related staff costs and utility expenses, respectively. Staff costs for the Year amounted to approximately HK$152.9 million, representing an increase of around 77.6%, as compared with approximately HK$86.1 million during the Previous Year. This significant increase was mainly attributable to the recruitment of additional staff by the Group to operate and manage the casino under the Provisional License. Additionally, due to the expansion of the Group's casino operation, utility expenses for the Year were approximately HK$25.0 million, representing an increase of approximately 83.4% compared with the approximately HK$13.6 million recorded for the Previous Year.

The Group's finance costs for the Year amounted to approximately HK$91.8 million, representing an increase of approximately 30.0%, as compared with approximately HK$70.6 million for the Previous Year. This increase was mainly due to the rise in interest on bank borrowings of approximately HK$24.9 million, as the Group obtained new bank borrowings during the Year for the operation of the casino and the development of an integrated resort under the Provisional License.

The Group recorded an income tax expense of approximately HK$9.2 million for the Year, as compared with an income tax credit of approximately HK$30.3 million during the Previous Year.

Consequently, the Group recorded a loss of approximately HK$282.1 million for the Year, as compared with a loss of approximately HK$132.0 million for the Previous Year.

The loss per share for the Year amounted to approximately 20.61 HK cents, as compared with approximately 9.64 HK cents for the Previous Year.

BUSINESS REVIEW

The Group's principal activities comprise gaming operations, hotel operations and live events.

1. Gaming operation

The "gaming operation" segment represents participation in gaming operations under the Provisional License and the leasing of gaming venues to a tenant for authorised gaming operation.

Revenue from the gaming operation segment for the Year was approximately HK$509.9 million, representing an increase of approximately 200.0%, as compared with revenue of approximately HK$170.0 million for the Previous Year. The increase was mainly due to the recognition of gross gaming revenue under the Provisional License versus the sharing of net gaming revenue prior to the takeover of casino operation in May 2024. As the Philippines continues to solidify its position as a premier hub for gaming and tourism, the performance of this segment has shown significant improvement. The segment contributed approximately 90.1% of the Group's revenue during the Year (Previous Year: 74.0%).

2. Hotel operation

Revenue from the hotel operation segment mainly includes room revenue, food and beverage revenue, and income from other hotel services. The Group's hotel is located in Manila City, a tourist destination with churches, historical sites, and various night spots catering to tourists, and one of the major tourist destinations in the Philippines.

Hotel operation revenue for the Year was approximately HK$56.2 million, representing a slight decrease of approximately 6.0%, as compared with approximately HK$59.8 million for the Previous Year. Of this, approximately HK$37.2 million, or 66.2%, was room revenue (Previous Year: HK$42.2 million or 70.5%). The decrease in total revenue was mainly due to the renovations to upgrade the hotel rooms. During the Year, revenue from food and beverages was approximately HK$16.1 million, representing a decrease of approximately 0.6%, as compared with approximately HK$16.2 million for the Previous Year.

3. Live events

Revenue from this segment is derived from sponsorships and entrance fees for live poker events. However, no live poker events were held during the Year.

FUTURE OUTLOOK

The casino gambling industry in the Philippines has a lot of potential for growth. The gaming industry is well positioned to draw both domestic and foreign tourists due to its wide range of gaming establishments, including integrated resorts, entertainment complexes, and smaller-scale casinos. The casino industry's prospects are aided by the country's advantageous geographical position in Southeast Asia and its popularity as a travel destination.

The Philippines is increasingly being recognised as a premier destination for international tourists, thanks to the government's supportive policies aimed at boosting the tourism industry. According to the Department of Tourism's report for January to December 2024, the Philippines welcomed nearly six million international visitors during the period, with foreign tourists accounting for approximately 91.4% of the total. The total number of international visitors in 2024 increased by 9.15% compared with 2023. With the government's economic support policies, the growth momentum of the gaming and tourism industries is expected to continue, potentially even surpassing other Asian countries in the near term. The Directors believe that the influx of tourists to the Philippines will boost the economy and benefit the gaming and entertainment industry.

As disclosed in the Company's announcements dated 27 September 2023 and 9 May 2024, the Group was granted a Provisional License by PAGCOR to establish and operate a casino (the "**Casino**"). Pursuant to the Provisional License, the Group is required to commit a total investment of no less than USD1.0 billion (equivalent to approximately HK$7.82 billion) and up to USD1.2 billion (equivalent to approximately HK$9.38 billion) for the establishment and operation of the Casino and a Group hotel in Manila City (the "**Hotel**"). Operation of the Casino commenced in May 2024.

To undertake casino and gaming operations, the Group plans to carry out a series of renovations at the Hotel. It entered into construction service agreements with a contractor during the Year to commence the renovation work with the goal of maintaining the Hotel's good service and condition, while upgrading its infrastructure and facilities to complement the Casino's operations. The Board believes that the implementation of the renovations will improve the appearance and condition of the Hotel's facilities, modernize outdated amenities, enhance its overall quality and promote premium customer experiences at both the Casino and the Hotel. In the long-term, this will increase the Hotel's occupancy rates and encourage spending at the Casino and the Hotel. Moreover, the renovation work will create additional gaming space on the ground floor of the Casino. As a result, the maximum number of gaming tables will increase from approximately 80 to over 110, and the maximum number of slot machines will increase from approximately 500 to over 920 in coming financial year. The Company is optimistic that the expansion of the Casino's gaming capacity will improve the future revenue of the Casino.

Regarding the future development of an integrated resort, the Board will consider different financing methods, such as bank borrowing, debt financing, and/or equity financing, to expand its business and maintain the liquidity of the Group.

However, challenges such as geopolitical tensions may impact the pace of the global economy's recovery. The Group remains cautiously optimistic about the outlook of the tourism and gaming industries in the Philippines. The Group will continue to focus on its business operations and investments in the Philippines, leveraging the business environment to explore potential business opportunities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group's net current assets of approximately HK$524.6 million (as at 30 June 2024: HK$16.2 million). Current assets amounted to approximately HK$762.9 million (as at 30 June 2024: HK$616.8 million), of which approximately HK$562.5 million was bank balances and cash (as at 30 June 2024: HK$417.5 million).

As at 30 June 2025, the Group had current liabilities amounting to approximately HK$238.3 million (as at 30 June 2024: HK$600.6 million). During the Year, 2025 PNs of aggregate principal amount of approximately HK$468.0 million with maturity date on 31 March 2027 were issued to fully settle the previous promissory notes, please refer to note 15 for further details. The entire 2025 PNs were classified as non-current liabilities at 30 June 2025 (as at 30 June 2024: HK$441.3 million in current liabilities). Convertible bonds of aggregate principal amount of approximately HK$53.0 million were settled by cash in full on the maturity date during the Year (as at 30 June 2024: HK$56.1 million in current liabilities).

The Group's bank balances and cash as at 30 June 2025 was mainly denominated in pesos, Hong Kong dollars and United States dollars.

Net cash used in operating activities for the Year was approximately HK$15.2 million, while net cash used in operating activities was approximately HK$30.5 million for the Previous Year. Net assets attributable to the owners of the Company as at 30 June 2025 amounted to approximately HK$773.1 million, representing a decrease of approximately 24.0 %, as compared with approximately HK$1,016.8 million as at 30 June 2024.

On 27 July 2017, the Company entered into a placing agreement with a placing agent (the "**Placing Agreement**"). The completion of the placing took place on 10 August 2017. Pursuant to the terms and conditions of the Placing Agreement, the placing agent successfully placed an aggregate of 190,000,000 ordinary shares of the Company, each valued at HK$1.00, at a placing price of HK$1.90 per placing share. Further details are set out in the Company's announcements dated 27 July 2017 and 10 August 2017. After deducting the placing commission and other related expenses payable by the Company, the net proceeds from the placing were approximately HK$358.50 million. The net proceeds from the placing were intended for the following (i) approximately HK$150.0 million for the renovation of the Hotel; (ii) approximately HK$100.0 million for the development of the land parcels adjacent to the Hotel (the "**New Hotel Land**"), including, but not limited to, the construction of a carpark and amenities for the Hotel, and the provision of a facility to an independent third party for the acquisition of the New Hotel Land; (iii) approximately HK$70.0 million for the potential acquisition of, including but not limited to, land in the Philippines for the construction of hotel(s) and/or casino(s); and (iv) the remaining proceeds for the Group's general working capital.

Change in use of proceeds

In light of the grant of the Provisional License to the Group, the Group must carry out upgrading renovation and construction works by entering into the Construction Contract, as referenced in the Company's announcement dated 14 February 2025 in relation to a construction contract (the "**Construction Contract**") and change in use of proceeds. The Group is required to make a significant total investment commitment of no less than USD1.0 billion and up to USD1.2 billion pursuant to the Provisional License. The Board has resolved to reallocate all unutilized net proceeds from the Placing Agreement, amounting to approximately HK$117.4 million, to contribute to the contract price payment of the Construction Contract, which is expected to be fully utilized by the end of 2025.

Below is a summary of the utilization of the net proceeds as at 30 June 2025:

	Intended use of the net proceeds *(HK$ million)*	Revised allocation of the net proceeds as disclosed in the announcement of the Company dated 14 February 2025 *(HK$ million)*	Amount of the net proceeds utilized as at 30 June 2025 *(HK$ million)*	Balance of the net proceeds unutilized as at 30 June 2025 *(HK$ million)*	Expected timeline for the application of the balance of the net proceeds
Renovation of the Hotel	150.0	150.0	150.0	–	
Development of the New Hotel Land, including but not limited to the construction of a carpark and amenities of the Hotel, and the provision of a facility to an independent third party for the acquisition of the New Hotel Land *(Note 1)*	100.0	52.6	52.6	–	
Potential acquisition (the "**Potential Acquisition**") of, including but not limited to, land in the Philippines for the construction of hotel(s) and/or casino(s)	70.0	–	–	–	
General working capital of the Group	38.5	38.5	38.5	–	
Contribution to the contract price payment under the construction service agreement dated 14 February 2025 *(Note 2)*	–	117.4	103.4	14.0	By end of 2025
Total	358.5	358.5	344.5	14.0	

Notes:

1. Of the HK$52.6 million utilized, HK$51.9 million was a loan to Harbor View Properties and Holdings, Inc. for the acquisition of the New Hotel Land, and HK$0.7 million was for the payment of design and consultancy service fees for the development of the New Hotel Land. Priority will be given to the development of the new land to be acquired in the Potential Acquisition before the development of the New Hotel Land.

2. The aggregate contract price of PHP1,471.68 million (equivalent to approximately HK$191.32 million) payable by New Coast Leisure Inc. ("**NCLI**") under the Construction Service Agreement dated 14 February 2025 entered into by NCLI and the contractor in respect of the phase 1 renovation and construction works at the hotel to be carried out by the contractor pursuant to the Construction Contract. (Please refer to the announcement dated 14 February 2025 for details.)

During the Year, a bank loan of approximately HK$393.1 million was obtained for the establishment and operation of a casino and the development of an integrated resort under the Provisional License. Interest is charged at 3.75% per annum. The Group does not currently hedge its interest rate exposure, though it may consider doing so in the future.

For further details regarding the Group's indebtedness, please see notes 15 and 16 of the consolidated financial statements in this announcement, which provide information on the types of debt facilities used, the maturity profile of the debt, and the currency and interest rate structure.

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated by dividing net debt by total capital (not applicable under net cash position). Net cash or debt is calculated as total borrowings, which includes outstanding promissory notes, outstanding bank borrowings and outstanding convertible bonds, as shown in the consolidated statement of financial position, less cash and bank balances. Total capital is calculated as total equity, as shown in the consolidated statement of financial position. The gearing ratio as at 30 June 2025 was approximately 114.0% (as at 30 June 2024: 64.7%).

During the Year, the Group financed its operations through internally generated cash flows and bank loans.

RISKS AND UNCERTAINTIES

The Group's Casino and Hotel face intense market competition

The Group continues to face significant risks and uncertainties due to competition in the market in which it operates, as well as new competitors which may increase competition in the future.

The Group's business is sensitive to economic uncertainty and regulatory risk resulting from changes in laws and regulations

The Group is sensitive to economic downturns and political and social conditions. Changes in relevant laws and regulations in the places where the Group operates may affect its gaming operations.

In addition, uncertainties exist with regard to tax disputes between certain subsidiaries of the Company operating in the Philippines and the BIR in the Philippines.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Save as otherwise mentioned in this announcement, the Group did not incur any violations of relevant laws and regulations in its operating locations that had a significant impact on its business operations during the year ended 30 June 2025.

CHARGES ON GROUP ASSETS

As at 30 June 2024, the bank loan and the banking facility were secured by the Group's properties as classified under Properties, Plant and Equipment (valued at approximately HK$518.7), certain bank balances of the Group (valued at approximately HK$403.8), and certain land use rights and condominiums of associates of the Group, together with financial guarantees provided by associates of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

On 30 May 2025, the Group entered into a construction service agreement with a contractor for phase 2 renovation and construction works at the hotel ("**Phase 2 Construction Service Agreement**"). Pursuant to this agreement, NCLI agreed to engage the contractor to undertake construction works with an aggregate contract price of PHP1,053.14 million (equivalent to approximately HK$136.91 million). Details of the terms of the Phase 2 Construction Service Agreement are set out in the Company's announcement dated 30 May 2025.

On 14 February 2025, the Group entered into a construction service agreement with a contractor for the phase 1 renovation and construction works at the Hotel ("**Phase 1 Construction Service Agreement**"). Pursuant to this agreement, NCLI agreed to engage the contractor to undertake construction works with an aggregate contract price of PHP1,471.68 million (equivalent to approximately HK$191.32 million). Details of the terms of the Phase 1 Construction Service Agreement are set out in the Company's announcement dated 14 February 2025.

On 27 September 2023, the Group entered into a Provisional License Agreement pursuant to which PAGCOR has granted the Group's companies a Provisional License to establish and operate a casino and develop an integrated resort in the City of Manila, Philippines. The validity or term of the Provisional License and the Regular Casino Gaming License shall coincide with the PAGCOR franchise, which shall be effective from the date of the Provisional License Agreement until 11 July 2033. Pursuant to the Provisional License Agreement, the Group will make a total investment commitment of no less than USD1.0 billion (equivalent to approximately HK$7.82 billion) and up to USD1.2 billion (equivalent to approximately HK$9.38 billion) for the project under the Provisional License. The total investment commitment comprises costs for land acquisition, development rights acquisition, construction, equipment, development, financing and all other expenses directly related to the completion of the project. Details of the terms of the Provisional License Agreement are set out in the Company's announcement dated 27 September 2023.

Save as disclosed above, there were no acquisitions or disposals of subsidiaries or associated companies or significant investments by the Group that would have been required to be disclosed under the Listing Rules for the Year and the Previous Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to explore the market and identify any business opportunities, including renovation plans to improve the Group's properties and leasing premises, which could provide growth and development potential, enhance profitability, and deliver better returns to Shareholders.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The functional currency of the Company is the peso, the currency of the primary economic environment in which the Company's major subsidiaries operate. The consolidated financial statements of the Group are presented in HK$ as the Directors believe this is an appropriate presentation for a company listed in Hong Kong and convenient for Shareholders.

The Group's assets and liabilities are mainly denominated in HK$, USD, pesos and euros. The Group primarily earns its revenue and income in HK$, USD and pesos, while primarily incurring costs and expenses in HK$ and pesos. Therefore, the Group may be exposed to currency risk.

The Group has not implemented any foreign currency hedging policy. However, the Group's management will monitor foreign currency exposure for each business segment and review the needs of each geographical area and consider an appropriate hedging policy in the future when necessary.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the Year (for the Previous Year: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group was 1,312 as at 30 June 2025 (as at 30 June 2024: 1,001). Staff costs for the Year were approximately HK$158.0 million (Previous Year: HK$87.5 million), of which, HK$152.9 million (the Previous Year: HK$86.1 million) was included in general and administrative expenses, and HK$5.1 million (Previous Year: HK$1.4 million) was included in cost of sales. The Company's remuneration policy is recommended by the Company's remuneration committee. Directors' and employees' remuneration is based on their performance and experience and is determined with reference to the Group's performance, industry remuneration benchmarks, and prevailing market conditions. In addition to salaries, the Group's employees are entitled to benefits, including medical, insurance and retirement benefits. The Group also regularly provides internal and external training to meet needs of its employees.

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on publicly available information and the knowledge of the Directors as at the date of this annual results announcement, the Company maintained sufficient public float during the Year, as required under the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Year, the Company applied the principles and complied with the applicable code provisions set out in the Corporate Governance Code that were in force during the Year, as set out in Appendix C1 to the Listing Rules as its code of corporate governance (the "**CG Code**"), except for the deviation from the code provisions explained below.

Code Provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and not performed by the same individual.

Mr. Ho Wong Meng ("**Mr. Ho**") currently holds the positions of both Chairman and Chief Executive Officer. The Board believes that combining the roles of Chairman and Chief Executive Officer provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ho performs serves as both Chairman and Chief Executive Officer, the responsibilities of each role are clearly defined. Mr. Ho performs these two roles distinctly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by Directors (the "**Model Code**").

All Directors have confirmed, following the specific enquiry by the Company, that they complied with the Model Code throughout the Year and up to the date of this annual results announcement.

SCOPE OF WORK OF AUDITOR

The figures in the Group's consolidated statement of financial position as at 30 June 2025, consolidated statement of comprehensive income, and related notes for the Year, as set out in this annual results announcement, have been agreed upon by the Group's auditor, BDO Limited, and are consistent with the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this regard does not constitute an assurance engagement as defined by the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA. Therefore, BDO Limited has not expressed any assurance on this annual results announcement.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in accordance with the requirements of the Listing Rules, with terms of reference aligned with the provisions of the CG Code, as set out in Appendix C1 to the Listing Rules.

The Group's audited consolidated financial statements for the Year have been reviewed by the Audit Committee, which at the time of the review comprises three independent non-executive Directors, namely Mr. Cheng Hong Wai (Chairman of the Audit Committee), Mr. Lau Ka Ho and Ms. Danica Ramos Lumawig. The Audit Committee concluded that they had been prepared in compliance with applicable accounting standards and the Listing Rules.

As at the date of this annual results announcement, following the resignation of Mr. Lau Ka Ho and the appointment of Mr. Luk Ching Kwan Corio on 26 September 2025, the Audit Committee comprises three independent non-executive Directors, namely Mr. Cheng Hong Wai (Chairman of the Audit Committee), Mr. Luk Ching Kwan Corio and Ms. Danica Ramos Lumawig.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.ientcorp.com). The annual report of the Company for the Year containing all information as required by the Listing Rules will be despatched to the Shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
International Entertainment Corporation
Ho Wong Meng
Chairman, Chief Executive Officer
and Executive Director

Hong Kong, 26 September 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho Wong Meng and Mr. Aurelio Jr. Dizon Tablante, and three independent non-executive Directors, namely Mr. Luk Ching Kwan Corio, Mr. Cheng Hong Wai and Ms. Danica Ramos Lumawig.