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INTERNATIONAL ENTERTAINMENT CORPORATION

國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01009)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of International Entertainment Corporation (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 December 2025 (the “**Period**”), together with the comparative unaudited figures for the six months ended 31 December 2024 (the “**Previous Period**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2025

		Six months ended 31 December 2025 HK\$'000 (Unaudited)	Six months ended 31 December 2024 HK\$'000 (Unaudited)
	<i>Notes</i>		
Revenue	<i>4(b)</i>	458,919	267,622
Gaming tax and licensing fee		(93,503)	(81,934)
Cost of sales		(120,446)	(94,742)
		<hr/>	<hr/>
Gross profit		244,970	90,946
Other income	<i>5</i>	12,979	11,356
Other gains		3,654	6,672
Change in fair value of financial assets at fair value through profit or loss	<i>13</i>	153	17
Change in fair value of investment properties		(18,500)	–
Share of loss of associates		(2,604)	(944)
Selling and marketing expenses		(79,377)	(179)
General and administrative expenses		(171,379)	(150,567)
Finance costs		(44,125)	(45,672)
		<hr/>	<hr/>

	<i>Notes</i>	Six months ended 31 December 2025 <i>HK\$'000</i> (Unaudited)	Six months ended 31 December 2024 <i>HK\$'000</i> (Unaudited)
Loss before taxation	6	(54,229)	(88,371)
Income tax expenses	7	(31,579)	(6,653)
Loss for the period attributable to owners of the Company		(85,808)	(95,024)
Other comprehensive (loss)/income: Items that will not be reclassified to profit or loss:			
— Exchange differences arising on translation from functional currency to presentation currency		(30,033)	274
Other comprehensive (loss)/income for the period		(30,033)	274
Total comprehensive loss for the period		(115,841)	(94,750)
		<i>HK Cents</i>	<i>HK Cents</i>
Loss per share attributable to owners of the Company			
— Basic	8	(6.27)	(6.94)
— Diluted	8	(6.27)	(6.94)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		31 December 2025 <i>HK\$'000</i> (Unaudited)	30 June 2025 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	10	719,373	793,127
Investment properties		317,000	336,000
Intangible assets		3,275	5,386
Loan receivables		101,858	99,992
Interests in associates		40,699	43,303
Right-of-use assets		27,728	33,046
Restricted bank balances		388,468	390,741
Other receivables, deposits and prepayments		124,303	71,615
		1,722,704	1,773,210
Current assets			
Inventories		5,993	6,382
Trade receivables	11	86,954	37,605
Other receivables, deposits and prepayments		137,869	78,701
Financial assets at fair value through profit or loss	13	4,530	4,423
Contract assets		238	250
Tax recoverable	12	56,331	59,135
Fixed bank deposit		26,986	13,873
Bank balances and cash		353,868	562,519
		672,769	762,888
Total assets		2,395,473	2,536,098
Current liabilities			
Trade payables	14	1,813	1,209
Other payables and accrued charges		122,935	137,843
Amounts due to associates		9,004	12,478
Contract liabilities		5,825	2,078
Lease liabilities		7,016	7,022
Tax payables		47,573	17,716
Bank borrowings	16	114,182	59,933
		308,348	238,279
Net current assets		364,421	524,609

		31 December 2025	30 June 2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Deferred tax liabilities		82,354	86,355
Other liabilities		3,521	3,696
Lease liabilities		30,815	36,552
Promissory notes	<i>15</i>	467,986	467,986
Bank borrowings	<i>16</i>	845,194	930,134
		1,429,870	1,524,723
NET ASSETS		657,255	773,096
EQUITY			
Equity attributable to owners of the Company			
Share capital		13,692	13,692
Share premium and reserves		643,563	759,404
TOTAL EQUITY		657,255	773,096

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2025

1. 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, and the head office and principal place of business in Hong Kong of the Company is located at 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 (“**Hotel Operation Business**”), operating the gaming business as operator under provisional licence, leasing of gaming venues at the hotel and casino complex in Metro Manila in the Republic of the Philippines (the “**Philippines**”) to a tenant for authorised gaming operation, provision of gaming platform to other authorised gaming operators for gaming business (“**Gaming Operation Business**”) and live poker events (“**Live Events Business**”) in Macau.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) . The condensed consolidated interim financial statements were authorised for issue on 25 February 2026.

The condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2025 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 July 2025. Details of newly effective accounting policies are set out in Note 3. The adoption of the new and amended HKFRS Accounting Standards have no material effect on the condensed consolidated interim financial statements. The Group has not early adopted any new and amended HKFRS Accounting Standards that has been issued but not yet effective in the current accounting period.

The preparation of the condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The functional currency of the Company is Philippine Peso (“**Peso**”), the currency of the primary economic environment in which the Company’s major subsidiaries operate. The condensed consolidated interim financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated, as the directors of the Company (the “**Directors**”) consider that it is an appropriate presentation of a company listed in Hong Kong and for convenience of the shareholders of the Company (the “**Shareholders**”). The condensed consolidated interim financial statements contain condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual consolidated financial statements. The condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the 2025 annual consolidated financial statements.

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”), which comprises three independent non-executive Directors of the Company.

3. ACCOUNTING POLICIES

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

Except as described below, the accounting policies applied are consistent with those of preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2025, as described therein.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following amended HKFRS Accounting Standards have been adopted by the Group for the financial year beginning on or after 1 July 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current period had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial statements.

4. SEGMENT INFORMATION

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 licence operated by the Group, leasing of gaming venues at the hotel and casino complex of the Group in the Philippines to a tenant for authorised gaming operation and provision of gaming platform to other authorised gaming operators for gaming business; and
- the “Live Events” segment represents the operation of live poker events business.

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' loss that is used by the chief operating decision-maker for assessment of segment performance.

(a) Business segments

Segment information about these reportable segments are presented below:

For the six months ended 31 December 2025 (Unaudited)

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Live Events <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue — external	<u>16,466</u>	<u>442,453</u>	<u>–</u>	<u>458,919</u>
Segment results	<u>(26,667)</u>	<u>6,518</u>	<u>(29)</u>	<u>(20,178)</u>
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)				153
Unallocated other income				5,055
Net exchange gain				3,654
Share of loss of associates				(2,604)
Auditor’s remuneration				(1,877)
Unallocated legal and professional fees				(4,083)
Unallocated salaries and allowances				(13,044)
Unallocated finance costs				(14,681)
Unallocated other expenses				<u>(6,624)</u>
Loss before taxation for the period				<u>(54,229)</u>

Segment information about these reportable segments are presented below:

For the six months ended 31 December 2024 (Unaudited)

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Live Events <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue — external	27,625	239,997	–	267,622
Segment results	(13,019)	(48,961)	(125)	(62,105)
Change in fair value of financial assets at FVTPL				17
Gain on redemption of convertible bond on maturity				3,208
Unallocated other income				1,141
Net exchange gains				5,154
Share of loss of associates				(944)
Auditor's remuneration				(1,800)
Unallocated legal and professional fees				(2,646)
Unallocated salaries and allowances				(9,685)
Unallocated finance costs				(13,616)
Unallocated other expenses				(7,095)
Loss before taxation for the period				(88,371)

Segment information about these reportable segments are presented below:

At 31 December 2025 (Unaudited)

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Live Events <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
ASSETS				
Segment assets	201,367	1,935,557	1,443	2,138,367
Unallocated assets				
Bank balances and cash				197,237
Financial assets at FVTPL				4,530
Interest in associates				40,699
Others				14,640
Consolidated total assets				2,395,473
LIABILITIES				
Segment liabilities	80,204	1,172,664	2,521	1,255,389
Unallocated liabilities				
Promissory notes				467,986
Others				14,843
Consolidated total liabilities				1,738,218

At 30 June 2025 (Audited)

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Live Events <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
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
Interest in associates				43,303
Others				16,058
Consolidated total assets				<u>2,536,098</u>
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				<u>1,763,002</u>

(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.

For the six months ended 31 December 2025 (Unaudited)

	Hotel Operation HK\$'000	Gaming Operation HK\$'000	Consolidated HK\$'000
Primary geographical markets			
The Philippines	<u>16,466</u>	<u>442,453</u>	<u>458,919</u>
Timing of revenue recognition			
<i>Transferred over time</i>			
Room revenue	12,099	–	12,099
Commission income	<u>–</u>	<u>59,651</u>	<u>59,651</u>
	<u>12,099</u>	<u>59,651</u>	<u>71,750</u>
<i>Transferred at a point in time</i>			
Food and beverages	4,293	–	4,293
Other hotel service income	74	–	74
Casino operation	<u>–</u>	<u>292,735</u>	<u>292,735</u>
	<u>4,367</u>	<u>292,735</u>	<u>297,102</u>
Other source of income			
Leasing of gaming venues	<u>–</u>	<u>90,067</u>	<u>90,067</u>
	<u>16,466</u>	<u>442,453</u>	<u>458,919</u>

For the six months ended 31 December 2024 (Unaudited)

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Primary geographical markets			
The Philippines	<u>27,625</u>	<u>239,997</u>	<u>267,622</u>
Timing of revenue recognition			
<i>Transferred over time</i>			
Room revenue	<u>19,275</u>	<u>–</u>	<u>19,275</u>
	<u>19,275</u>	<u>–</u>	<u>19,275</u>
<i>Transferred at a point in time</i>			
Food and beverages	7,354	–	7,354
Other hotel service income	996	–	996
Casino operation	<u>–</u>	<u>208,899</u>	<u>208,899</u>
	<u>8,350</u>	<u>208,899</u>	<u>217,249</u>
Other source of income			
Leasing of gaming venues	<u>–</u>	<u>31,098</u>	<u>31,098</u>
	<u>27,625</u>	<u>239,997</u>	<u>267,622</u>

5. OTHER INCOME

	For the six months ended 31 December 2025 <i>HK\$'000</i> (Unaudited)	For the six months ended 31 December 2024 <i>HK\$'000</i> (Unaudited)
Interest income	5,636	8,003
Sundry income	<u>7,343</u>	<u>3,353</u>
	<u>12,979</u>	<u>11,356</u>

6. LOSS BEFORE TAXATION

	For the six months ended 31 December 2025 HK\$'000 (Unaudited)	For the six months ended 31 December 2024 HK\$'000 (Unaudited)
Loss before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	1,654	1,465
Staff costs (excluding directors' emoluments):		
Salaries and allowances	79,215	72,760
Retirement benefits scheme contributions	4,811	2,617
	<hr/>	<hr/>
Total staff costs	85,680	76,842
Depreciation of property, plant and equipment		
— included in cost of sales	44,423	44,442
— included in general and administrative expenses	21	21
Depreciation of right-of-use assets (included in general and administrative expenses)	5,538	3,516
	<hr/>	<hr/>
Total depreciation	49,982	47,979
Change in fair value of financial assets at FVTPL	(153)	(17)
Change in fair value of investment properties	18,500	—
Auditor's remuneration		
— Audit services	1,597	1,550
— Non-audit service	280	250
Cost of inventories recognised as an expense	6,382	8,824
Provision for expected credit losses of		
— Trade receivables	6,370	—
Legal and professional fees	7,416	4,985
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7. INCOME TAX EXPENSES

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

	For the six months ended 31 December 2025 HK\$'000 (Unaudited)	For the six months ended 31 December 2024 HK\$'000 (Unaudited)
Current tax expenses	32,240	7,320
Deferred tax	(661)	(667)
Income tax expenses	<u>31,579</u>	<u>6,653</u>

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 both periods. Hong Kong profits tax for other group entities is calculated at 16.5% on the estimated profits. No provision for taxation in Hong Kong was made in the financial statements for both periods as the Group's operations 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%. 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%. 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 Group's subsidiary in Macau is subject to Macau profits tax rate of 12%. No provision for taxation in Macau was made in the financial statements for the both periods as the Group's operations in Macau had no assessable profits.

As at 31 December 2025, there are taxes dispute cases for income tax and other taxes between Marina Square Properties, Inc. ("**MSPI**"), an indirect wholly-owned subsidiary of the Company and Bureau of Internal Revenue ("**BIR**") for the calendar years of 2008, 2012, 2014, 2015, 2018 and 2019 in aggregate of around Peso 5,009,650,000 (30 June 2025: Peso 5,009,650,000).

For the alleged deficiency in income tax and other 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 in income tax and other 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 authorisation of the condensed consolidated interim financial statements.

The directors of the Company considered it is not probable BIR will accept the uncertain income tax treatments related to above income tax disputes of around Peso 3,485,650,000 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 income and other tax disputes with no deficiency taxes liable, no provision for income tax has been made for the income tax disputes.

In additions, the tax disputes for other taxes represent possible obligations (existence of which can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MSPI) which may or may not require an initial outflow of resources, the directors of the Company estimate that as at 31 December 2025, the contingent liabilities in respect of the alleged deficiency in other taxes of MSPI covering the calendar years of 2008, 2012, 2014, 2015, 2018 and 2019, represents the stated amounts in the disputed assessments received by MSPI in aggregate of around Peso 1,524,000,000 and possible additional penalties, surcharge or interest liability that may be assessed by BIR for the taxable years which existence can only be confirmed based on developments of the other taxes disputes cases, as a possible outflow of resources.

8. LOSS PER SHARE

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

	For the six months ended 31 December 2025 HK\$'000 (Unaudited)	For the six months ended 31 December 2024 HK\$'000 (Unaudited)
Loss attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	<u><u>(85,808)</u></u>	<u><u>(95,024)</u></u>
	For the six months ended 31 December 2025 '000 (Unaudited)	For the six months ended 31 December 2024 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u><u>1,369,157</u></u>	<u><u>1,369,157</u></u>

	For the six months ended 31 December 2025 <i>HK Cents</i> (Unaudited)	For the six months ended 31 December 2024 <i>HK Cents</i> (Unaudited)
Loss per share		
— Basic	<u>(6.27)</u>	<u>(6.94)</u>
— Diluted	<u>(6.27)</u>	<u>(6.94)</u>

The diluted loss per share for the six months ended 31 December 2025 is same as the basic loss per share as there was no potential ordinary share in issue during the period.

For the six months ended 31 December 2024, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bond since their assumed exercise would have anti-dilutive effect.

9. DIVIDENDS

The board does not propose an interim dividend for the six months ended 31 December 2025 (six months ended 31 December 2024: nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2025, the Group acquired property, plant and equipment of HK\$27,131,000 (six months ended 31 December 2024: HK\$72,313,000).

Properties amounted to approximately HK\$453,643,000 (At 31 December 2024: HK\$970,000,000) are pledged to a bank to secure the loan and general banking facilities granted to the Group (note 16).

11. TRADE RECEIVABLES

	31 December 2025 <i>HK\$'000</i> (Unaudited)	30 June 2025 <i>HK\$'000</i> (Audited)
Trade receivables	98,205	42,818
Less: Provision for expected credit losses	<u>(11,251)</u>	<u>(5,213)</u>
	<u>86,954</u>	<u>37,605</u>

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 periods.

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
0–30 days	72,276	22,211
31–60 days	10,738	7,160
61–90 days	39	5,713
Over 90 days	3,901	2,521
	86,954	37,605

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.

The Group recognised impairment loss based on the expected credit loss model.

12. 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 distraint and/or levy on MSPI’s properties in relation to alleged deficiency tax for calendar year of 2015 (Note 7). MSPI filed an Urgent Motion to Quash WDL (“**Motion to Quash**”) to Court of Tax Appeals (“**CTA**”) on 23 June 2022. Between July and September 2022, bank balances of approximately Php426,000,000 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.

Based on the advice of the independent legal adviser of MSPI, the Directors believe that MSPI has valid legal arguments to defend the income tax and other 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 income tax and other tax payable if MSPI lose in the tax dispute. The amount is accounted for as tax recoverable.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	31 December	30 June
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Unlisted investment fund (<i>note</i>)	<u>4,530</u>	<u>4,423</u>

Note:

The unlisted investment fund represented approximately 48% (30 June 2025: 48%) interests in Foresight Fund III Limited Partnership (the “**Foresight Fund**”).

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 31 December 2025 by NAV summation method with fair value of underlying investment determined by market approach, with references to comparable companies benchmark multiples. During the six months ended 31 December 2025, the Group recognised a fair value gain of HK\$153,000 (six months ended 31 December 2024: fair value gain of HK\$17,000) in the consolidated statement of comprehensive income.

14. TRADE PAYABLES

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.

	31 December	30 June
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0–30 days	1,495	614
31–60 days	305	230
61–90 days	–	200
Over 90 days	13	165
	<u>1,813</u>	<u>1,209</u>

15. PROMISSORY NOTES

On 31 March 2025, Fortune Growth Overseas Limited (“**Fortune Growth**”) issued 6 new promissory notes (the “**2025 PNs**”) to the holder in exchange for the matured promissory notes issued in prior years (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 31 December 2025 and 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 BORROWINGS

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Bank loans — Secured	<u>959,376</u>	<u>990,067</u>

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 31 December 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.

As at 4 July 2024, a bank facility had been granted to a subsidiary of the Company of United States Dollars (“**US\$**”) 50,000,000 which has been fully utilised as at 31 December 2025. Interest is charged at a rate of 3.35% per annum in respect to this banking facility.

As at 31 December 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\$453,643,000 (Note 10), and investment properties of approximately HK\$317,000,000, certain bank balances of approximately HK\$388,468,000 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 31 December 2025, bank loans was scheduled to repay as follows:

	31 December 2025	30 June 2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within One year	114,182	59,933
More than one years but not exceeding two years	114,182	119,865
More than two years but not exceeding five years	731,012	810,269
	<u>959,376</u>	<u>990,067</u>

17. CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet accounted for at the end of the reporting period in the financial statements is as follows:

	31 December 2025	30 June 2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Property, plant and equipment	<u>95,283</u>	<u>239,263</u>

18. EVENTS AFTER THE END OF REPORTING PERIOD

The Board is not aware of any material event affecting the Group since the six months ended 31 December 2025 and up to the date of authorization of the condensed consolidated interim financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The six months ended 31 December 2025 (the “**Period**”) marked a period of solid progress for the Group, with significant top-line growth achieved against a mixed market backdrop.

The Philippines welcomed a total of 6.48 million visitor arrivals in 2025, generating an estimated PHP694 billion in tourism receipts, according to data from the Department of Tourism. While the annual growth rate appeared modest at 0.76% amid travel alerts from key markets and domestic fiscal constraints, foreign arrivals spiked by 20.2% year-on-year in December 2025, signaling a late-year robust recovery in traveler traffic. Meanwhile, Philippine gaming regulator PAGCOR reported total revenues of PHP106.0 billion in 2025, a decline of 5.1% year-on-year. This was partly due to a softening of land-based gaming.

Despite the market condition, the Group’s total revenue for the Period rose 71.5% to approximately HK\$458.9 million, compared with HK\$267.6 million for the six months ended 31 December 2024 (the “**Previous Period**”). This notable growth was primarily driven by a rise in land-based casino revenue and increased commission income resulting from provision of gaming platform to other authorised gaming operators for gaming business. The Group’s revenue from the gaming operation for the Period increased significantly by 84.4% to approximately HK\$442.5 million for the Period, as compared with approximately HK\$240.0 million for the Previous Period. However, due to the temporary closure of certain hotel rooms for renovation during the Period, the Group’s hotel operation revenue was approximately HK\$16.5 million, a decrease of 40.4% compared with approximately HK\$27.6 million for the Previous Period.

During the Period, the Group reported gross profit of approximately HK\$245.0 million, as compared with approximately HK\$90.9 million in the Previous Period. Gross profit margin for the Period was approximately 53.4%, up 19.4 percentage points from approximately 34.0% for the Previous Period. The increase in gross profit margin was mainly due to the increase in commission income with higher gross profit margin.

The Group’s other income for the Period was approximately HK\$13.0 million, representing an increase of approximately 14.3%, as compared with approximately HK\$11.4 million for the Previous Period. This was mainly due to the increase in sundry income during the Period.

Other gains of the Group for the Period represented net foreign exchange gain of approximately HK\$3.7 million (Previous Period: net gain of approximately HK\$3.5 million).

The Group recorded a gain of approximately HK\$0.2 million on changes in the fair value of financial assets at fair value through profit or loss during the Period, as compared with a gain of approximately HK\$17,000 during the Previous Period.

The fair value of the Group's investment properties has been determined based on a valuation carried out by Valplus Consulting Limited (“**Valplus**”), an independent professional valuer not affiliated with the Group. The fair value loss for the Period amounted to approximately HK\$18.5 million (Previous Period: nil). During the Period, the Group recorded a loss of approximately HK\$2.6 million from the results of its associates, as compared with a loss of approximately HK\$0.9 million for the Previous Period.

The Group's general and administrative expenses were HK\$171.4 million, as compared with HK\$150.6 million the Previous Period. During the Period, approximately 49.0% and 6.9% of the general and administrative expenses were related staff costs and utility expenses, respectively. Staff costs for the Period amounted to approximately HK\$84.0 million, representing an increase of around 11.0%, as compared with approximately HK\$75.6 million during the Previous Period. Additionally, due to the expansion of the Group's casino operation, utility expenses for the Period were approximately HK\$11.8 million, representing an increase of approximately 40.5% compared with the approximately HK\$8.4 million recorded for the Previous Period.

The Group's finance costs for the Period amounted to approximately HK\$44.1 million, representing an decrease of approximately 3.4%, as compared with approximately HK\$45.7 million for the Previous Period. This decrease was mainly due to the decline in interest rate during the Period.

The Group recorded an income tax expense of approximately HK\$31.6 million for the Period, as compared with an income tax expense of approximately HK\$6.7 million during the Previous Period.

Consequently, the Group narrowed its loss by 9.7% to approximately HK\$85.8 million during the Period (Previous Period: loss of approximately HK\$95.0 million).

The loss per share for the Period amounted to approximately 6.27 HK cents, as compared with approximately 6.94 HK cents for the Previous Period.

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 (as defined below), leasing of gaming venues to a tenant for authorised gaming operations and provision of gaming platform to other authorised gaming operators for gaming business. Revenue from the gaming operation segment for the Period was approximately HK\$442.5 million, representing an increase of approximately 84.4%, as compared with revenue of approximately HK\$240.0 million for the Previous Period. 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, contributing approximately 96.4% of the Group's revenue during the Period (Previous Period: 89.7%).

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 Period was approximately HK\$16.5 million, representing a decrease of approximately 40.4%, as compared with approximately HK\$27.6 million for the Previous Period. Of this, approximately HK\$12.1 million, or 73.5%, was room revenue (Previous Period: HK\$19.3 million or 69.8%). The decrease in total revenue was mainly due to the renovations to upgrade the hotel rooms. During the Period, revenue from food and beverages was approximately HK\$4.3 million, representing a decrease of approximately 41.6%, as compared with approximately HK\$7.4 million for the Previous Period.

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 Period.

FUTURE OUTLOOK

Looking ahead, the Group remains optimistic about the long-term prospects of the Philippine gaming and tourism industries, underpinned by its advantageous geographical position in Southeast Asia and growing popularity as a premier travel destination. According to market research, the casino gambling market in the Philippines is projected to reach USD3,749.4 million by 2033, representing a compound annual growth rate of 9.2% from 2023 to 2033.

The growth momentum of the Philippine tourism sector is supported by the government's commitment to improving infrastructure, strengthening international partnerships, and intensifying global marketing initiatives. The recent expansion of visa-free entry is expected to further boost visitor arrivals, serving as a catalyst for gaming revenues at the nation's integrated resorts.

Pursuant to the provisional license (the "**Provisional License**") granted by PAGCOR to establish and operate a casino (the "**Casino**"), 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 the Group's hotel in Manila City (the "**Hotel**") (the "**Investment Commitment**"). The Group commenced a renovation initiative in the previous financial year, with the aim of modernizing infrastructure and facilities to ensure the Hotel maintains premium service standards that complement the Casino's evolving operations.

An operational milestone was reached in January 2026 with the completion of renovation works on the Casino's ground floor. This project successfully expanded the gaming space, increasing the number of gaming tables from 99 to 116 tables as well as increasing the number of slot machines and electronic gaming machines from 517 to 664 machines by the end of January 2026. With further facility upgrades scheduled for completion, the Group anticipates a grand reopening of the Hotel in July 2026. These enhancements are designed to elevate the overall guest experience, thereby driving higher occupancy rates and fostering sustained revenue growth across both gaming and hospitality segments in the long term.

As an effort to enhance its financial strength, the Group entered into a Subscription Agreement on 17 November 2025 with DigiPlus Interactive Corp. (Philippine Stock Exchange stock symbol: PLUS), a leader in the Philippine casino and gaming sector as well as a Fortune Southeast Asia 500 company. Subject to approval at the extraordinary general meeting ("**EGM**") on 26 February 2026, the Group will issue up to HK\$1.6 billion convertible notes (the "**Notes**") with a maturity of five years and an interest rate of 3% per annum.

The issuance is expected to significantly bolster the Group's liquidity and long-term financial position. Furthermore, the potential conversion of these Notes into shares would serve to broaden the Company's shareholder and capital base. The net proceeds are slated for the early repayment of the promissory notes and interest accrued thereon, and a secured bank borrowing to achieve immediate interest savings. The remaining net proceeds will primarily be used for funding the Investment Commitment and attractive investment/business opportunity(ies); and as general working capital of the Group.

The Investment Commitment currently includes capital investments for acquisition of land for the expansion of the Group's integrated resort in Manila City and the construction of additional hotel rooms, for provision of other amenities of the integrated resort, and for ongoing upgrades, refurbishments and renovations to the facilities and infrastructures of both the Hotel and the Casino.

Through these integrated operational and financial initiatives, the Group is strategically positioned to navigate the evolving Philippine gaming and tourism landscape, leveraging its bolstered capital, expanded gaming capacity, and enhanced hotel facilities to capitalize on emerging business opportunities and create greater sustainable, long-term value for its shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025, the Group's net current assets amounted to approximately HK\$364.4 million (as at 30 June 2025: net current assets of approximately HK\$524.6 million). Current assets amounted to approximately HK\$672.8 million (as at 30 June 2025: HK\$762.9 million), of which approximately HK\$353.9 million (as at 30 June 2025: HK\$562.5 million) was bank balances and cash.

As at 31 December 2025, the Group had current liabilities amounted to approximately HK\$308.3 million (as at 30 June 2025: HK\$238.3 million), of which approximately HK\$114.2 million (as at 30 June 2025: 59.9 million) was bank borrowings.

The bank balances and cash of the Group as at 31 December 2025 was mainly denominated in Php, HK\$ and US\$.

Net cash used in operating activities of the Group was approximately HK\$6.7 million for the Period (the Previous Period: used in approximately HK\$46.3 million). Net assets attributable to the owners of the Company as at 31 December 2025 amounted to approximately HK\$657.3 million (as at 30 June 2025: approximately HK\$773.1 million).

Change in use of proceeds

On 27 July 2017, the Company entered into a placing agreement with a placing agent (the “**Placing Agreement**”). The completion of the placing (the “**Placing**”) took place on 10 August 2017. Pursuant to the terms and conditions of the Placing Agreement, an aggregate of 190,000,000 ordinary shares of the Company of HK\$1.00 each as placing shares were successfully placed by the placing agent at the placing price of HK\$1.90 per placing share. Further details are set out in the announcements of the Company dated 27 July 2017 and 10 August 2017. The net proceeds from the Placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK\$358.5 million. The net proceeds from the Placing were intended to be used as to (i) approximately HK\$150.0 million for the renovation of the Hotel; (ii) approximately HK\$100.0 million for the development of the parcels of land adjacent to the Hotel (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; (iii) approximately HK\$70.0 million for the potential acquisition of, including but not limited to, lands in the Philippines for the construction of hotel(s) and/or casino(s); and (iv) the remaining proceeds for the general working capital of the Group.

Referring to the Company’s announcement dated 14 February 2025 in relation to a construction contract (the “**Construction Contract**”) and change in use of proceeds, in light of the grant of the Provisional License to the Group, the Group has the need to carry out upgrading renovation and construction works by entering into the Construction Contract, and the Group is required to make a significant total investment commitment in the amount of no less than US\$1.0 billion and up to US\$1.2 billion pursuant to the Provisional Licence, the Board has resolved to reallocate all unutilised net proceeds of the Placing in the amount of approximately HK\$117.4 million for contribution to the contract price payment of the Construction Contract and expected to fully utilise by the end of 2025. As of 31 December 2025, approximately HK\$151.0 million in relation to the Construction Contract had been settled, of which HK\$117.4 million had been utilised from the net proceeds of the Placing.

Set forth below is a summary of the utilization of the net proceeds as at 31 December 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 31 December 2025 (HK\$ million)
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, lands 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	117.4
Total	<u>358.5</u>	<u>358.5</u>	<u>358.5</u>

Notes:

1. The HK\$52.6 million utilised comprised HK\$51.9 million loan to Harbor View Properties and Holdings, Inc. for the acquisition of the New Hotel Land and HK\$0.7 million for the payment of the design and consultancy services fees for the development of the New Hotel Land. Priority will be given to the development of the new lands 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 between 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 announcement dated 14 February 2025 for details). As of 31 December 2025, approximately HK\$151.0 million in relation to the Construction Contract had been settled, of which HK\$117.4 million had been utilised from the net proceeds of the Placing. Hence, all the proceeds from the Placing have been fully utilised.

The Group does not currently hedge its interest rate exposure, although it may consider doing so in the future.

For further details of our indebtedness, see Notes 15 and 16 to the condensed consolidated interim financial statements in this announcement, which includes information regarding the type of debt facilities used, the maturity profile of debt and the currency and interest rate structure.

The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital (not applicable under net cash position). Net cash or debt is calculated as total borrowings representing outstanding promissory notes, outstanding bank borrowing and outstanding convertible bond 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 31 December 2025 was approximately 163.3% (as at 30 June 2025: 115.8%).

During the Period, the Group financed its operations including but not limited to internally generated cash flows and bank loans.

(1) Issue of convertible notes under specific mandate; (2) application for whitewash waiver; and (3) special deal in relation to early repayment of promissory notes

On 17 November 2025, the Company entered into the subscription agreement (the “**Subscription Agreement**”) with DigiPlus Interactive Corp. (the “**Subscriber**”), a company incorporated in the Philippines with limited liability, the shares of which are listed on the Philippine Stock Exchange (stock symbol: PLUS), pursuant to which the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Notes an aggregate principal amount of up to HK\$1.6 billion (the “**Subscription**”).

Assuming full conversion of the Notes at the initial conversion price of HK\$1.00 per conversion share (subject to adjustment in accordance with the terms of the Notes), a total of 1,600,000,000 conversion shares would be issued. The issue and allotment of the conversion shares is subject to, among others, the grant of a specific mandate by the shareholders at the EGM and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the conversion shares.

As the Subscriber would (upon full conversion of the Notes) hold more than 30% of the voting rights of the Company, an application has been made for a whitewash waiver under the Takeovers Code. In addition, the proposed use of part of the proceeds from the Subscription for early repayment of the promissory notes to the promissory note holder constitutes a special deal under the Takeovers Code and is subject to, among others, the consent of the executive director of the corporate finance division of the Securities and Futures Commission and approval of the independent shareholders at the EGM.

Details were set out in the Company's announcements dated 17 November 2025, 8 December 2025, 9 January 2026 and 10 February 2026 and circular dated 9 February 2026.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Save as otherwise mentioned in this announcement, during the Period, there was no incidence of non-compliance with the relevant laws and regulations of the places in which the Group operates that has a significant impact on the business operations of the Group.

CONTINGENT LIABILITIES

Save as disclosed, the Group had no other material contingent liabilities as at 31 December 2025.

CHARGES ON GROUP ASSETS

As at 31 December 2025, the bank loan and the banking facility was secured by the Group's properties as classified under Properties, plant and equipment of approximately HK\$453.6 million, investment properties of approximately HK\$317.0 million, certain bank balances of approximately HK\$388.5 million of the Group, 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 17 November 2025, the Group entered into a Subscription Agreement with DigiPlus Interactive Corp. (Philippine Stock Exchange stock symbol: PLUS), a leader in the Philippine casino and gaming sector as well as a Fortune Southeast Asia 500 company. Subject to approval at the EGM on 26 February 2026, the Group will issue up to HK\$1.6 billion convertible notes with a maturity of five years and an interest rate of 3% per annum.

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. 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, a construction service agreement being entered into between 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 with an aggregate contract price of Php1,471.68 million (equivalent to approximately HK\$191.32 million) (please refer to the announcement dated 14 February 2025 for details).

On 27 September 2023, the Group entered into a Provisional License Agreement pursuant to which Philippine Amusement and Gaming Corporation (“**PAGCOR**”) has granted the Provisional License to the Group’s companies to establish and operate a casino and the development of an integrated resort in the City of Manila, the Philippines. The effectivity or term of the Provisional License and the Regular Casino Gaming License shall be co-terminus with the franchise of PAGCOR 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 the total investment commitment of no less than US\$1.0 billion (equivalent to approximately HK\$7.82 billion) and up to US\$1.2 billion (equivalent to approximately HK\$9.38 billion) for the project under the Provisional License. The total investment commitment comprises land acquisition costs, costs related to securing development rights, construction, equipment, development costs, financing costs and all other expenses directly related to the completion of the project. Details of the terms of Provisional License Agreement are set out in the announcement of the Company dated 27 September 2023.

Save as disclosed above, there was no other acquisition or disposal of subsidiary and associated company or significant investments of the Group, which would have been required to be disclosed under the Listing Rules for the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to explore the market and identify any business opportunities including a renovation plan to improve the properties of the Group and leasing premises which may provide its growth and development potential, enhance the profitability, and strive for better return to the Shareholders.

RISKS AND UNCERTAINTIES

Our casino and hotel face intense competition in the market

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

Our business is sensitive to economic uncertainty and regulatory risk in the effect of change in laws and regulations

The Group is sensitive to the economic downturns, political and social conditions. The changes in the relevant laws and regulations in the places that the Group operates might affect the gaming operation of the Group.

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The functional currency of the Company is Php, the currency of the primary economic environment in which the Company's major subsidiaries operate. The condensed consolidated interim financial statements of the Group is presented in HK\$ as the Directors consider that it is an appropriate presentation for a company listed in Hong Kong and for the convenience of the Shareholders.

The Group's assets and liabilities are mainly denominated in HK\$, US\$, Php and EURO. The Group primarily earns its revenue and income in HK\$, US\$ and Php while the Group primarily incurs costs and expenses mainly in HK\$ and Php. Therefore, the Group may be exposed to currency risk.

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

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

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

INTERIM DIVIDEND

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with the statutory and regulatory requirements with an aim to maximising the shareholders' values and interests as well as to enhancing the stakeholders' transparency and accountability.

Throughout the Period, the Company has complied with all the applicable code provisions under the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 of the Listing Rules, with the exception of 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 separated and should not be performed by the same individual.

Mr. Ho Wong Meng (“**Mr. Ho**”) who serves as executive Director and the chief executive officer of the Company (the “**Chief Executive Officer**”), has been appointed as the chairman of the Board (the “**Chairman**”) with effect from 1 April 2022. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person 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 both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. These two roles are performed by Mr. Ho distinctly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 (the “**Model Code**”) of the Listing Rules as its own code of conduct regarding the securities transactions of the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the Period.

REVIEW BY AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consist of all three independent non-executive Directors, namely Mr. Cheng Hong Wai, Mr. Luk Ching Kwan Corio and Ms. Danica Ramos Lumawig. The chairman of the Audit Committee is Mr. Cheng Hong Wai, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the Period and was of the opinion that such statements had been prepared in compliance with the applicable accounting standards and the Listing Rules.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.ientcorp.com). The interim report of the Company for the Period 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, 25 February 2026

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. Cheng Hong Wai, Mr. Luk Ching Kwan Corio and Ms. Danica Ramos Lumawig.