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 TWELVE MONTHS ENDED 30 JUNE 2026

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 twelve months ended 30 June 2026 (the "**Period**"), together with the comparative audited figures for the twelve months ended 30 June 2025 (the "**Previous Period**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended 30 June 2026

	Notes	**Twelve months ended 30 June 2026** ***HK$'000*** **(Unaudited)**	Twelve months ended 30 June 2025 *HK$'000* (Audited)
Revenue	*4(b)*	**852,509**	566,159
Gaming tax and licensing fee		**(175,193)**	(180,731)
Cost of sales		**(222,733)**	(112,183)
Gross profit		**454,583**	273,245
Other income	*5*	**24,483**	44,250
Other loss, net		**(11,755)**	(82,638)
Change in fair value of financial assets at fair value through profit or loss	*13*	**(2,209)**	(533)
Change in fair value of financial liabilities at fair value through profit or loss		**(424,911)**	3,208
Change in fair value of investment properties		**6,138**	(23,315)
Share of (loss)/profit of associates		**(4,724)**	5,686
Selling and marketing expenses		**(111,500)**	(74,494)
General and administrative expenses		**(316,946)**	(326,550)
Finance costs		**(88,766)**	(91,824)

	Notes	Twelve months ended 30 June 2026 HK$'000 (Unaudited)	Twelve months ended 30 June 2025 HK$'000 (Audited)
Loss before taxation	6	**(475,607)**	(272,965)
Income tax expense	7	**(10,832)**	(9,180)
Loss for the period attributable to owners of the Company		**(486,439)**	(282,145)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations		**224**	(55)
— 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		**(46,406)**	24,124
Other comprehensive (loss)/income for the period		**(46,182)**	38,452
Total comprehensive loss for the period		**(532,621)**	(243,693)
		HK Cents	*HK Cents*
Loss per share attributable to owners of the Company			
— Basic	8	**(35.53)**	(20.61)
— Diluted	8	**(35.53)**	(20.61)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 *HK$'000* (Unaudited)**	30 June 2025 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment	*10*	**905,847**	793,127
Investment properties		**316,100**	336,000
Intangible assets		**1,514**	5,386
Loan receivables		**101,004**	99,992
Interests in associates		**38,580**	43,303
Right-of-use assets		**140,275**	33,046
Restricted bank balances		**392,875**	390,741
Other receivables, deposits and prepayments		**54,924**	71,615
		1,951,119	1,773,210
Current assets			
Inventories		**5,373**	6,382
Trade receivables	*11*	**94,371**	37,605
Other receivables, deposits and prepayments		**147,464**	78,701
Financial assets at fair value through profit or loss	*13*	**2,123**	4,423
Contract assets		**598**	250
Tax recoverable	*12*	**54,584**	59,135
Fixed bank deposit		**26,410**	13,873
Bank balances and cash		**924,008**	562,519
		1,254,931	762,888
Total assets		**3,206,050**	2,536,098
Current liabilities			
Trade payables	*14*	**1,012**	1,209
Other payables and accrued charges		**173,176**	137,843
Amounts due to associates		**1,202**	12,478
Contract liabilities		**2,295**	2,078
Lease liabilities		**8,766**	7,022
Tax payables		**27,239**	17,716
Bank borrowings	*16*	**110,640**	59,933
Convertible notes	*17*	**2,024,911**	–
		2,349,241	238,279
Net current (liabilities)/assets		**(1,094,310)**	524,609

	Notes	**30 June 2026** **_HK$'000_** **(Unaudited)**	30 June 2025 _HK$'000_ (Audited)
Non-current liabilities			
Deferred tax liabilities		**79,659**	86,355
Other liabilities		**3,412**	3,696
Lease liabilities		**146,022**	36,552
Promissory notes	_15_	**–**	467,986
Bank borrowings	_16_	**387,241**	930,134
		616,334	1,524,723
NET ASSETS		**240,475**	773,096
EQUITY			
Equity attributable to owners of the Company			
Share capital		**13,692**	13,692
Share premium and reserves		**226,783**	759,404
TOTAL EQUITY		**240,475**	773,096

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the twelve months ended 30 June 2026

1. GENERAL

International Entertainment Corporation (the "**Company**") 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 and 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 AND GOING CONCERN ASSUMPTION

(a) Basis of preparation

On 13 May 2026, the Company announced to change the financial year end date of the Company from 30 June to 31 December. Accordingly, the current interim financial period covers twelve months period from 1 July 2025 to 30 June 2026 with the comparative financial period from 1 July 2024 to 30 June 2025.

These 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**"). These condensed consolidated interim financial statements were authorised for issue on 28 August 2026.

These 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 these 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.

These 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 and the Company's auditors BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the HKICPA.

(b) Going concern assumption

As at 30 June 2026, the Group recorded net current liabilities position of HK$1,094,310,000. This net current liabilities position is solely driven by the classification of the Group's convertible notes with aggregate principal amount of HK$1,600,000,000 issued during the Period (the "**Convertible Notes**") as current liabilities (Note 17).

In evaluating the appropriateness of the going concern basis of preparation, the management has assessed and concluded that the current liabilities presentation of the Convertible Notes does not introduce any material uncertainty or liquidity risk to the Group's ability to continue as a going concern, based on the following mitigating factors:

— **Non-Cash Settlement Mechanism:** Under the terms of the subscription agreement, early holder-initiated settlement can only be executed through the exercise of conversion rights into ordinary shares of the Company. No counterparty has the contractual right to demand early cash repayment prior to the final maturity date in 2031. Therefore, holder conversions will result in a non-cash transaction involving issue of the Company's shares rather than an operational cash outflow; and

— **Net Current Asset Position Excluding Convertible Notes:** If the classification of the Convertible Notes is excluded from current liabilities, the Group maintains a robust net current asset position of HK$930,601,000 as at 30 June 2026, which is sufficient to comfortably cover all standard operating working capital and short-term commercial obligations of the Group.

Based on these assessments, the management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months from the end of the reporting period. Accordingly, the Group continues to adopt the going concern basis in preparing these condensed consolidated interim financial statements, and no adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

3. ACCOUNTING POLICIES

The condensed consolidated interim 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

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 these condensed consolidated interim 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 twelve months ended 30 June 2026 (Unaudited)

	Hotel Operation *HK$'000*	**Gaming Operation** *HK$'000*	**Live Events** *HK$'000*	**Consolidated** *HK$'000*
Revenue — external	**33,075**	**819,434**	**–**	**852,509**
Segment results	**(57,253)**	**92,005**	**(87)**	**34,665**
Change in fair value of financial assets at FVTPL				**(2,209)**
Change in fair value of financial liabilities at FVTPL				**(424,911)**
Unallocated other income				**8,613**
Net exchange losses				**(11,755)**
Share of loss of associates				**(4,724)**
Auditor's remuneration				**(1,851)**
Unallocated legal and professional fees				**(9,327)**
Unallocated salaries and allowances				**(23,069)**
Unallocated finance costs				**(28,040)**
Unallocated other expenses				**(12,999)**
Loss before taxation for the period				**(475,607)**

Segment information about these reportable segments are presented below:

For the twelve months ended 30 June 2025 (Audited)

	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)
Change in fair value of financial assets at FVTPL				(533)
Change in fair value of financial liabilities at FVTPL				3,208
Unallocated other income				13,615
Net exchange gains				32,524
Share of gain of associates				5,686
Auditor's remuneration				(3,660)
Depreciation of right-of-use assets				(2,723)
Amortisation of intangible assets				(3,744)
Unallocated finance costs				(28,033)
Unallocated other expenses				(34,656)
Loss before taxation for the period				(272,965)

Segment information about these reportable segments are presented below:

At 30 June 2026 (Unaudited)

	Hotel Operation *HK$'000*	**Gaming Operation** *HK$'000*	**Live Events** *HK$'000*	**Consolidated** *HK$'000*
ASSETS				
Segment assets	**185,008**	**2,333,492**	**1,418**	**2,519,918**
Unallocated assets				
Bank balances and cash				**629,135**
Financial assets at FVTPL				**2,123**
Interests in associates				**38,580**
Others				**16,294**
Consolidated total assets				**3,206,050**
LIABILITIES				
Segment liabilities	**67,167**	**847,098**	**2,537**	**916,802**
Unallocated liabilities				
Convertible notes				**2,024,911**
Lease liabilities				**10,498**
Amounts due to associates				**1,202**
Others				**12,162**
Consolidated total liabilities				**2,965,575**

At 30 June 2025 (Audited)

	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

(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 twelve months ended 30 June 2026 (Unaudited)

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Consolidated *HK$'000*
Primary geographical markets			
The Philippines	33,075	819,434	852,509
Timing of revenue recognition			
Transferred over time			
Room revenue	23,986	–	23,986
Commission income	–	125,202	125,202
	23,986	125,202	149,188
Transferred at a point in time			
Casino operation	–	551,753	551,753
Food and beverages	8,924	–	8,924
Other hotel service income	165	–	165
	9,089	551,753	560,842
Other source of income			
Leasing of gaming venues	–	142,479	142,479
	33,075	819,434	852,509

For the twelve months ended 30 June 2025 (Audited)

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Consolidated *HK$'000*
Primary geographical market			
The Philippines	56,211	509,948	566,159
Timing of revenue recognition			
Transferred over time			
Room revenue	37,208	–	37,208
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
Other source of income			
Leasing of gaming venues	–	69,420	69,420
	56,211	509,948	566,159

5. OTHER INCOME

	For the twelve months ended 30 June 2026 ***HK$'000*** **(Unaudited)**	For the twelve months ended 30 June 2025 *HK$'000* (Audited)
Interest income	**15,650**	32,023
Sundry income	**8,833**	12,227
	24,483	44,250

6. LOSS BEFORE TAXATION

	For the twelve months ended 30 June 2026 *HK$'000* **(Unaudited)**	For the twelve months ended 30 June 2025 *HK$'000* (Audited)
Loss before taxation has been arrived at after charging:		
Directors' emoluments	**5,706**	5,488
Staff costs (excluding directors' emoluments):		
Salaries and allowances	**172,513**	149,739
Retirement benefits scheme contributions	**5,257**	2,798
Total staff costs	**183,476**	158,025
Depreciation of property, plant and equipment		
— included in cost of sales	**96,732**	90,922
— included in general and administrative expenses	**43**	43
Depreciation of right-of-use assets (included in general and administrative expenses)	**11,140**	6,299
Total depreciation	**107,915**	97,264
Amortisation of intangible asset	**3,724**	3,744
Auditor's remuneration		
— Audit services	**–**	3,400
— Interim review	**1,300**	–
— Other non-audit services	**551**	260
Cost of inventories recognised as an expense	**6,210**	8,845
Short-term lease payment	**–**	1,960
Provision for expected credit losses of		
— Trade receivables	**311**	4,757
— Other receivables	**–**	1,789
Gaming tax and licensing fee (included in cost of sales)	**175,193**	180,731
Legal and professional fees	**15,847**	10,554

7. INCOME TAX EXPENSE

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

	For the twelve months ended 30 June 2026 *HK$'000* **(Unaudited)**	For the twelve months ended 30 June 2025 *HK$'000* (Audited)
Current tax expenses	**12,134**	17,818
Deferred tax	**(1,302)**	(8,638)
Income tax expenses	**10,832**	9,180

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 30 June 2026, 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 the case is still under hearing up to date of authorisation of these condensed consolidated interim financial statements.

The Directors 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 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 estimate that as at 30 June 2026, 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 twelve months ended 30 June 2026	For the twelve months ended 30 June 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	**(486,439)**	(282,145)

	For the twelve months ended 30 June 2026	For the twelve months ended 30 June 2025
	'000	*'000*
	(Unaudited)	(Audited)
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

	For the twelve months ended 30 June 2026 HK Cents (Unaudited)	For the twelve months ended 30 June 2025 HK Cents (Audited)
Loss per share		
— Basic	**(35.53)**	(20.61)
— Diluted	**(35.53)**	(20.61)

For the twelve months ended 30 June 2026 and 2025, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible notes since their assumed exercise would have anti-dilutive effect.

9. DIVIDENDS

The board does not propose an interim dividend for the twelve months ended 30 June 2026 (twelve months ended 30 June 2025: nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the twelve months ended 30 June 2026, the Group acquired property, plant and equipment of HK$199,513,000 (twelve months ended 30 June 2025: HK$276,754,000).

Properties, plant and equipment amounted to approximately HK$430,381,000 (At 30 June 2025: HK$518,664,000) are pledged to a bank to secure the loan and general banking facilities granted to the Group (note 16).

11. TRADE RECEIVABLES

	30 June 2026 HK$'000 (Unaudited)	30 June 2025 HK$'000 (Audited)
Trade receivables	**99,435**	42,818
Less: Provision for expected credit losses	**(5,064)**	(5,213)
	94,371	37,605

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.

	30 June 2026 HK$'000 (Unaudited)	30 June 2025 HK$'000 (Audited)
0–30 days	**22,398**	22,211
31–60 days	**30,271**	7,160
61–90 days	**19,485**	5,713
Over 90 days	**22,217**	2,521
	94,371	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 distrain 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:

	30 June 2026	30 June 2025
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Unlisted investment fund *(note)*	**2,123**	4,423

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 have determined the fair value of its interest held in the Foresight Fund as at 30 June 2026 by net assets value summation method with fair value of underlying investment determined by market approach, with references to comparable companies benchmark multiples. During the twelve months ended 30 June 2026, the Group recognised a fair value loss of HK$2,209,000 (twelve months ended 30 June 2025: fair value loss of HK$533,000) 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.

	30 June 2026	30 June 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**910**	614
31–60 days	**–**	230
61–90 days	**89**	200
Over 90 days	**13**	165
	1,012	1,209

15. PROMISSORY NOTES

On 31 March 2025, Fortune Growth issued 6 new promissory notes (the "**2025 PNs**") to an independent third party 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 were originally due and payable in full on 31 March 2027 and is unsecured and guaranteed by the Company. During the period, the Group fully repaid the outstanding principal and accrued interest of the 2025 PNs before maturity. Accordingly, there were no outstanding promissory notes as at 30 June 2026.

16. BANK BORROWINGS

	30 June 2026	30 June 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank loans — Secured	**497,881**	990,067

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 2026. 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 during the period and fully repaid before 30 June 2026. Interest was charged at a rate of 3.35% per annum in respect to this banking facility.

As at 30 June 2026, the bank loans and the banking facilities were secured by the Group's properties as classified under properties, plant and equipment of approximately HK$430,381,000 (Note 10), and investment properties of approximately HK$316,100,000, certain bank balances of approximately HK$392,875,000 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 2026, bank loans was scheduled to repay as follows:

	30 June 2026	30 June 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The carrying amounts of the bank borrowings are repayable:		
Within one year	**110,640**	59,933
More than one year but not exceeding two years	**110,640**	119,865
More than two years but not exceeding five years	**276,601**	810,269
	497,881	990,067

17. CONVERTIBLE NOTES

Pursuant to the subscription agreement dated 17 November 2025 and entered into between the Company and the subscriber in relation to the issue of convertible notes (the "**Convertible Notes**") under specific mandate, the Company issued Convertible Notes in two tranches during the period. On 3 March 2026, the Company issued the first tranche Convertible Notes with principal amount of HK$800,000,000. On 2 June 2026, the Company issued the second tranche Convertible Notes with principal amount of HK$800,000,000. The aggregate principal amount of the Convertible Notes issued during the period was HK$1,600,000,000.

The Convertible Notes bear interest at 3% per annum, payable half-yearly, and mature on the fifth anniversary from the respective dates of issue. Unless previously converted, redeemed or cancelled, the Convertible Notes will be redeemed at maturity at 108% of the outstanding principal amount together with accrued and unpaid interest. The Convertible Notes entitle the holder to convert the Convertible Notes into ordinary shares of the Company at the initial conversion price of HK$1.00 per share, subject to adjustments, as set out in the Company's circular dated 9 February 2026. As at 30 June 2026, no part of the outstanding principal amount of the convertible notes had been converted into ordinary shares of the Company. On the assumption that the Convertible Notes would be converted into ordinary shares of the Company in full at the initial conversion price of HK$1.00 per share, the aggregate principal amount of the Convertible Notes of HK$1,600,000,000 is convertible into 1,600,000,000 ordinary shares of the Company.

Pursuant to the terms of the subscription agreement, the Convertible Notes contain conversion features which did not meet the "fixed-for-fixed" criterion under HKAS 32, the Company does not possess an unconditional right to defer the settlement of the Convertible Notes, by way of the conversion into the Company's shares by the holder of the Convertible Notes commenced from the thirty-first day after the date of issue of the Convertible Notes, for at least 12 months after the reporting date. Accordingly, the Convertible Notes were recognised as financial liabilities measured at fair value through profit or loss and classified as current liabilities of the Group. At initial recognition and as at 30 June 2026, the fair values of the Convertible Notes were determined based on valuation report issued by Valplus Consulting Limited.

The fair values of the Convertible Notes at initial recognition and as at 30 June 2026 were determined using Binomial Option Pricing Model. Changes in fair value of the Convertible Notes were recognised in profit or loss. The key inputs used in the valuation model were as follows:

First tranche

	At 30 June 2026	At 3 March 2026
Stock price *(HK$)*	**1.54**	0.97
Exercise price *(HK$)*	**1.00**	1.00
Expected life	**4.68 years**	5 years
Expected volatility	**86.80%**	86.45%
Expected dividend yield	**0%**	0%
Risk free rate	**3.05%**	2.22%

Second tranche

	At 30 June 2026	At 2 June 2026
Stock price *(HK$)*	**1.54**	1.34
Exercise price *(HK$)*	**1.00**	1.00
Expected life	**4.93 years**	5 years
Expected volatility	**85.52%**	86.43%
Expected dividend yield	**0%**	0%
Risk free rate	**3.07%**	2.89%

18. 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:

	30 June 2026 *HK$'000* (Unaudited)	30 June 2025 *HK$'000* (Audited)
Property, plant and equipment	**51,327**	239,263

19. EVENTS AFTER THE END OF REPORTING PERIOD

The Board is not aware of any material event affecting the Group since the twelve months ended 30 June 2026 and up to the date of authorization of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group achieved solid progress and robust performance during the twelve months ended 30 June 2026 (the "**Period**"), navigating a dynamic market environment.

Philippine tourism was off to a steady start this year, with foreign visitor arrivals growing by 2.6% year-on-year to over 1.76 million in the first quarter of 2026, according to data from the Department of Tourism. However, the Philippine gaming industry recorded weaker performance, as gross gaming revenues fell 15.9% year-on-year in the first quarter to Peso 87.6 billion, based on figures from the Philippine Amusement and Gaming Corporation ("**PAGCOR**"). The decline reflected macroeconomic headwinds, including softer discretionary spending triggered by Middle East geopolitical tensions and persistent inflationary pressures.

Despite the macroeconomic challenges, the Group's total revenue for the Period increased by approximately 50.6% to approximately HK$852.5 million, compared with approximately HK$566.2 million for the twelve months ended 30 June 2025 (the "**Previous Period**"). The Group's revenue from the gaming operation for the Period increased by approximately 60.7% to approximately HK$819.4 million for the Period, as compared with approximately HK$509.9 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$33.1 million, a decrease of approximately 41.2% as compared with approximately HK$56.2 million for the Previous Period.

The Group's gross profit recorded a notable growth of approximately 66.4% to approximately HK$454.6 million, compared with approximately HK$273.2 million in the Previous Period. The increase was driven by higher gaming revenue arising from both land-based casino operation and provision of gaming platform to other authorised gaming operators. Gross profit margin for the Period was approximately 53.3%, up 5.0 percentage points from approximately 48.3% 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$24.5 million, representing a decrease of approximately 44.7%, as compared with approximately HK$44.3 million for the Previous Period. This was mainly due to the decrease in interest income during the Period.

Other loss of the Group for the Period represented net foreign exchange loss of approximately HK$11.8 million (Previous Period: net loss of approximately HK$82.6 million).

The Group recorded a loss of approximately HK$2.2 million on changes in the fair value of financial assets at fair value through profit or loss during the Period, as compared with a loss of approximately HK$0.5 million during the Previous Period.

The Group recorded a loss of approximately HK$424.9 million arising from the fair value change of financial liabilities at fair value through profit or loss in connection with the issue of convertible notes in the aggregate principal sum of HK$1.6 billion (the "**Change in CB Fair Value**") during the Period.

The fair value of the Group's investment properties has been determined based on a valuation carried out by Valplus Consulting Limited, an independent professional valuer not affiliated with the Group. During the Period, the Group recorded a gain of approximately HK$6.1 million arising from the fair value change of investment properties (Previous Period: loss of HK$23.3 million), attributable to the extension of the lease terms.

During the Period, the Group recorded a loss of approximately HK$4.7 million from the results of its associates, as compared with a gain of approximately HK$5.7 million for the Previous Period.

The Group's selling and marketing expense was approximately HK$111.5 million, an increase of approximately 49.7% as compared with HK$74.5 million, primarily attributed to higher expenditure on marketing campaigns and promotional activities aimed at enhancing the attractiveness and competitiveness of the Group's casino offerings.

The Group's general and administrative expenses were approximately HK$316.9 million, a decrease of approximately 2.9% as compared with HK$326.6 million in the Previous Period. During the Period, approximately 55.7% and 8.4% of the general and administrative expenses were related to staff costs and utility expenses, respectively. Staff costs for the Period amounted to approximately HK$176.6 million, representing an increase of around 15.5%, as compared with approximately HK$152.9 million during the Previous Period. This increase was mainly attributable to the recruitment of additional staff by the Group to operate and manage the casino under the provisional license granted by PAGCOR (the "**Provisional License**"). Additionally, due to the expansion of the Group's casino operation, utility expenses for the Period were approximately HK$26.8 million, representing an increase of approximately 7.3% compared with the approximately HK$25.0 million recorded for the Previous Period.

The Group's finance costs for the Period amounted to approximately HK$88.8 million, representing a decrease of approximately 3.3%, as compared with approximately HK$91.8 million for the Previous Period, mainly due to a lower average borrowing rate as a result of the full repayment of the promissory notes and a secured bank borrowing using the net proceeds raised from the issue of convertible notes during the Period.

The Group recorded an income tax expense of approximately HK$10.8 million for the Period, as compared with an income tax expense of approximately HK$9.2 million during the Previous Period.

Consequently, the Group recorded loss of approximately HK$486.4 million, an increase of approximately 72.4%, as compared with loss of approximately HK$282.1 million for the Previous Period. However, excluding the non-cash loss arising from the Change in CB Fair Value, the Group narrowed its loss attributable to owners of the Company for the Period by approximately 78.2% as compared with that for the Previous Period.

The loss per share for the Period amounted to approximately 35.53 HK cents, as compared with approximately 20.61 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, leasing of gaming venues to a tenant for authorised gaming operations and provision of gaming platform to other authorized gaming operators for gaming business. Revenue from the gaming operation segment for the Period was approximately HK$819.4 million, representing an increase of approximately 60.7%, as compared with revenue of approximately HK$509.9 million for the Previous Period. Following the completion of renovation works on the Casino's ground floor, the expansion of gaming tables as well as slot machines and electronic gaming machines in January 2026 drove continued revenue growth in the land-based casino operation. This, alongside higher revenue from provision of gaming platform to other authorised gaming operators, generated approximately 96.1% of the Group's revenue during the Period (Previous Period: 90.1%).

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$33.1 million, representing a decrease of approximately 41.2%, as compared with approximately HK$56.2 million for the Previous Period. Of this, approximately HK$24.0 million, or 72.5%, was room revenue (Previous Period: HK$37.2 million or 66.2%). 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$8.9 million, representing a decrease of approximately 44.4%, as compared with approximately HK$16.1 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

While short-term momentum in the Philippine gaming sector may soften due to geopolitical tensions and muted consumer spending, the Group remains optimistic about its long-term prospects. This outlook is buoyed by the country's strategic position in Southeast Asia, supportive government policies for gaming and tourism, and its rising status as a premier travel destination. According to market research, the Philippine gaming market size is projected to reach USD10,330.5 million by 2034, exhibiting a compound annual growth rate of 7.64% during 2026–2034.

In particular, online gaming in the Philippines is poised for rapid expansion, as recent policy developments have further strengthened the sector's regulatory and commercial environment. PAGCOR has lowered licensing fees from 55% to 30% for land-based operators and 25% for integrated resorts, while introducing new accreditation rules for third-party vendors to enhance industry integrity and promote regulated digital expansion. PAGCOR has also launched iGames, an online platform offering both traditional casino games and new virtual formats.

The Group marked a pivotal milestone in its strategic expansion into online gaming through a cooperation agreement signed on 9 June 2026 between its indirect wholly-owned subsidiary, New Coast Leisure Inc. ("**NCLI**") and Total Gamezone Xtreme Incorporated ("**TGXI**"), a wholly-owned subsidiary of the Group's convertible note holder DigiPlus Interactive Corp. (Philippine Stock Exchange stock symbol: PLUS) ("**DigiPlus**"). Under the agreement, the two parties will collaborate on the integration, aggregation, provision, technical support, and operation of approved online games and related gaming content through or in connection with the online gaming platform and operations of the Group's casino "LaVie Resort & Casino Manila", subject to regulatory approvals. Participation in this segment is expected to broaden the Group's revenue base, improve operational scalability, and create new growth drivers for the Group. Through the cooperation, the Group is positioned to enter the online gaming industry efficiently, compliantly, and competitively, thereby enhancing its strategic capabilities and delivering improved returns to the Shareholders.

Pursuant to 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 Investment Commitment currently includes capital investments for the 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.

To maintain a high quality of service and complement the Casino operations, the Group has been undertaking a series of renovations at the Hotel to upgrade its infrastructure and facilities. The completion of renovation works on the Casino's ground floor in January 2026 successfully expanded the gaming space, enabling the accommodation of more gaming tables as well as additional slot machines. Further to the phase 1 and phase 2 construction works initiated last year, the Group entered into a new construction contract for the Hotel in May 2026 (the "**New Construction Works**") at the contract price of approximately Peso 566.95 million (equivalent to approximately HK$72.17 million). The New Construction Works will continue to improve the appearance and condition of hotel facilities, modernize outdated amenities, enhance the overall quality of the Hotel and elevate customers' experiences, which in turn is expected to improve the future revenue of the Casino and the Hotel.

As part of its capital structure optimisation, the Group issued first convertible notes on 3 March 2026 and second convertible notes on 2 June 2026, each with a principal amount of HK$800 million, to DigiPlus, a leader in the Philippine casino and gaming sector as well as a Fortune Southeast Asia 500 company. This completion follows the subscription agreement signed between the two parties on 17 November 2025 for the issuance of up to HK$1.6 billion convertible notes with a maturity of five years and an interest rate of 3% per annum. All net proceeds raised from the first subscription have been applied toward full repayment of the promissory notes and 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 issuance is expected to significantly bolster the Group's liquidity and long-term financial position. Furthermore, the potential conversion of these convertible notes into shares would serve to broaden the Company's Shareholders and capital base.

Looking ahead, the Group is strategically positioned to capture the next phase of growth in the Philippine gaming and tourism sectors. The convergence of the Group's Hotel and Casino upgrades and a strategic partnership to tap into the expanding online gaming market marks a transformative period for the Group. Supported by a strengthened capital structure and strong regulatory tailwinds, the Group remains confident in its ability to drive sustainable revenue growth and deliver long-term value to its Shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group's net current liabilities amounted to approximately HK$1,094.3 million (as at 30 June 2025: net current assets of approximately HK$524.6 million). Current assets amounted to approximately HK$1,254.9 million (as at 30 June 2025: HK$762.9 million), of which approximately HK$924.0 million (as at 30 June 2025: HK$562.5 million) was bank balances and cash.

As at 30 June 2026, the Group had current liabilities amounted to approximately HK$2,349.2 million (as at 30 June 2025: HK$238.3 million), of which approximately HK$110.6 million (as at 30 June 2025: HK$59.9 million) was bank borrowing. During the Period, the Group issued first convertible notes on 3 March 2026 and second convertible notes on 2 June 2026, each with a principal amount of HK$800 million, please refer to note 17 for further details.

The bank balances and cash of the Group as at 30 June 2026 was mainly denominated in Peso, HK$ and US$.

Net cash generated from operating activities of the Group was approximately HK$84.4 million for the Period (the Previous Period: used in approximately HK$15.2 million). Net assets attributable to the owners of the Company as at 30 June 2026 amounted to approximately HK$240.5 million (as at 30 June 2025: approximately HK$773.1 million).

Equity fund raising activities and use of proceeds

On 17 November 2025, the Company entered into the subscription agreement (the "**Subscription Agreement**") with DigiPlus as 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 the Subscription Agreement, the Company conditionally agreed to issue and DigiPlus conditionally agreed to subscribe for the convertible notes (the "**Convertible Notes**") in an aggregate principal amount of up to HK$1.6 billion with a maturity of five years and an interest rate of 3% per annum at the initial conversion price of HK$1.00 per conversion shares subject to adjustments pursuant to the conditions of the Convertible Notes. Based on the initial conversion price, a total of 1,600,000,000 conversion shares will be issued. On 3 March 2026 and 2 June 2026, first Convertible Notes in the principal amount of HK$800 million and second Convertible Notes in the principal amount of HK$800 million were issued to DigiPlus in accordance with the terms of the Subscription Agreement. Further details, please refer to the announcements of the Company dated 17 November 2025, 8 December 2025, 9 January 2026, 10 February 2026, 3 March 2026 and 2 June 2026 and circular of the Company dated 9 February 2026.

Set forth below is a summary of the utilization of the net proceeds from the issue of the Convertible Notes as at 30 June 2026:

	Intended use of the net proceeds *(HK$ million)*	**Amount of the net proceeds utilised as at 30 June 2026** *(HK$ million)*	**Balance of the net proceeds unutilised as at 30 June 2026** *(HK$ million)*	**Expected timeline for the application of the balance of the net proceeds**
Repayment of the promissory notes and the interest accrued at the rate of 6% per annum	489.2	489.2	–	–
Repayment of the secured bank borrowing carrying an interest rate of 3.35% per annum	392.4	392.4	–	–
Funding the Investment Commitment	556.4	47.8	508.6	By end of 2028
General working capital of the Group	160.0	17.8	142.2	By end of 2027
	1,598.0	947.2	650.8	–

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	358.5	358.5	358.5

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 Peso 1,471.68 million (equivalent to approximately HK$191.32 million) payable by 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, 16 and 17 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 notes 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 2026 was approximately 664.8% (as at 30 June 2025: 115.8%).

During the Period, the Group financed its operations including but not limited to internally generated cash flows, bank borrowings and issue of convertible notes.

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 30 June 2026.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the bank loan and the banking facility was secured by the Group's properties as classified under properties, plant and equipment of approximately HK$430.4 million, investment properties of approximately HK$316.1 million, certain bank balances of approximately HK$392.9 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

1. On 9 June 2026, NCLI and TGXI entered into the cooperation, pursuant to which NCLI and TGXI agreed to collaborate on non-exclusive basis for an initial term of 2 years in relation to the integration, aggregation, provision, technical support, and operation of approved online games and related gaming content through or in connection with the online gaming platform and operations of the casino "LaVie Resort & Casino Manila", subject to PAGCOR approval and applicable laws, rules, regulations, licenses, and regulatory requirements. Further details please refer to the announcement of the Company dated 9 June 2026.

2. On 28 May 2026, NCLI, entered into a new the construction service agreement with Kimberland Construction Inc., (the "**Contractor**") as contractor, pursuant to which, NCLI agreed to engage the Contractor to, and the Contractor agreed to, undertake the new construction works which including but not limited to, the designing, constructing, furnishing and demolishment in relation to façade lighting, LED Screen for Pedro Gil Canopy, exterior window glass replacement and exterior area landscape of certain floors of the hotel complex of the Group in Manila, the Philippines. Such renovation work including walls finishes, ceilings and floors finishes, fixture cabinets and chandeliers, aircons, electricity systems, plumbing systems, fire-protection systems of the guest rooms and common areas on certain floors the hotel at the contract price of approximately Peso 566.95 million (equivalent to approximately HK$72.17 million). Further details please refer to the announcement of the Company dated 28 May 2026.

3. On 17 November 2025, the Company as issuer entered into the Subscription Agreement with DigiPlus as subscriber, pursuant to which the Company conditionally agreed to issue and DigiPlus conditionally agreed to subscribe for the Convertible Notes in an aggregate principal amount of up to HK$1.6 billion with a maturity of five years and an interest rate of 3% per annum at the initial conversion price of HK$1.00 per conversion shares subject to adjustments pursuant to the conditions of the Convertible Notes. Based on the initial conversion price, a total of 1,600,000,000 conversion shares will be issued. On 3 March 2026 and 2 June 2026, first Convertible Notes in the principal amount of HK$800 million and second Convertible Notes in the principal amount of HK$800 million were issued to DigiPlus in accordance with the terms of the Subscription Agreement. Further details, please refer to the announcements of the Company dated 17 November 2025, 8 December 2025, 9 January 2026, 10 February 2026, 3 March 2026 and 2 June 2026 and circular of the Company dated 9 February 2026.

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 Peso, 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$, US$, Peso and EURO. The Group primarily earns its revenue and income in HK$, US$ and Peso while the Group primarily incurs costs and expenses mainly in HK$ and Peso. 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.

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to a board resolution passed on 13 May 2026, the financial year end date of the Company changed from 30 June to 31 December. Accordingly, the forthcoming financial year end date of the Company will be 31 December 2026 and the next audited consolidated financial statements of the Company will be for the period of 18 months from 1 July 2025 to 31 December 2026.

Details was set out in the Company's announcement dated 13 May 2026.

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.

The Board will examine and review, from time to time, the Company's corporate governance practices and operations in order to meet the relevant provisions under the CG Code and to protect the interest of the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 Ms. Danica Ramos Lumawig, Mr. Luk Ching Kwan Corio and Mr. Brian Roger Mattingley. The chairperson of the Audit Committee is Ms. Danica Ramos Lumawig, who has appropriate professional qualifications and experience in accounting matters.

The financial statements in this announcement have been reviewed but not been audited by the auditor of the Company, BDO Limited. 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, 28 August 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. Luk Ching Kwan Corio, Ms. Danica Ramos Lumawig and Mr. Brian Roger Mattingley.