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If you have sold or transferred all your shares in International Entertainment Corporation, you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) ISSUE OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE (2) APPLICATION FOR WHITEWASH WAIVER (3) SPECIAL DEAL IN RELATION TO EARLY REPAYMENT OF PROMISSORY NOTES AND (4) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A notice convening the EGM to be held on Thursday, 26 February 2026 at 11:00 a.m. at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish. If the EGM fails to be held due to any severe weather conditions occurring on the date of the EGM, the EGM will be adjourned. The Company will make announcement on the respective websites of the Stock Exchange and the Company in this regard as and when appropriate.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2023/24 Annual Report”	the annual report of the Company for the year ended 30 June 2024
“2024/25 Annual Report”	the annual report of the Company for the year ended 30 June 2025
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code, and “party(ies) acting in concert”, “person(s) acting in concert” and “concert party(ies)” should be construed accordingly
“Announcement”	the announcement of the Company dated 17 November 2025 in relation to, among other matters, (i) the issue of convertible Notes under Specific Mandate; (ii) application for the Whitewash Waiver and (iii) the Special Deal in relation to early payment of the Promissory Notes
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Days”	a day (in the case of Hong Kong, other than a Saturday, Sunday, public holiday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong and the Philippines are open for business throughout their normal business hours
“Company”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01009)
“Completion”	the First Completion and the Second Completion
“connected person”	has the meaning ascribed to it in the Listing Rules
“Conversion Price”	HK\$1.00 per Conversion Share, subject to usual anti-dilution adjustments in certain events such as share consolidation, share sub-division, reclassification, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues

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“Conversion Rights”	the rights attached to the Notes that entitle the Noteholder of which to convert the Notes (in full or in part thereof) into Shares credited as fully paid at any time during the conversion period in accordance with the conditions in the Note instrument
“Conversion Shares”	the Shares to be issued by the Company upon exercise of the Conversion Rights pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 26 February 2026 at 11:00 a.m. at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong for the purpose of considering and, if thought fit, approving, among other things, the Subscription (including the grant of the Specific Mandate), the Whitewash Waiver and the Special Deal
“Encumbrance”	any mortgage, charge (whether fixed or floating), pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, and adverse claims, or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same or any third party right
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his/her delegates
“First Completion”	the date fixed for completion of the First Subscription subject to the fulfilment and waiver (as the case may be) of the conditions precedent or such other date as the parties to the Subscription Agreement may agree or where the context so admits or requires, the performance by the parties of their respective obligations under the Subscription Agreement
“First Subscription”	the subscription of the First Subscription Notes by the Subscriber under the Subscription Agreement
“First Subscription Notes”	the Notes with an aggregate value of HK\$0.8 billion (in face value of HK\$100,000,000 each) to be subscribed by the Subscriber or its nominee under the First Subscription
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Cheng Hong Wai, Mr. Luk Ching Kwan Corio and Ms. Danica Ramos Lumawig, to advise the Independent Shareholders in respect of the Subscription Agreement, the Whitewash Waiver and the Special Deal
“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement, the Whitewash Waiver and the Special Deal
“Independent Shareholder(s)”	Shareholders other than (i) the Subscriber, its associates, and any parties acting concert with it; (ii) the PN Holder and (iii) all other Shareholders who are involved in or interested in the Subscription, the Whitewash Waiver and/or the Special Deal (if any)
“Independent Third Party(ies)”	party(ies) who is/are not connected persons of the Company (as defined under the Listing Rules)
“Independent Valuer”	Valplus Consulting Limited, an independent professional valuer
“Last Trading Day”	14 November 2025, being the last trading day of the Shares immediately prior to the date of the Subscription Agreement and the Announcement
“Latest Practicable Date”	6 February 2026, being the latest practicable date for ascertaining certain information referred to in this circular prior to printing of this circular
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2026 (or such later date as may be agreed by the parties to the Subscription Agreement)
“Macau”	the Macau Special Administrative Region of the PRC

DEFINITIONS

“Major Subsidiaries”	any subsidiary of the Company the latest audited turnover or assets of which is equal to 5% or more of the latest audited consolidated turnover or consolidated assets of the Company and its subsidiaries at any time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Ho”	Mr. Ho Wong Meng, an executive Director, the chief executive officer and the chairman of the Board
“Note(s)”	convertible notes with an aggregate principal amount of up to HK\$1.6 billion to be issued by the Company pursuant to the Subscription Agreement, comprising the First Subscription Notes and the Second Subscription Notes, the terms and conditions of which are set out in the form of the Notes in Schedule 1 to the Subscription Agreement
“Noteholder(s)”	holder(s) of the Notes
“PAGCOR”	Philippine Amusement and Gaming Corporation
“Philippines”	the Republic of the Philippines
“PHP”	Philippine Peso, the lawful currency of the Philippines
“PN Holder”	Future Growth Opportunity Fund SPC — Future Growth Opportunity Fund SP1
“PN Repayment”	the early repayment of the Promissory Notes and the interest accrued thereon with part of the net proceeds raised from the Subscription
“Possible Offer”	the possible mandatory unconditional cash offer to be made by the Subscriber to acquire all the Shares (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code in the event that the Subscriber waives conditions (ii)(a) and (b) and (iii) as set out in the section headed “Conditions precedent of the Subscription Agreement” in this circular
“PRC”	the People’s Republic of China, for the purpose of the Subscription Agreement only, exclude Hong Kong, Macau and Taiwan

DEFINITIONS

“Promissory Notes”	the promissory notes in the total principal amount of approximately HK\$467.99 million and interest accrued at the rate of 6% per annum, issued by the Company to the PN Holder
“Relevant Period”	the period commencing on 17 May 2025, being six months before 17 November 2025 (i.e. the date of the Announcement), up to and including the Latest Practicable Date (both dates inclusive)
“Second Completion”	the date fixed for completion of the Second Completion as agreed by the Company and the Subscriber and in any event, within three (3) months from the First Completion unless otherwise agreed by the Company and the Subscriber or, where the context so admits or requires, the performance by the parties of their respective obligations under the Subscription Agreement
“Second Subscription”	the subscription of the Second Subscription Notes by the Subscriber under the Subscription Agreement
“Second Subscription Notes”	the Notes with an aggregate value of HK\$0.8 billion (in face value of HK\$100,000,000 each) to be subscribed by the Subscriber under the Second Subscription
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 15 November 2024
“Shareholder(s)”	the holder(s) of the Shares
“Special Deal”	the PN Repayment to the PN Holder, being a Shareholder holding 41,160,000 Shares as at the Latest Practicable Date, representing approximately 3.01% of the issued share capital of the Company
“Specific Mandate”	the specific mandate for the issue and allotment of the Conversion Shares which is subject to the approval by the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscriber”	DigiPlus Interactive Corp., a company incorporated in the Philippines with limited liability, the shares of which are listed on the Philippine Stock Exchange (stock symbol: PLUS)
“Subscription”	subscription of the Notes, namely, the First Subscription and the Second Subscription, as contemplated under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 17 November 2025 entered into between the Company and the Subscriber in relation to the Subscription
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“US\$”	United States dollar, the lawful currency of the United States of America
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligation of the Subscriber to make a mandatory general offer for all the issued Shares and other securities not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which arises as a result of the issue and allotment of the Conversion Shares to the Subscriber pursuant to the conversion of the Notes
“%”	per cent

* *In this circular, unless the context requires otherwise, amounts denominated in PHP and US\$ have been translated to HK\$ at the exchange rate of HK\$1=PHP7.48 and US\$1=HK\$7.8, respectively, for illustration purpose only. Such conversions shall not be construed as representations that amounts in PHP or US\$ were or may have been converted into HK\$ at such rates or any other exchange rates.*

EXPECTED TIMETABLE

The expected timetable for implementation of issue of the Notes is set out below.

Event	Time and Date
Publication of announcement on book closure period for the EGM	Wednesday, 4 February 2026
Despatch of circular with notice and form of proxy of the EGM	Monday, 9 February 2026
Latest time for lodging transfer documents and relevant share certificates to be eligible to attend and vote at the EGM.....	4:30 p.m. on Friday, 20 February 2026
Closure of register of members for the purpose of ascertaining the Shareholders' eligibility to attend and vote at the EGM.....	Monday, 23 February 2026 to Thursday, 26 February 2026 (both days inclusive)
Latest time for lodging the forms of proxy for the EGM.....	11:00 a.m. on Tuesday, 24 February 2026
Record date for determining Shareholders' eligibility to attend and vote at the EGM.....	Thursday, 26 February 2026
Date and time of the EGM.....	11:00 a.m. on Thursday, 26 February 2026
Publication of announcement on results of the EGM.....	Thursday, 26 February 2026
Register of members re-opens.....	Friday, 27 February 2026

All times and dates specified in the timetable above refer to Hong Kong times and dates.

The timetable is tentative only. Any subsequent change to the expected timetable will be announced by the Company as and when appropriate.

LETTER FROM THE BOARD



INTERNATIONAL ENTERTAINMENT CORPORATION
國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01009)

Executive Directors:

Mr. Ho Wong Meng
(Chairman of the Board and Chief Executive Officer)
Mr. Aurelio Jr. Dizon Tablante

Independent Non-executive Directors:

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

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Suites 1802–1803, 18/F.
Three Exchange Square
8 Connaught Place
Central, Hong Kong

9 February 2026

To the Shareholders

Dear Sir or Madam,

(1) ISSUE OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE
(2) APPLICATION FOR WHITEWASH WAIVER
(3) SPECIAL DEAL IN RELATION TO EARLY REPAYMENT OF
PROMISSORY NOTES
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Subscription Agreement, the Whitewash Waiver and the Special Deal; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the aforesaid transactions and as to voting; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent

LETTER FROM THE BOARD

Shareholders on the aforesaid transactions and as to voting; and (iv) a notice of the EGM together with the form of proxy, to enable you to make an informed decision on whether to vote in favour or against the proposed resolutions at the EGM.

ISSUE OF THE NOTES UNDER SPECIFIC MANDATE

On 17 November 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Notes at an aggregate amount of up to HK\$1.6 billion.

The major terms of the Subscription Agreement are summarised below.

Date : 17 November 2025

Parties : (i) the Company as issuer; and
(ii) the Subscriber

Subscription amount : Up to HK\$1.6 billion

The Subscriber shall subscribe, or procure its wholly-owned subsidiary to subscribe, for the Notes in two tranches, namely, the First Subscription in the principal amount of HK\$0.8 billion and the Second Subscription in the principal amount of HK\$0.8 billion.

The subscription of the Second Subscription Notes shall take place within three (3) months from the First Completion, unless otherwise agreed by the Company and the Subscriber.

Conversion Price : The initial Conversion Price per Conversion Share shall be HK\$1.00, subject to usual anti-dilution adjustments in certain events such as share consolidation, share sub-division, reclassification, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues.

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Adjustment events : The initial Conversion Price is subject to adjustment from time to time in accordance with the terms and conditions of the Notes (as summarized below) and upon the occurrence of certain prescribed and exhaustive events, including (i) consolidation, subdivision or reclassification of Shares; (ii) capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund); (iii) capital distribution (which shall include any distributions in specie or in cash); (iv) rights issue or grant of any options or warrants to subscribe for new Shares at a price which is less than 90% of the market price; (v) issue of securities which are convertible into or exchangeable for or carry rights of subscription for new Shares at a price which is less than 90% of the market price; (vi) modification of rights of conversion or exchange or subscription attaching to the securities of the Company as in (v) at a price which is less than 90% of the market price; (vii) issue of any new Shares at a price which is less than 90% of the market price; or (viii) issue of Shares for the acquisition of any asset at a price which is less than 90% of the market price.

For these purposes, the term "market price" means the average of the closing prices per Share on the Stock Exchange for each of the last 10 days on which dealings in the Shares on the Stock Exchange took place ending on the last such dealing day immediately preceding the day on or as of which the market price is to be determined.

(i) Consolidation or sub-division or reclassification of Shares

The Conversion Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A = the revised nominal amount; and

B = the former nominal amount.

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(ii) *Capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund)*

The Conversion Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{D}$$

where:

C = the aggregate nominal amount of the issued Shares immediately before such capitalisation; and

D = the aggregate nominal amount of the issued Shares immediately after such capitalisation.

(iii) *Capital distribution (which shall include any distribution in specie or in cash)*

The Conversion Price shall be adjusted by multiplying it by the following fraction:

$$\frac{E - F}{E}$$

where:

E = the market price (as defined above) on the date on which the capital distribution is publicly announced or (failing any such announcement) the date immediately preceding the date of the capital distribution; and

F = the fair market value on the day of such announcement or (as the case may require) the immediately preceding day of the portion of the capital distribution.

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(iv) *Rights issue or grant of any options or warrants to subscribe for new Shares at a price which is less than 90% of the market price*

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such rights issue or grant by the following fraction:

$$\frac{P + \frac{Q \times R}{S}}{P + Q}$$

where:

P = the number of Shares in issue immediately before the date of such announcement;

Q = the aggregate number of Shares so offered for subscription or comprised in the options or warrants or other rights;

R = the amount (if any) payable for the right, option or warrant to subscribe for each new Share, plus the subscription price payable for each new Share; and

S = the market price (as defined above) of one Share on the trading day immediately prior to such announcement.

(v) *Issue of securities which are convertible into or exchangeable for or carry rights of subscription for new Shares at a price which is less than 90% of the market price*

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{G}{H}$$

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where:

G = the number of Shares in issue immediately before the date of issue plus the number of Shares which the total effective consideration for the securities issued would purchase at such market price; and

H = the number of Shares in issue immediately before the date of issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

(vi) *Modification of rights of conversion or exchange or subscription attaching to the securities of the Company as in paragraph (v) above at a price which is less than 90% of the market price*

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{J}{K}$$

where:

J = the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

K = the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion rate or subscription price.

LETTER FROM THE BOARD

For the purpose of paragraphs (v) and (vi) above, the term “**total effective consideration**” means the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights.

(vii) Issue of any new Shares at a price which is less than 90% of the market price

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of the terms of such issue by the following fraction:

$$\frac{L}{M}$$

where:

L = the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

M = the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued.

(viii) Issue of Shares for the acquisition of any asset at a price which is less than 90% of the market price

The Conversion Price shall be adjusted in such manner as may be determined by an approved financial adviser who is of repute in Hong Kong selected by the Company, or jointly with the Noteholders representing not less than 75% of the then outstanding principal amount of the Notes upon their request.

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Interest rate	: 3% per annum, payable on a half-yearly basis.
Maturity	: The fifth (5th) anniversary from the date of the issue of the relevant Notes (the “ Maturity Date ”).
Redemption	: Unless previously converted or purchased or redeemed by the Company, the Company will redeem the Notes on the Maturity Date at the redemption amount which is 108% of the principal amount of the Notes then outstanding plus interest accrued.
Repayment	: The outstanding principal amount of the Notes or any part thereof shall not be repaid or prepaid by the Company prior to the Maturity Date.
Repurchase	: The Company or any of its subsidiaries may at any time and from time to time purchase the Notes at any price as may be agreed between the Company or such subsidiary and the Noteholder. Any Note so purchased shall forthwith be cancelled by the Company.
Transferability	: The Notes will be freely transferable but may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company. The Company shall promptly notify the Stock Exchange upon becoming aware of any dealings in the Notes by any connected person of the Company.
Conversion period	: The Noteholder shall have the right to convert at any day commencing on the thirty-first (31st) day after the date of issue of the relevant Notes and until the Maturity Date.
Conversion Shares	: Upon full conversion of the Notes at the initial Conversion Price, a total of 1,600,000,000 Shares will be issued by the Company, representing approximately 53.89% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares (assuming no change in the issued share capital of the Company since the date of the Subscription Agreement up to the full conversion of the Notes). The Noteholder shall have the right to convert the whole or part of the outstanding principal amount of the Notes in the integral multiple of HK\$10,000,000 into the Conversion Shares.

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The Conversion Shares shall be issued and allotted by the Company, credited as fully paid, with effect from the date on which Conversion Rights are validly exercised by the Noteholder(s), and the Noteholder(s) shall be entitled to all dividends and other distributions on the record date which fall after the respective conversion dates.

Voting : A Noteholder will not be entitled to receive notice of, attend or vote at any meetings of the Company by reason only of it being the Noteholder.

Events of default : If any of the following events occurs, the Noteholder(s) may give notice in writing to the Company that the principal amount of the Notes, together with any accrued and unpaid interest, shall become immediately due and payable:

- (a) the Shares ceased to be listing on the Stock Exchange or the trading of the Shares on the Stock Exchange is suspended for a continuous period of 10 Business Days or more on each day of which the Stock Exchange is generally open for the business or dealing in securities; or
- (b) the Company fails to perform or observe or comply with any of its obligations contained in the Notes, if such default is capable of remedy, is not remedied within 20 Business Days after written notice of such default has been given to the Company by the Noteholder holding or Noteholders together holding, not less than 50% of the then outstanding principal amount of the Notes; or
- (c) the Company fails to pay the principal amount when due or the interest on the Notes when due unless non-payment of such interest is due solely to administrative or technical error and payment is made within 10 Business Days of the due date thereof; or

LETTER FROM THE BOARD

- (i) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any material part of the undertaking, property, assets or revenues of the Company or any of its Major Subsidiaries and is not discharged, paid out, withdrawn or remedied within 10 Business Days; or
- (ii) the Company or any of its Major Subsidiaries becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or any of its Major Subsidiaries or the whole or any material part of the undertaking, property, assets or revenues of the Company or any of its Major Subsidiaries or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or compromise with or for the benefit of its creditors; or
- (iii) an order is made or an effective resolution passed for winding-up of the Company or any of its Major Subsidiaries, except in the case of winding up of such subsidiaries in the course of reorganisation that has been approved by the Noteholder or Noteholders together holding not less than 51% of the then outstanding principal amount of the Notes; or
- (iv) a moratorium is agreed or declared in respect of any indebtedness of the Company or any of its Major Subsidiaries or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets of the Company or any of its Major Subsidiaries; or

LETTER FROM THE BOARD

- (v) the Company consolidates or amalgamates with or merge into any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or the Company sells or transfers all or substantially all of its assets, or
- (vi) at any time any material indebtedness of the Company or its Major Subsidiaries becomes due and payable prior to its stated maturity by reason of default, or event of default (howsoever described) by the Company or any of its Major Subsidiaries.

Ranking : The Conversion Shares, when issued and allotted, shall rank *pari passu* in all respects with the Shares in issue as at the date on which the relevant Conversion Rights are exercised.

The Subscriber will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment of the Conversion Shares in their fully-paid form.

CONVERSION PRICE

The initial Conversion Price of HK\$1.00 per Conversion Share represents:

- (i) a discount of approximately 3.85% to the closing price of HK\$1.04 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 16.67% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (iii) a discount of approximately 17.36% to the average closing price of approximately HK\$1.21 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iv) a discount of approximately 18.70% to the average closing price of approximately HK\$1.23 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (v) a discount of approximately 19.35% to the average closing price of approximately HK\$1.24 per Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to the date of the Subscription Agreement;

LETTER FROM THE BOARD

- (vi) a discount of approximately 19.35% to the average closing price of approximately HK\$1.24 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vii) a discount of approximately 9.91% to the average closing price of approximately HK\$1.11 per Share as quoted on the Stock Exchange for the one year immediately prior to the date of the Subscription Agreement;
- (viii) a premium of approximately 78.57% over the net asset value of approximately HK\$0.56 per Share based on the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$773,096,000 as at 30 June 2025 and 1,369,157,235 Shares in issue on the date of the Subscription Agreement;
- (ix) a premium of approximately 85.19% over the adjusted unaudited net asset value of approximately HK\$0.54 per Share based on the adjusted unaudited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$735,507,000, which is calculated based on the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$773,096,000 as at 30 June 2025 and adjusted downward to reflect the decrease in value of the property interests of the Group (i.e. buildings, leasehold improvements and investment properties) (the “**Group’s Property Interests**”) of approximately HK\$37,589,000, which in turn is calculated based on the market value of the Group’s Property Interests of HK\$835,000,000 as at 30 November 2025 as disclosed in the property valuation report set out in Appendix II of this circular, and compared to the carrying value of the Group’s Property Interests of approximately HK\$872,589,000 as recorded in its audited consolidated financial statements as at 30 June 2025; and
- (x) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 9.35%*, represented by the theoretical diluted price of approximately HK\$1.10 per Share to the benchmarked price of approximately HK\$1.21 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price of the Shares on the date of the Subscription Agreement and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Subscription Agreement.

* 9.09% if based on a theoretical diluted price rounded up to two decimal places.

The aggregate nominal value of the Conversion Shares, upon full conversion of the Notes, will be HK\$16,000,000.

The initial Conversion Price was arrived at after arm’s length negotiations between the Company and the Subscriber, taking into account of, among others, the market condition, the financial conditions, performance and business prospects of the Group, the prevailing and historical market prices of the Shares, and in particular, the premium of the initial Conversion Price over the net asset value per Share as at 30 June 2025.

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Based on publicly available information, the discounts represented by the initial Conversion Price to the closing price per Share on the date of the Subscription Agreement and to the average closing price per Share for the last five (5) consecutive trading days prior to the date of the Subscription Agreement are both within the respective range of the premium/discount represented by other comparable issues which involved the issue and/or placing of convertible securities with at least one-year duration under specific mandate, excluding issuance for acquisitions, restructuring and/or loan capitalisation and which were announced within the last three months before the date of the Subscription Agreement and identified by the Company (the “**Comparable Issues**”). The aforementioned selection criteria were established to gain insight into the prevailing market practices for conducting similar transactions. Given the unique nature of the Company’s business, industry, business type, or market capitalisation was not included as a selection criterion to ensure an adequate number of samples could be provided for reference. Although the principal businesses and market capitalisation of the companies relevant to the Comparable Issues may differ from those of the Company, it is noted that the Comparable Issues were assessed under similar market conditions and sentiment. Consequently, they provide the Board with a general understanding of the key terms applicable to this type of transaction in Hong Kong. An exhaustive list of five Comparable Issues which fall within the aforementioned selection criteria was identified by the Board in early November 2025. The Board found that, among the five Comparable Issues (i.e. the announcements made by (i) Zoomlion Heavy Industry Science and Technology Co., Ltd. on 30 October 2025, (ii) Mindtell Technology Limited on 24 October 2025 (as supplemented on 27 October 2025), (iii) DTXS Silk Road Investment Holdings Company Limited on 17 October 2025; (iv) Karrie International Holdings Limited on 13 October 2025; and (v) China Rongzhong Financial Holdings Company Limited on 3 September 2025), the initial conversion price of these issues were either at a premium of no more than 36% to the closing price on the last trading day prior to or on the date of the relevant agreement/announcement and to the average closing price for the last five (5) consecutive trading days prior to the date of the relevant agreement/announcement or at a discount of no larger than 18% and a theoretical dilution effect of not more than 25% as required under Rule 7.27B of the Listing Rules. The Board also noted that none of these issues had a maturity period or tenure of more than five years. As such, the Board considered that the discounts represented by the initial Conversion Price (which is at a discount of approximately 16.67% and 17.36% respectively to the (i) closing price per Share on the date of the Subscription Agreement; and (ii) average closing price per Share for the five (5) consecutive trading days immediately prior to the date of the Subscription Agreement) are within the range of the Comparable Issues and are therefore in line with the then market condition.

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The table below sets out information in relation to the Comparable Issues.

Company Name (Stock Code)	Premium/(discount) of the conversion price to the closing price per share on the last trading day prior to or on the date of agreement/announcement in relation to the Comparable Issues (%)	Premium/(discount) of the conversion price to the closing price per share for the last five consecutive trading days prior to the date of agreement/announcement in relation to the Comparable Issues (%)
Zoomlion Heavy Industry Science and Technology Co., Ltd (1157)	35.23	31.33*
Mindtell Technology Limited (8611)	(17.90)	(11.3)
DTXS Silk Road Investment Holdings Company Limited (620)	5.56	6.03
Karrie International Holdings Limited (1050)	(7.26)	(15.57)
China Rongzhong Financial Holdings Company Limited (3963)	0	(0.17)
Maximum	35.23	31.33
Minimum	(17.90)	(15.57)
Median	0	(0.17)
Average	3.126	2.064
The Company	(16.67)	(17.36)

**Note: The premium of this Comparable Issue was not disclosed in the underlying announcement. Such premium was computed with reference to the average closing price per share for the last five consecutive trading days prior to the date of announcement in relation to this Comparable Issue.*

The initial Conversion Price was determined with reference to, among other factors, the financial condition of the Group, specifically the outstanding amount and the interest expenses of the Promissory Notes (being approximately HK\$489.22 million comprising of outstanding principal amount of HK\$467.99 million together with 6% annual interest thereon) and Secured Bank Borrowing (as defined below) (being approximately HK\$392.39 million representing its outstanding principal amount), and taking into account the performance and business prospects of the Group including the Investment Commitment (as defined below) (which is intended to be partly funded with the remaining amount of the net proceeds of the issue of the Notes of approximately HK\$556.39 million after the PN Repayment and repayment of the Secured Bank Borrowing) which represents a significant business development for the Group over at least the next two years, and funds raised under the issue of the Notes based on the initial Conversion Price would provide immediate liquidity to the Group. When determining the initial Conversion Price, the Company also considered that during the period of one year prior to the date of the Subscription Agreement, the Shares traded above the initial Conversion Price for the majority of the trading days during such period. In light of the targeted fund size and

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market practices as mentioned above, the Board (excluding the members of the Independent Board Committee) believes that the initial conversion price should be set at a discount of no more than 20% to the prevailing Share price. Accordingly, the Initial Conversion Price has been determined to be HK\$1.00.

As detailed in the sections headed “Reasons for and Benefits of the Subscription” and “Use of Proceeds”, the net proceeds from the Subscription will provide immediate capital for the Group to (i) repay certain indebtedness that carries higher interest rates, thereby achieving interest savings, and (ii) finance the Group’s Investment Commitment (as defined below) towards the development and operation of the Casino (as defined below) and Hotel (as defined below) for at least the next two years. The Conversion Price aligns with the discount range evidenced by the Comparable Issues. To incentivize the Subscriber to subscribe the Notes, a discount to the closing price is essential and consistent with market practices. Consequently, the Board (excluding the members of the Independent Board Committee whose views are set out in the “Letter from the Independent Board Committee” on pages IBC-1 to IBC-2 of this circular) believes that the dilution of existing Shareholders’ interests resulting from the full conversion of the Notes is justifiable and despite the Conversion Price represented a discount to the average closing price per Share for the year preceding the Subscription Agreement, taking into consideration of the large size of funding required, the market practices to set the Conversion Price at a discount to the prevailing share price at the time of entering into the relevant subscription agreement and the strategic alliance that would establish between the Group and the Subscriber Group through the Subscription, the Board (excluding members of the Independent Board Committee) also believes that the Conversion Price is fair and reasonable.

CONDITIONS PRECEDENT OF THE SUBSCRIPTION AGREEMENT

The First Completion is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (i) the approval by more than 50% of the votes cast by the Shareholders at the EGM in respect of the issue of the Conversion Shares under the Specific Mandate;
- (ii) (a) the approval by at least 75% of the votes cast by the Independent Shareholders at the EGM in respect of the Whitewash Waiver;
- (b) the approval by more than 50% of the votes cast by the Independent Shareholders at the EGM in respect of the Subscription Agreement and the transactions contemplated thereunder; and
- (c) the approval by more than 50% of the votes cast by the Independent Shareholders at the EGM in respect of the Special Deal;
- (iii) the granting of the Whitewash Waiver by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber and the parties acting in concert with it to make a mandatory general offer for all the Shares and other securities of the Company (other than those already

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owned or agreed to be acquired by the Subscriber and its concert parties) as a result of the issue and allotment of the Conversion Shares pursuant to the conversion of the Notes, and the Whitewash Waiver remaining in full force and effect;

- (iv) the Executive having consented to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code;
- (v) the Listing Committee having granted (either unconditionally or subject to conditions) listing of, and permission to deal in, the Conversion Shares;
- (vi) the warranties made by the Company in the Subscription Agreement being true, complete and accurate and not misleading in all material respects when made and shall be true, complete and accurate, and not misleading in all material respects as at the First Completion as if made at the First Completion; and
- (vii) the warranties made by the Subscriber in the Subscription Agreement being true, complete and accurate and not misleading in all material respects when made and shall be true, complete and accurate, and not misleading in all material respects as at the First Completion as if made at the First Completion.

The Second Completion is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (viii) the warranties made by the Company in the Subscription Agreement being true, complete and accurate and not misleading in all material respects when made and shall be true, complete and accurate, and not misleading in all material respects as at the Second Completion as if made at the Second Completion; and
- (ix) the warranties made by the Subscriber in the Subscription Agreement being true, complete and accurate and not misleading in all material respects when made and shall be true, complete and accurate, and not misleading in all material respects as at the Second Completion as if made at the Second Completion.

The Subscriber may, at its discretion, waive conditions (ii)(a) and (b), (iii) and (vi) above, and the Company may, at its discretion, waive conditions (ii)(c), (iv) and (vii) above for the First Completion. In the event that the Special Deal is not approved by the Independent Shareholders, the Company may waive conditions (ii)(c) and (iv) and will not apply the net proceeds to be received from the Subscription towards the PN Repayment. The net proceeds of the Subscription intended to be applied towards the PN Repayment will be re-allocated to fund the Investment Commitment (as defined below). For the Second Completion, the Subscriber may, at its discretion, waive condition (viii), and the Company may, at its discretion, waive condition (ix) above. As the Subscriber has reserved its right to waive conditions (ii)(a) and (b) and (iii) above, the possibility of the Shareholders receiving the Possible Offer as a result of the Subscription (and conversion of the Notes) cannot be ruled out. Accordingly, an offer period in respect of the Company has commenced as at the date of the Announcement.

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If any of the above conditions has not been fulfilled or waived on or before the Long Stop Date, the Subscription Agreement shall lapse immediately thereafter and be of no further effect and neither party to the Subscription Agreement shall have any claim against or liability or obligation to the other party under the Subscription Agreement, unless there was willful default, gross negligence, or bad faith on the part of the Company that caused the failure of the Company to fulfill any condition precedent in a timely manner, in which case, the Company shall be held liable for damages and loss reasonably incurred by the Subscriber as a result of it becoming unable to subscribe for the Notes.

As at the Latest Practicable Date, none of the conditions above has been waived and/or fulfilled.

PRE-COMPLETION OBLIGATIONS OF THE COMPANY

The Company undertakes that from the date of the Subscription Agreement and up to each Completion, it shall ensure that the business of the Group will be operated in a manner consistent with its existing practice, in a normal and prudent basis and in the ordinary course of business of the Company and shall ensure that the Group shall not without first obtaining the prior written consent of the Subscriber enter into any contract or commitment which is not in the ordinary course of business of the Group.

Notwithstanding the above, the Company also undertakes that except as required or contemplated by the Subscription Agreement or expressly provided hereunder, it shall up to the date of the Second Completion, take all steps to ensure that the Group shall not carry out any of the following actions and no resolution of the board of directors of each member of the Group or of its general meeting shall be passed to carry out the same unless the prior written consent of the Subscriber is obtained (which consent shall not be unreasonably withheld):

- (a) borrow or raise money from banks, financial institutions and any other third parties other than the aggregate amount of which not exceeding an amount as stated in the Subscription Agreement or in the ordinary course of business of the Company under bank facilities existing as at the date of the Subscription Agreement;
- (b) enter into or amend any material contract or other material transaction or capital commitment or undertake any material contingent liability other than the aggregate amount of which not exceeding an amount as stated in the Subscription Agreement or in the ordinary course of business of the Company;
- (c) terminate any material agreement or waive any right of a material nature;
- (d) declare, pay or make any dividends or other distributions;
- (e) create or permit to arise any mortgage, charge, lien, pledge, other form of security or Encumbrance or equity of whatsoever nature, whether similar to the foregoing or not, on or in respect of any part of its undertaking, property or assets other than liens arising by operation of law in amounts which does not exceed an amount as stated in the Subscription Agreement or other than in the ordinary course of business of the Company;

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- (f) appoint any new directors and other than in the ordinary course of business of the Company employ any senior employees, officers, company secretary or attorney or terminate the employment of any existing key employees or vary their terms of employment;
- (g) dispose or agree to dispose of or acquire or agree to acquire any material asset other than in the ordinary course of business of the Company or other than the value of the assets not exceeding an amount as stated in the Subscription Agreement;
- (h) compromise, settle, release, discharge or compound any material civil, criminal, arbitration, litigation or other proceedings or any material liability, claim, action, demand or dispute or waive any right in relation to any of the foregoing;
- (i) release, compromise or write off any amount exceeding an amount as stated in the Subscription Agreement recorded in the books of account of the relevant member of the Group as owing by any debtors of such member of the Group;
- (j) let or agree to let or otherwise part with possession or ownership of the whole or any part of the real property the Group currently holds (if any), nor purchase, take on lease or assume possession of any real property other than pursuant to pre-existing obligations or in the ordinary course of business of the Company;
- (k) terminate any or allow to lapse any insurance policy now in effect which in the opinion of a reasonable person is material to the business of the Group;
- (l) issue or agree to issue any shares, warrants or other securities or loan capital or grant or agree to grant any option over or right to acquire or convertible into any share or loan capital in any member of the Group, or issue or agree to issue any Shares under the Share Award Scheme or otherwise take any action which might result in the Company reducing its interest in any member of the Group other than as contemplated under the Subscription Agreement;
- (m) purchase or redeem any shares in the Group or provide financial assistance for any such purchase;
- (n) make any advances or other credits to any third party or give any guarantee, indemnity, surety or security exceeding an amount as stated in the Subscription Agreement;
- (o) acquire any material assets, whether or not on hire purchase or deferred terms, exceeding an amount as stated in the Subscription Agreement;
- (p) employ or engage any staff, consultants or personnel or enter into or amend any service agreements with directors or officers or senior employees of the Group to increase the remuneration payable thereunder other than the remuneration to such person per annum does not exceed an amount as stated in the Subscription Agreement;

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- (q) incur any expenditure exceeding an amount as stated in the Subscription Agreement on capital account in aggregate;
- (r) amend the constitutional documents of any member of the Group; and
- (s) do, allow or procure any act or permit any omission which would constitute a breach of any of the warranties made by the Company in the Subscription Agreement.

COMPLETION OF THE SUBSCRIPTION AGREEMENT

The First Completion shall take place on the third (3rd) Business Day following the date of the fulfillment or the waiver (as the case may be) of the last condition precedent stated in the section headed “Conditions precedent of the Subscription Agreement” above, or such other date as the parties to the Subscription Agreement may agree.

The Second Completion shall take place at a date and time to be notified by the Subscriber by giving not less than five (5) Business Days’ prior notice in writing to the Company and in any event, at a date no later than three (3) months from the First Completion (unless otherwise agreed by the parties in writing).

TERMINATION OF SUBSCRIPTION AGREEMENT

The Subscriber may by prior written notice to the Company terminate the Subscription Agreement at any time prior to each Completion if:

- (i) there develops, occurs, or comes into effect:
 - (a) any development or change in relation to an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature (including acts of terrorism), whether or not ejusdem generis with any of the foregoing, resulting in a material and adverse change in political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong, Macau and/or the Philippines;
 - (b) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange and the SFC due to exceptional financial circumstances or otherwise;
 - (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group which shall materially and adversely affect the business or the financial or trading position of the Company;
 - (d) any suspension of dealings in the Shares for a period exceeding ten (10) Business Days other than due to the clearance of the Announcement;

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- (e) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere which would materially and adversely affect the business, financial or trading position of the Company; or
- (f) the instigation of any bona fide litigation or claim of material importance by any third party against any member of the Group which would materially and adversely affect the business, financial or trading position of the Company, and which can reasonably be expected, in the opinion of the Subscriber acting reasonably, to have or has had a material adverse effect upon the condition (financial or otherwise) or earnings, business affairs or business prospects of the Company;

- (ii) there is any breach of any of the warranties made by the Company as set out in the Subscription Agreement which has come to the knowledge of the Subscriber or any event which has occurred or any matter which has arisen on or after the date of the Subscription Agreement and prior to the First Completion or Second Completion which (a) if it had occurred or arisen before the date hereof would have rendered any of such warranties untrue, inaccurate or misleading, or (b) in the opinion of the Subscriber acting reasonably, materially and adversely affects the condition (financial or otherwise) or earnings, business affairs or business prospects of the Company; and
- (iii) there has been a breach of or failure to perform any of the Company's obligations, including, without limitation, the pre-completion obligations as stated in the section headed "Pre-completion obligations of the Company" above, in any material respect under the Subscription Agreement.

SPECIFIC MANDATE

The issue of the Notes and the issue and allotment of the Conversion Shares are subject to the Specific Mandate to be sought at the EGM.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the Conversion Rights attached to the Notes.

No application will be made for the listing of the Notes.

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INFORMATION ON THE GROUP

The Company is an investment holding company. The Group is principally engaged in hotel and casino business in the Philippines.

The table below sets out certain audited consolidated financial information of the Company for the two years ended 30 June 2025 as extracted from its 2024/25 Annual Report.

	For the year ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	566,159	229,786
Loss before taxation	(272,965)	(162,246)
Loss for the year attributable to the owners of the Company	(282,145)	(131,964)
 As at 30 June		
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Total assets	2,536,098	2,324,298
Total liabilities	1,763,002	1,307,509
Net assets	773,096	1,016,789

INFORMATION OF THE SUBSCRIBER

The Subscriber, being named as one of the Fortune Southeast Asia 500, is a company incorporated with limited liability in the Philippines, whose shares are listed on the Philippine Stock Exchange (stock symbol: PLUS), and are classified under the Casinos & Gaming sub-sector. As of market close on the Latest Practicable Date, the market capitalisation of the Subscriber is approximately HK\$8.94 billion (equivalent to approximately PHP66.876 billion). The Subscriber, together with its subsidiaries (collectively referred to as the “**Subscriber Group**”), is an innovative digital entertainment group in the Philippines and is a leader in the industry.

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The table below sets out the shareholding structure of the Subscriber as at the Latest Practicable Date based on the latest information available.

	Shares in Subscriber	Approximate %
Eusebio H. Tanco (“ Mr. Tanco ”) ^(Note 1)	89,928,993	1.99
Euphonious Holdings Inc. (“ Euphonious ”) ^(Note 1)	351,000,000	7.76
Sagathy Holdings Inc. (“ Sagathy ”) ^(Note 1)	340,000,000	7.51
 Sub-total	 780,928,993	 17.26
 Catchy Solution Limited (“ Catchy ”) ^(Note 5)	 335,000,000	 7.40
Clearspring Holdings Corp. (“ Clearspring ”) ^(Note 6)	330,600,000	7.31
Belvedere Skies Asset Holdings OPC (“ Belvedere ”) ^(Note 7)	330,600,000	7.31
Leisure Advantage Inc. (“ LAI ”) ^(Notes 2, 4)	286,265,265	6.33
Globalist Technology Company Limited (“ Globalist ”) ^(Note 8)	242,948,700	5.37
Tang Yong (“ Mr. Tang ”) ^(Note 2)	2	—
Other directors ^(Note 3)	33,403,633	0.74
Officers and employees	101,816,908	2.24
Affiliates ^(Note 4)	83,267,077	1.84
Other public shareholders of the Subscriber	1,999,942,900	44.20
 Total	 4,524,773,478	 100.00

Notes:

1. Mr. Tanco, being the chairman of the board of directors of the Subscriber, was interested in 351,000,000 shares of the Subscriber (the “**Subscriber’s Shares**”) owned by Euphonious, and 340,000,000 Subscriber’s Shares owned by Sagathy, both through his shareholding interests in Euphonious and Sagathy, together with his other interest in 89,928,993 Subscriber’s Shares, Mr. Tanco was interested in 780,928,993 Subscriber’s Shares in total, representing approximately 17.26% of the total outstanding common shares of the Subscriber.
2. Out of the 286,265,265 Subscriber’s Shares owned by LAI, Mr. Tang, being a director of the Subscriber, was interested in 114,506,106 Subscriber’s Shares owned by LAI through his shareholding interest in LAI (an individual named Alfredo Abelardo B.Benitez (“**AAB**”), a former director of the Subscriber, and three other individuals together were interested in 164,888,792 and 6,870,367 Subscriber’s Shares owned by LAI, respectively, also through their shareholding interests in LAI). Together with Mr. Tang’s other interest in 2 Subscriber’s Shares, he was interested in 114,506,108 Subscriber’s Shares in total, representing approximately 2.53% of the total outstanding common shares of the Subscriber.
3. The other directors of the Subscriber, including Mr. Tsui Kin Ming, Mr. Willy N. Ocier, Mr. Rafael Jasper S. Vicencio, Mr. Paul Joseph M. Garcia, Mr. Ramon Pancratio D. Dizon, Mr. Timoteo B. Aquino and Mr. Arthur R. Tan, were interested in 33,403,633 Subscriber’s Shares in total, representing approximately 0.74% of the total outstanding common shares of the Subscriber.

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4. Out of the 286,265,265 Subscriber's Shares owned by LAI, as mentioned in Note 2 above, AAB was interested in 164,888,792 Subscriber's Shares owned by LAI, together with his other interest in 59,873,077 Subscriber's Shares grouped under "Affiliates" in the table above, he was interested in 224,761,869 Subscriber's Shares in total, representing approximately 4.97% of the total outstanding common shares of the Subscriber. The remaining 23,394,000 Subscriber's Shares were owned by AB Leisure Exponent, Inc. ("AB Leisure"), a wholly-owned subsidiary of the Subscriber, representing the Subscriber's Shares repurchased by AB Leisure on behalf of the Subscriber.
5. Based on the latest record provided to the Subscriber, Catchy was 100% beneficially owned by Luen, Zhu De Andrew.
6. Based on the latest record provided to the Subscriber, Clearspring was approximately 100% beneficially owned by Atty. Jose Raulito E. Paras.
7. Based on the latest record provided to the Subscriber, Belvedere was 100% beneficially owned by Francis Neil P. Mercado.
8. Based on the latest record provided to the Subscriber, Globalist was 100% beneficially owned by Ultra Prestige Investments Holdings Limited.

The Subscriber Group leverages technology and innovation to deliver gaming products designed for entertainment. Its core business includes provision of online gaming products such as bingo and poker games, as well as online betting services for a variety of local and international sports events. Additionally, the Subscriber Group's operation is supported by over 130 physical sites spread across the Philippines.

Based on the Subscriber Group's published audited financial information for the year ended 31 December 2024, it recorded revenue of approximately HK\$10.06 billion (equivalent to approximately PHP75.223 billion) and net income of approximately HK\$1.68 billion (equivalent to approximately PHP12.584 billion). As at 31 December 2024, it had total assets of approximately HK\$5.90 billion (equivalent to approximately PHP44.145 billion), including cash and equivalents of approximately HK\$1.87 billion (equivalent to approximately PHP13.977 billion), and stockholder's equity of approximately HK\$4.18 billion (equivalent to approximately PHP31.280 billion).

Based on the Subscriber Group's published audited financial information for the year ended 31 December 2023, it recorded revenue of approximately HK\$3.64 billion (equivalent to approximately PHP27.251 billion) and net income of approximately HK\$0.55 billion (equivalent to approximately PHP4.095 billion). As at 31 December 2023, it had total assets of approximately HK\$3.97 billion (equivalent to approximately PHP29.715 billion), including cash and equivalents of approximately HK\$0.57 billion (equivalent to approximately PHP4.264 billion), and stockholder's equity of approximately HK\$2.53 billion (equivalent to approximately PHP18.926 billion).

The Subscriber Group intends to expand and diversify its business into the casino and gaming sector in the Philippines. Since the Group has commenced its casino operation at its hotel complex in the Manila Bay area in May 2024, the Subscriber considers the investment in the Notes an attractive opportunity to pursue its strategic initiative in enhancing its presence in the Philippine gaming industry by leveraging on the Group's gaming operation and further increasing existing business co-operation with the Group.

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As at the Latest Practicable Date, the Subscriber and its ultimate beneficial owners were Independent Third Parties.

Given that the core business of the Subscriber Group includes provision of online gaming products as well as online betting services for a variety of local and international sports events which are in similar industry of the Group's casino business, the Subscriber Group is naturally well known to the Company. Through business acquaintances, including Mr. Max Aaron Wong, a former director of the Subscriber, the management of the Company and the Subscriber Group were introduced to each other and commenced initial discussions about potential business collaborations. These discussions eventually led to the Subscriber providing funding to the Company with a possible option to obtain equity and therefore the issue of the Notes.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Board has considered various ways to raise funds, specifically (i) bank loans and bank facilities; (ii) equity financing such as placing of new shares or convertible securities; and (iii) rights issues or open offer conducted on a fully-underwritten basis. However, these options have not been pursued for the following reasons:

- (a) additional collateral is required for further bank borrowings, however, the Group's hotel and casino complex — its most significant tangible asset — has already been pledged as security for the PHP Loan (as defined below), resulting in a lack of substantial tangible assets to secure further borrowings;
- (b) equity financing such as placing of new shares or convertible securities to placees may impose uncertainty on the final amount of proceeds to be raised as the outcome is subject to market condition; and
- (c) there is a lack of certainty in successfully implementing rights issues or open offer conducted on a fully-underwritten basis due to their relatively longer timetable.

Based on the above reasons, the Board believed the Subscription to be beneficial to improve and strengthen the Group's liquidity and financial position on a longer-term basis as the Notes are of a five-year tenor. In the event that the Subscriber converts part or the full amount of the Notes into the Conversion Shares, it will also broaden the Shareholder and capital base of the Company.

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As disclosed in the 2024/2025 Annual Report, as at 30 June 2025, the Group had Promissory Notes in an outstanding amount of approximately HK\$467.99 million, representing the total principal amount of the Promissory Notes and interest is accruing thereon at the rate of 6% per annum. The Promissory Notes were issued to the PN Holder. The PN Holder is a Registered Mutual Fund registered with the Cayman Islands Monetary Authority under The Mutual Funds Law (2020 Revision) of the Cayman Islands. As a collective investment vehicle, the investors of the PN Holder are not identified due to the confidentiality obligations observed by the PN Holder. The investment manager of the PN Holder is Galaxy PAM Asset Management (Cayman Islands) Limited, which is ultimately and beneficially owned by Tang Kwok Yee Pauline. The PN Holder is interested in 41,160,000 Shares, representing approximately 3.01% of the issued share capital of the Company as at the Latest Practicable Date. The Promissory Notes are due for repayment in March 2027. In the event that the Subscription is completed, the Group intends to apply part of the proceeds raised from the issuance of the Notes of approximately HK\$489.22 million for the PN Repayment.

As disclosed in the 2024/2025 Annual Report, as at 30 June 2025, the Group had secured bank loans of approximately HK\$990.07 million in total, comprising principals of two loans: (i) HK\$392.39 million carrying an interest rate of 3.35% per annum which would be due on July 2027 (the “**Secured Bank Borrowing**”) and (ii) HK\$597.68 million which would be due on October 2030 (the “**PHP Loan**”). In the event that the Subscription is completed, the Group intends to apply part of the proceeds raised of approximately HK\$392.39 million to early repay the Secured Bank Borrowing to achieve immediate interest savings. The Company does not intend to make an early repayment of the PHP Loan as the Company will still have to repay the interest accrued up to the original maturity date (i.e. October 2030) for the PHP Loan even if the PHP Loan is early repaid. The PHP Loan will be repaid through income generated from the Group’s operations or through fund raising exercises or borrowings in the future if the then circumstances and/or options available to the Company can achieve further cost savings.

As disclosed in “Future Outlook” section in the 2024/2025 Annual Report, PAGCOR, being the regulatory and licensing authority for gaming and gambling wholly-owned and controlled by the government of Philippines, granted a provisional license (i.e. in September 2023) to the Group to establish and operate casinos under the provisional license, the Group is required to invest no less than US\$1.0 billion (equivalent to approximately HK\$7.80 billion) and up to US\$1.2 billion (equivalent to approximately HK\$9.36 billion) (the “**Investment Commitment**”) for the establishment and development of an integrated resort located in Manila, Philippines (the “**Project**”). Pursuant to the Group’s development plan submitted to and approved by PAGCOR, the Project comprises the following components: (i) a total gross floor area of at least 250,000 m²; (ii) at least 800 5-star luxury hotel rooms; and (iii) retail areas of at least 20,000 m² consisting of casinos, restaurants, leisure facilities and shopping arcades. With effect from 11 May 2024, the Group officially took over from PAGCOR the casino operation in the hotel of the Group (the “**Hotel**”) by virtue of the provisional license. Given that the operation scale in the existing casino (the “**Casino**”) and the Hotel is not sufficient to meet the Project requirement, the Group is required to expand the Group’s hotel premises and casino operation as well as to upgrade the hotel, casino and other amenities with the aim to transform to an integrated resort. Since the grant of the provisional license, part of the Investment Commitment was utilised for the upgrade and improvement of facilities of the Hotel and the Casino. For instance, the Group has entered into construction contracts with

LETTER FROM THE BOARD

Kimberland Construction Inc. for the upgrades, refurbishments and renovations of the facilities and infrastructures of both the Hotel and the Casino, forming the subject of the Company's announcements dated 14 February 2025 and 30 May 2025, respectively. The Investment Commitment includes further major capital investments to be made such as (i) the acquisition of land for the expansion of the Hotel and the construction of additional hotel rooms to fulfil the hotel offering capacity as required under the Project; (ii) the provision of other amenities of the integrated resort including but not limited to leisure facilities and shopping arcades; and (iii) ongoing upgrades, refurbishments and renovations to the facilities and infrastructures of both the Hotel and the Casino. In the event that the completion of Subscription takes place, the Group intends to utilise the remaining proceeds, net of relevant costs and expenses of approximately HK\$716.39 million primarily for (i) funding the Investment Commitment and attractive investment/business opportunity(ies) that may arise from time to time which the Board considers to be in the interest of the Company to make such investment(s); and (ii) as general working capital of the Group. Further details of the intended allocation of the proceeds are stated in the section headed "Use of proceeds" below. Based on current circumstances, the Investment Commitment is expected to be completed by 2033. If there is any shortfall of the Investment Commitment and additional funding is required, further fundraising exercises, such as bank borrowing, debt financing and/or equity financing will be considered and conducted as and when necessary to fulfil the Company's obligation towards satisfying the outstanding Investment Commitment taking into consideration the then prevailing market condition and financial condition of the Group.

In view of the reasons above, the Directors (excluding the members of the Independent Board Committee whose views are set out in the "Letter from the Independent Board Committee" on pages IBC-1 to IBC-2 of this circular) are of the view that the terms of the Subscription Agreement are on normal commercial terms and the entering into of the Subscription Agreement is fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

Future intentions of the Subscriber regarding the Group

Assuming Completion taking place and upon full conversion of the Notes, the Subscriber will hold more than 50% of the issued share capital of the Company. The Subscriber has confirmed that:

- (a) it is intended that the Group will continue with its existing business following Completion;
- (b) it shares the view of the Board as disclosed in the paragraph headed "Reasons for and benefits of the Subscription" above, in which it is mentioned that the Subscription is in the interests of the Group; and
- (c) there is no intention to (i) introduce any major changes to the existing business of the Group or (ii) discontinue the employment of any of the Group's employees or (iii) redeploy the fixed assets of the Group other than in its ordinary course of business.

LETTER FROM THE BOARD

APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, the Subscriber did not hold any Shares.

Assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Notes, upon full conversion of the Notes at the initial Conversion Price, a total of 1,600,000,000 Conversion Shares will be issued and allotted to the Subscriber, representing approximately 53.89% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares. The Subscriber will therefore acquire more than 30% of the voting rights of the Company upon full conversion of the Notes.

As such, the Subscriber, upon full conversion of the Notes, will be obliged to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by it and the parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is granted and approved.

In this regard, an application has been made by the Subscriber to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue and allotment of the Conversion Shares. The Whitewash Waiver, if granted by the Executive, will be conditional upon (i) approval by at least 75% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) approval by more than 50% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Subscription and the transactions contemplated thereunder.

As the voting rights of the Subscriber in the Company would exceed 50% as a result of the full exercise of the Conversion Rights under the Notes, if the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders, the Subscriber may increase its interest in the Company without incurring any further obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory general offer.

RESERVATION OF RIGHT TO WAIVE THE WHITEWASH WAIVER

The Executive may or may not grant the Whitewash Waiver. In the event that (i) the Whitewash Waiver is not granted by the Executive; or (ii) if the Whitewash Waiver is granted by the Executive but the relevant resolution relating to the Whitewash Waiver is not passed by the Independent Shareholders at the EGM, the Subscriber may, at its discretion, waive the condition precedent in relation to the Whitewash Waiver and proceed with the Subscription. In such circumstances, a general offer obligation will be triggered if the Subscriber exercises its Conversion Rights under the Notes to the extent that it will acquire 30% or more of the voting rights of the Company. Given the Subscriber has reserved its right to waive the conditions in relation to the granting of the Whitewash Waiver and the approval of the Whitewash Waiver by the Independent Shareholders, the possibility of the Shareholders receiving the Possible Offer as a result of the Subscription (and conversion of the Notes) cannot be ruled out. Accordingly, an offer period in respect of the Company has commenced from the date of the Announcement.

LETTER FROM THE BOARD

If the Whitewash Waiver is not granted or approved, the Subscriber will disclose in the results announcement of the EGM whether or not it will proceed with the Subscription and make a general offer in the event that it exercises its Conversion Rights under the Notes which will result in it acquiring 30% of more of the voting rights of the Company.

EFFECTS ON THE SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full conversion of the Notes (assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the full conversion of the Notes):

	(i) As at the Latest Practicable Date		(ii) Immediately upon full conversion of the Notes at the initial Conversion Price	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
Excite Opportunity Fund L.P. ^(Note 1)	260,000,000	18.99	260,000,000	8.76
Eriska Investment Fund Ltd ^(Note 2)	131,800,000	9.63	131,800,000	4.44
The Subscriber	—	—	1,600,000,000	53.89
Other public Shareholders <i>(Note 3)</i>	<u>977,357,235</u>	<u>71.38</u>	<u>977,357,235</u>	<u>32.91</u>
Total	<u>1,369,157,235</u>	<u>100.00</u>	<u>2,969,157,235</u>	<u>100.00</u>

Notes:

1. As at the Latest Practicable Date, the Shares were held by Excite Opportunity Fund L.P., an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of the Cayman Islands, and managed by Excite Investments Holdings Limited (as general partner) which was wholly-owned by Mr. Ho, an executive Director. Excite Opportunity Fund L.P. was owned as to 100% by Glorious Future Fund SPC as limited partner, whose management shares were held by AG Investment Management Company Limited in its capacity as investment manager. AG Investment Management Company Limited was wholly-owned by Mr. Tang Yuk Fan. Accordingly, each of Glorious Future Fund SPC, AG Investment Management Company Limited, Mr. Tang Yuk Fan and Mr. Ho was deemed to be interested in the Shares held by Excite Opportunity Fund L.P. under the SFO.
2. Based on the information available on the LEI (Legal Entity Identification) public register (the “**LEI Public Register**”) as at the Latest Practicable Date, the direct parent and ultimate parent of Eriska Investment Fund Ltd was M.I.H. International Ltd. Based on the information available on the LEI Public Register as at the Latest Practicable Date, the parents of M.I.H. International Ltd. were natural persons in respect of which the direct parent exception and ultimate parent exception were reported. No further information on the direct parent and ultimate parent of M.I.H. International Ltd. was provided on the LEI Public Register. As at the Latest Practicable Date, none of the Directors owned any shares of Eriska Investment Fund Ltd.
3. As at the Latest Practicable Date, apart from Mr. Ho, an executive Director, who was deemed interested in 260,000,000 Shares as disclosed in Note 1 above, none of the Directors was interested in any Shares.

LETTER FROM THE BOARD

SPECIAL DEAL IN RELATION TO THE PN REPAYMENT

As at the Latest Practicable Date, the PN Holder is a Shareholder holding 41,160,000 Shares, representing approximately 3.01% of the issued share capital of the Company. As set out in the sections headed “Reasons for and benefits of the Subscription” above and “Use of proceeds” below, part of the net proceeds to be received from the Subscription will be used for the PN Repayment in the event that the Subscription is completed. Given the PN Repayment is not extended to all other Shareholders, it constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Subscription Agreement and the PN Repayment are fair and reasonable; and (iii) approval by more than 50% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Special Deal.

An application has been made by the Company to the Executive for the consent to the Special Deal under Rule 25 of the Takeovers Code.

USE OF PROCEEDS

In the event that both the First Subscription and the Second Subscription are completed, the aggregate amount raised under the Subscription is HK\$1.6 billion. After deduction of the relevant costs and expenses of approximately HK\$2 million, the net proceeds are estimated to be approximately HK\$1.598 billion. Assuming full conversion of the Notes into Conversion Shares, the net proceeds represent a net price of approximately HK\$1.00 per Conversion Share. As mentioned in the section named “Reasons for and benefits of the Subscription” above, the Directors intend to use the net proceeds in the following manner:

- (i) approximately 30.61% or HK\$489.22 million will be used for the PN Repayment within one (1) month from the First Completion;
- (ii) approximately 24.56% or HK\$392.39 million will be used for the repayment of the Secured Bank Borrowing within one (1) month from the First Completion;
- (iii) approximately 34.82% or HK\$556.39 million will be used for funding the Investment Commitment in at least the next two years and attractive investment/business opportunity(ies) that may arise from time to time which the Board considers to be in the interest of the Company to make such investment(s); the Investment Commitment is currently expected to include capital investments for acquisition of land for the expansion of the Hotel and the construction of additional hotel rooms, for provision of other amenities of the integrated resort including leisure facilities and shopping arcades, and for ongoing upgrades, refurbishments and renovations to the facilities and infrastructures of both the Hotel and the Casino (as at the Latest Practicable Date, the project details for the above capital investments are yet to be finalized, nevertheless, it is expected that the amount will be utilised to fund the Investment Commitment within the 24-month period following the Completion of the Subscription); it should be noted that it is the intention and preference of the Board to first make the PN Repayment and repay the Secured Bank Borrowing to achieve interests savings through the issue of the Notes and to allocate any remaining amount

LETTER FROM THE BOARD

left after such applications, to the Investment Commitment and/or future investment/business opportunity(ies); as there is no definite timeline as to acquisition of land for expansion of the Hotel and making improvements to the Hotel and the Casino, the Board can only estimate a rough 24-month period within which to utilise the funding of the Investment Commitment and/or future investment/business opportunities and based on such estimation, expects that the net proceeds will be fully utilised within 24 months following the Completion; and

- (iv) approximately 10.01% or HK\$160 million as general working capital of the Group including, among other things, the payments for salaries and allowances, selling and marketing expenses, and finance costs (which are expected to be approximately 50%, 25% and 12% respectively of the amount to be utilised as the Group's general working capital, the remaining approximately 13% is for other working capital items), it is expected that the amount will be utilised within 12 months from the Completion of the Subscription.

The "investment/business opportunity(ies)" that the Company presently intends to finance, as mentioned in item (iii) above, are expected to be related to the hotel and gaming sector in the Philippines and/or overseas, which is in line with the current business strategy of the Group. As at the Latest Practicable Date, the Company has not identified any specific target and/or business opportunity.

The Company may reallocate the use of the net proceeds in response to changing business conditions and appropriate disclosure(s) regarding the change(s), if any, will be made in due course. If the Special Deal is not approved by the Independent Shareholders, the Company may waive the conditions in relation to the Special Deal and the net proceeds intended to be applied towards the PN Repayment (i.e. item (i) above) will be re-allocated to fund the Investment Commitment.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities during the twelve months immediately preceding the Latest Practicable Date.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

Save for the Notes to be issued by the Company to the Subscriber pursuant to the Subscription Agreement, as at the Latest Practicable Date, neither the Subscriber nor parties acting in concert with it:

- (i) owned, held, controlled or had direction over any Shares, options, warrants or securities that were convertible into Shares or any derivatives in respect of securities in the Company, or held any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

LETTER FROM THE BOARD

- (ii) had dealt in the Shares, outstanding options, warrants, or any securities that were convertible into Shares or any derivatives in respect of securities in the Company, or had held any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (iii) had dealt in any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights in the Company during the Relevant Period;
- (iv) would make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of the Subscription Agreement and the date of Completion;
- (v) had entered into any outstanding derivative in respect of the securities in the Company;
- (vi) had any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Subscription Agreement, the Whitewash Waiver and/or the Special Deal, with any other persons;
- (vii) had received any irrevocable commitment from any Shareholders as to whether they would vote for or against the resolution(s) approving the Subscription Agreement, the Whitewash Waiver and/or the Special Deal at the EGM;
- (viii) was a party to any agreement or arrangement which related to the circumstances in which it might or might not invoke or seek to invoke a pre-condition or a condition to the Subscription Agreement, the Whitewash Waiver and/or the Special Deal; and
- (ix) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the Latest Practicable Date:

- (i) save for the subscription amount of the Notes, there was no consideration, compensation or benefit in whatever form paid or to be paid by the Subscriber or parties acting in concert with it to the Company in connection with the Subscription Agreement nor were there any consideration, compensation or benefits in whatever form paid or to be paid by the Subscriber or parties acting in concert with it to the Company under any other agreements or arrangements; and
- (ii) save for the Special Deal, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber or parties acting in concert with it on the one hand and any of the Shareholders on the other hand.

LETTER FROM THE BOARD

The Company confirmed that, as at the Latest Practicable Date and save for the Special Deal, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Company, its subsidiaries or associated companies on the one hand and any of the Shareholders on the other hand.

As at the Latest Practicable Date, the Company and the Subscriber did not believe that the Subscription Agreement and the conversion of the Notes would give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). Both the Company and the Subscriber noted that the Executive may not grant the Whitewash Waiver if the Subscription Agreement and the conversion of the Notes do not comply with other applicable rules and regulations.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Cheng Hong Wai, Mr. Luk Ching Kwan Corio and Ms. Danica Ramos Lumawig (being all the independent non-executive Directors who have no direct or indirect interest in the transactions contemplated under the Subscription, the Whitewash Waiver and the Special Deal) has been established by the Company to advise the Independent Shareholders on the Subscription Agreement, the Whitewash Waiver and the Special Deal.

Lego Corporate Finance Limited has been appointed by the Board with the Independent Board Committee's approval as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of (i) the Subscription Agreement; (ii) the Whitewash Waiver and (iii) the Special Deal.

GENERAL

The EGM will be convened to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Subscription (including the grant of the Specific Mandate); (ii) the Whitewash Waiver and (iii) the Special Deal.

The PN Holder, who is interested in the Special Deal shall abstain from voting in respect of the resolutions in relation to the Whitewash Waiver and the Special Deal at the EGM.

Save as disclosed above, as at the Latest Practicable Date, no other Shareholder had any material interest in (i) the Subscription Agreement; (ii) the Whitewash Waiver and/or (iii) the Special Deal, and no other Shareholder was required to abstain from voting at the EGM on the resolutions approving (i) the Subscription (including the grant of the Specific Mandate); (ii) the Whitewash Waiver and (iii) the Special Deal.

A notice convening the EGM of the Company to be held on Thursday, 26 February 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 February 2026 to Thursday, 26 February 2026 (both days inclusive), during which period no transfer of shares in the Company will be effected. Shareholders whose names appear on the register of members of the Company on Thursday, 26 February 2026 will be entitled to attend and vote at the EGM. In order to qualify for the entitlement to attend and vote at the EGM, all transfers documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 20 February 2026.

A form of proxy for use in connection with the EGM is enclosed herewith. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM will be by poll.

RECOMMENDATION

Your attention is drawn to: (i) the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular containing their recommendations to the Independent Shareholders in respect of the Subscription Agreement, the Whitewash Waiver and the Special Deal; and (ii) the letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-39 of this circular, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of (i) the Subscription Agreement; (ii) the Whitewash Waiver and (iii) the Special Deal.

The Directors (excluding the members of the Independent Board Committee whose views are set out in the "Letter from the Independent Board Committee" on pages IBC-1 to IBC-2 of this circular) consider that the Subscription, the Whitewash Waiver and the Special Deal are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Company, are in the interests of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I, Appendix II and Appendix III to this circular.

Warning: The Whitewash Waiver is subject to the grant by the Executive and approval of the Independent Shareholders at the EGM. The Executive and the Independent Shareholders may or may not grant or approve the Whitewash Waiver. In the event that (i) the Whitewash Waiver is not granted by the Executive; or (ii) if the Whitewash Waiver is granted by the Executive but the relevant resolution relating to the Whitewash Waiver is not passed by the Independent Shareholders at the EGM, the Subscriber may, at its discretion, waive the condition precedent in relation to the Whitewash Waiver and proceed with the Subscription. In such circumstances, a general offer obligation will be triggered if the Subscriber exercises its Conversion Rights under the Notes to the extent that it will acquire 30% or more of the voting rights of the Company. Given the Subscriber has reserved its right to waive the conditions in relation to the granting of the Whitewash Waiver and the approval of the Whitewash Waiver by the Independent Shareholders, the possibility of the Shareholders receiving the Possible Offer as a result of the Subscription (and conversion of the Notes) cannot be ruled out.

The Special Deal is subject to the consent of the Executive and the approval of the Independent Shareholders at the EGM. The Executive may or may not consent to the Special Deal and the Independent Shareholders may or may not approve the Special Deal.

Yours faithfully
By Order of the Board

International Entertainment Corporation

Ho Wong Meng

Chairman, Chief Executive Officer and Executive Director



INTERNATIONAL ENTERTAINMENT CORPORATION
國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01009)

9 February 2026

To the Independent Shareholders

Dear Sir or Madam,

(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

We refer to the circular issued by the Company to its Shareholders dated 9 February 2026 (the “**Circular**”) of which this letter forms part. Unless otherwise specified, terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of whether (i) the terms of the Subscription Agreement are on normal commercial terms, and the terms of the Subscription, the Whitewash Waiver and the Special Deal are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Subscription, the Whitewash Waiver and the Special Deal are in the interests of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned, and to advise the Independent Shareholders on how to vote at the EGM.

Lego Corporate Finance Limited has been appointed by the Board with our approval as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the Whitewash Waiver and (iii) the Special Deal. Details of the Independent Financial Adviser’s advice and the principal factors and reasons they have taken into consideration in giving such advice are set out on pages IFA-1 to IFA-39 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 8 to 41 of the Circular and the additional information set out in Appendix I, Appendix II and Appendix III thereto.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of (i) the Subscription Agreement; (ii) the Whitewash Waiver and (iii) the Special Deal, the advice of the Independent Financial Adviser and the principal factors and reasons taken into consideration by the Independent Financial Adviser, we are of the opinion that (i) the terms of the Subscription Agreement are on normal commercial terms, and the terms of the Subscription, the Whitewash Waiver and the Special Deal are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) while the Subscription, the Whitewash Wavier and the Special Deal are not in the ordinary and usual course of business of the Company, they are in the interests of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned.

We, therefore, recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the Whitewash Waiver and (iii) the Special Deal.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Mr. Cheng Hong Wai
Independent
Non-executive Director

Mr. Luk Ching Kwan Corio
Independent
Non-executive Director

Ms. Danica Ramos Lumawig
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Lego Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement, the Whitewash Waiver and the Special Deal, which has been prepared for the purpose of inclusion in this circular.



9 February 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

**(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**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in respect of the Subscription Agreement, the Whitewash Waiver and the Special Deal, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 9 February 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 17 November 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Notes in an aggregate amount of up to HK\$1.6 billion. The Notes and the Conversion Shares will be issued under the Specific Mandate to be sought from the Shareholders at the EGM. The Subscription is conditional upon, among others, the Listing Committee granting the listing of, and the permission to deal in, the Conversion Shares and the passing of an ordinary resolution by the Shareholders at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Notes, upon full conversion of the Notes at the initial Conversion Price, a total of 1,600,000,000 Conversion Shares will be issued and allotted to the Subscriber, representing approximately 53.89% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares. The Subscriber will therefore acquire more than 30% of the voting rights of the Company upon full conversion of the Notes. As such, the Subscriber, upon full conversion of the Notes, will be obliged to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by it and the parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is granted and approved.

In this regard, an application has been made by the Subscriber to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue and allotment of the Conversion Shares. The Whitewash Waiver, if granted by the Executive, will be conditional upon (i) approval by at least 75% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) approval by more than 50% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Subscription and the transactions contemplated thereunder.

As at the date of the Subscription Agreement and the Latest Practicable Date, the PN Holder is a Shareholder holding 41,160,000 Shares, representing approximately 3.01% of the issued share capital of the Company. As part of the net proceeds to be received from the Subscription will be used for the PN Repayment in the event that the Subscription is completed, and given the PN Repayment is not extended to all other Shareholders, it constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Subscription Agreement and the PN Repayment are fair and reasonable; and (iii) approval by more than 50% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Special Deal.

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Subscription (including the grant of the Specific Mandate), the Whitewash Waiver and the Special Deal.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Cheng Hong Wai, Mr. Luk Ching Kwan Corio and Ms. Danica Ramos Lumawig, who have no direct or indirect interest in the Subscription Agreement, the Whitewash Waiver and the Special Deal, has been established by the Company to advise the Independent Shareholders on the Subscription Agreement, the Whitewash Waiver and the Special Deal and as to how to vote on the relevant resolution(s) at the EGM.

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OUR INDEPENDENCE

We, Lego Corporate Finance Limited, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the Whitewash Waiver and the Special Deal and to make recommendations as to, among others, whether the terms of the Subscription Agreement are fair and reasonable and as to the voting on the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deal. Our appointment has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

As at the Latest Practicable Date, we did not have any relationships or interests in the Company that could reasonably be regarded as relevant to our independence. During the last two years, we had no engagement with the Company, the Subscriber or any of their respective subsidiaries or associates. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or the Subscriber, any of their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

Accordingly, we are qualified to act as the Independent Financial Adviser to give independent advice in respect of the Subscription, the Whitewash Waiver and the Special Deal.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information and facts supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all material respects at the time they were made and up to the Latest Practicable Date and may be relied upon. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have also assumed that all representations contained or referred to in the Circular were true at the time they were made and as at the Latest Practicable Date and will continue to be true up to the time of the EGM, and that the Independent Shareholders will be informed as soon as reasonably practicable if we become aware of any material change to such information provided and representations made, or if there is any change to our opinion in accordance with Rule 9.1 of the Takeovers Code.

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We consider that we have reviewed the relevant information currently available, including, but not limited to, (i) the Announcement made by the Company dated 17 November 2025; (ii) the annual reports of the Company for the years ended 30 June 2024 and 2025, respectively; (iii) the Subscription Agreement; (iv) the property valuation report set out in Appendix II to the Circular; and (v) other information contained in the Circular, to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Company, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of any member of the Company or the Subscriber or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendations, we have taken into account the following principal factors and reasons:

1. BACKGROUND AND FINANCIAL INFORMATION OF THE GROUP

The Group is principally engaged in (i) hotel operation (the “**Hotel Operation Business**”); (ii) gaming business as operator under the provisional license (“**Provisional License**”) granted by Philippine Amusement and Gaming Corporation (“**PAGCOR**”) and leasing of gaming venues at the Group’s hotel and casino complex in Metro Manila in the Philippines to a tenant for authorised gaming operation (the “**Gaming Operation Business**”); and (iii) operation of live poker events business (the “**Live Events Business**”). Revenue from Live Events Business is derived from sponsorships and entrance fees for live poker events. As no live poker events were held during the past three years, no revenue from such segment was recorded for the three years ended 30 June 2023, 2024 and 2025, respectively.

Set out below is a summary of the audited financial information of the Group for the three years ended 30 June 2025 as extracted from the annual reports of the Company for the year ended 30 June 2024 (the “**2023/24 Annual Report**”) and 30 June 2025 (the “**2024/25 Annual Report**”), respectively.

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	For the year ended 30 June		
	2025	2024	2023
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Revenue			
— Hotel Operation Business	56,211	59,832	73,677
— Gaming Operation Business	509,948	169,954	133,542
— Live Events Business	—	—	—
<i>Total</i>	<u>566,159</u>	<u>229,786</u>	<u>207,219</u>
Gross profit	273,245	132,430	136,626
(Loss)/profit for the year attributable to the owners of the Company	<u>(282,145)</u>	<u>(131,964)</u>	<u>18,282</u>
	As at 30 June		
	2025	2024	2023
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Non-current assets	1,773,210	1,707,526	1,295,710
Current assets	762,888	616,772	602,517
Current liabilities	238,279	600,621	470,092
Net current assets	524,609	16,151	132,425
Non-current liabilities	1,524,723	706,888	221,176
Net asset	773,096	1,016,789	1,206,959

For the year ended 30 June 2024

The Group recorded a total revenue of approximately HK\$229.8 million for the year ended 30 June 2024 (“**FY2024**”), representing an increase in revenue of approximately 10.9% as compared to the revenue of approximately HK\$207.2 million for the year ended 30 June 2023 (“**FY2023**”). As disclosed in the 2023/24 Annual Report, the increase in revenue was mainly due to the revenue derived from the Gaming Operation Business being generated under the Provisional License since its commencement in May 2024, showing a significant recovery amid the return of traveler’s mobility during the year upon lifting of the pandemic measures.

For FY2024, the Group recorded loss for the year attributable to the owners of the Company of approximately HK\$132.0 million, as opposed to the profit for the year attributable to the owners of the Company of approximately HK\$18.3 million for FY2023. Based on the 2023/24 Annual Report, it is noted that such loss-making performance was mainly resulted from (i) the significant increase of general and administrative expenses from approximately HK\$97.0 million for FY2023 to approximately HK\$204.6 million for FY2024 due to the increase in staff costs

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resulted from the establishment and operation of the casino pursuant to the grant of the Provisional License; (ii) the increase in selling and marketing expenses from approximately HK\$0.1 million for FY2023 to approximately HK\$4.2 million for FY2024 primarily due to the launching of marketing campaigns for promoting the attractiveness of the casino and hotel business; and (iii) the increase in finance costs from approximately HK\$26.5 million for FY2023 to approximately HK\$70.6 million for FY2024 due to a new bank borrowing being obtained for the establishment and operation of the casino and the development of an integrated resort by the Group under the Provisional License.

As at 30 June 2024, the Group recorded net current assets and net assets of approximately HK\$16.2 million and HK\$1,016.8 million, respectively. As noted from the 2023/24 Annual Report, the significant decrease in net current assets as at 30 June 2024 was mainly resulted from the increase in current liabilities due to (i) the increase in interest payable, provision of gaming tax and jackpot; (ii) the increase in outstanding amount of promissory notes; and (iii) the reclassification of convertible bond from non-current liabilities to current liabilities.

For the year ended 30 June 2025

According to the 2024/2025 Annual Report, the Group's total revenue and gross profit increased significantly from approximately HK\$229.8 million and HK\$132.4 million for FY2024 to approximately HK\$566.2 million and HK\$273.2 million for the year ended 30 June 2025 ("FY2025"), representing an increase of approximately 146.4% and 106.3%, respectively. Such increases were mainly due to the increase in revenue generated from the Gaming Operation Business under the Provisional License since its commencement in May 2024 as mentioned above from approximately HK\$170.0 million for FY2024 to approximately HK\$509.9 million for FY2025, representing an increase of approximately 199.9%.

Despite the significant increase in revenue and gross profit, the Group recorded loss for the year attributable to the owners of the Company of approximately HK\$282.1 million, representing an increase of approximately 113.7% from the loss of approximately HK\$132.0 million for FY2024. With reference to the 2024/25 Annual Report, notwithstanding the increase in gross profit as a result of the increased revenue, such increase in net loss was mainly resulted from (i) the further increase in general and administrative expenses from approximately HK\$204.6 million for FY2024 to approximately HK\$326.6 million for FY2025 due to the increase in staff costs attributed to the recruitment of additional staff by the Group to operate and manage the casino under the Provisional License and the increase in utility expenses due to the expansion of the Group's casino operation; (ii) the increase in selling and marketing expenses from approximately HK\$4.2 million for FY2024 to approximately HK\$74.5 million for FY2025 as resulted from the higher costs incurred for marketing campaigns and promotional activities during the first full year of casino operations aimed at enhancing the attractiveness and competitiveness of the casino offerings; and (iii) a recognition of other loss of approximately HK\$82.6 million for FY2025 primarily due to an one-off written off

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of property, plant and equipment due to the demolition of leasehold improvements on the ground floor of the casino resulted from the renovation works carried out at the casino under the relevant construction contracts.

As at 30 June 2025, the Group recorded net current assets and net assets of approximately HK\$524.6 million and HK\$773.1 million, respectively. As noted from the 2024/25 Annual Report, the significant increase in net current assets as at 30 June 2025 primarily resulted from the decrease in current liabilities was due to the reclassification of outstanding promissory notes from current liabilities to non-current liabilities upon issuance of the Promissory Notes with maturity date on 31 March 2027 in place of the previous matured promissory notes issued to the PN Holder.

Market outlook of the Group

To understand the market outlook of the principal business engaged by the Group, being the gaming and hotel operation in the Philippines, we have performed independent research on the latest development of the tourism and gaming industry in the Philippines.

According to the official statistical and press release available from PAGCOR, being the regulatory and licensing authority for gaming and gambling wholly-owned and controlled by the government of Philippines, the total industry gross gaming revenue (“GGR”) of the gaming industry exhibited notable recovery after reaching an all-time low GGR of PHP98.79 billion at the height of the COVID-19 pandemic in 2020, achieving GGRs of approximately PHP113.09 billion, PHP214.33 billion, PHP285.27 billion and PHP372.33 billion in 2021, 2022, 2023 and 2024 respectively. The GGR in 2024 represented a growth of approximately 30.52% from the previous year, among which, the GGR in respect of the licensed casinos segment (including integrated resorts), being the largest contributor within the gaming sector, amounted to approximately PHP201.84 billion in 2024, representing a slight decline of approximately 2.72% from the relevant GGR of approximately PHP207.48 billion in 2023, while the bingo operations and electronic games segment, being the second largest segment, recorded GGR of approximately PHP154.52 billion, representing a year-on-year increase of approximately 165.66%. The PAGCOR also expects a further revenue growth of 17% for the local gambling industry in 2025, reaching between PHP450 billion and PHP480 billion, as supported by the strong momentum of the online gaming sector.

With reference to the official news release from the Department of Tourism of the Philippines titled “Philippines hits record high tourism revenue in 2024” published on 5 January 2025, the Philippine tourism sector has achieved an all-time high of revenue of approximately PHP760.50 billion in 2024, showing an increase of approximately 9.04% as compared to approximately PHP697.46 billion as recorded in 2023 and surpassing pre-pandemic levels in 2019. In particular, it is reported that the number of international visitor arrivals amounted to around 5.95 million, representing an increase of 9.15% from that recorded in 2023. It is also stated that

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the length of stay of tourists has extended to an average of over 11 nights as compared to an average of 9 nights in 2019, while 70% of the tourists are repeat visitors. Further, with reference to the statistics released by the Department of Tourism of the Philippines, the inbound tourism expenditure generated from the provision of accommodation services for visitors showed consecutive growth from 2021 to 2024, while the accommodation services for visitors represented the largest contributor contributing as to 20.6% and 32.6% for 2023 and 2024, respectively, among other service categories. According to the press release published by PAGCOR on 24 July 2025 regarding a conference organised and held by the Philippine Hotel Owners Association, it is reported that the integrated resort casinos in the Philippines generated PHP93.36 billion in GGR in the first half of 2025, which accounted for nearly half of the total GGR of the local gaming industry during the period. The official chairman of PAGCOR at the conference also stressed that the licensed integrated resort casinos has contributed hugely to the tourism industry.

According to SCCG Management, a leading advisory firm in the global gaming industry with over 30 years of experience and offices across major regions, in 2025, the Philippines government has greenlit nearly US\$6 billion in new casino infrastructure investments over the next five years. Moreover, in April 2025, PAGCOR announced new rules for accrediting third party vendors, including payment processors, marketers and compliance providers to strengthen probity across the board. While the GGR amounted to PHP285 billion and PHP372 billion in 2023 and 2024 respectively, the chairman of PAGCOR stated the GGR is likely to hit a new record in 2025, PAGCOR also has its sights set on crossing the PHP1 trillion mark by 2027 in terms of GGR.

In view of the growth of the casino gaming and tourism industry in the Philippines and the positive government initiatives as observed above, it is considered that the prospect of the business which the Group is principally engaged in is generally positive.

2. BACKGROUND INFORMATION OF THE SUBSCRIBER AND ITS INTENTION REGARDING THE GROUP

As disclosed in the Letter from the Board, the Subscriber, being named as one of the Fortune Southeast Asia 500, is a company incorporated with limited liability in the Philippines, whose shares are listed on the Philippine Stock Exchange (stock symbol: PLUS), and are classified under the Casinos & Gaming sub-sector. As of market close on the Latest Practicable Date, the market capitalisation of the Subscriber is approximately HK\$8.94 billion (equivalent to approximately PHP66.876 billion). Please refer to the Letter from the Board for information of the shareholding structure of the Subscriber.

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The Subscriber Group is an innovative digital entertainment group in the Philippines and is a leader in the industry. The Subscriber Group leverages technology and innovation to deliver gaming products designed for entertainment. Its core business includes provision of online gaming products such as bingo and poker games, as well as online betting services for a variety of local and international sports events. Additionally, the Subscriber Group's operation is supported by over 130 physical sites spreading across the Philippines.

Based on the published annual report of the Subscriber for the year ended 31 December 2024, we noted that the Subscriber has been operating various online and offline gaming and entertainment platforms covering bingo, e-casino, specialty games, sports betting and poker, with over 40 million registered users across its digital entertainment platforms. As at 31 December 2024, the Subscriber owned 126 physical bingo parlours nationwide and 22 e-games branches which are mostly located in major shopping malls in Metro Manila and key provincial cities. With the relevant licenses issued by PAGCOR, the Subscriber Group also operates slot arcades at several casinos. It is stated that the Subscriber plans to continue to expand its platform capabilities, game portfolio and promotional campaigns while enhancing customer engagement through target marketing, strategic partnerships and technological advancement.

The Subscriber Group recorded consolidated revenue of approximately PHP75.22 billion (equivalent to approximately HK\$10.06 billion) for the year ended 31 December 2024, representing a significant growth of approximately 176.04% from that of approximately PHP27.25 billion (equivalent to approximately HK\$3.64 billion) for the year ended 31 December 2023, which was primarily resulted from the increase in revenue from electronic games from retail segment, revenue from casino and service and hosting fees and commission income. The Subscriber Group recorded net income after tax of approximately PHP12.58 billion (equivalent to approximately HK\$1.68 billion) for the year ended 31 December 2024, showing an increase of approximately 207.58% from that of approximately PHP4.10 billion (equivalent to approximately HK\$0.55 billion) for the year ended 31 December 2023. As at 31 December 2024, the total assets and net assets of the Subscriber Group amounted to approximately PHP44.15 billion (equivalent to approximately HK\$5.90 billion) and PHP31.28 billion (equivalent to approximately HK\$4.18 billion), respectively. The Subscriber Group also maintained sufficient cash and equivalents of approximately HK\$1.87 billion (equivalent to approximately PHP13.98 billion) as at 31 December 2024.

As disclosed in the Letter from the Board, the Subscriber Group intends to expand and diversify its business into the casino and gaming sector in the Philippines. Since the Group has commenced its casino operation at its hotel complex in the Manila Bay area in May 2024, the Subscriber considers the investment in the Notes an attractive opportunity to pursue its strategic initiative in enhancing its presence in the Philippine gaming industry by leveraging on the Group's gaming operation and further increasing existing business co-operation with the Group.

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3. REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

As disclosed in the Letter from the Board, the Board considers the Subscription to be beneficial to improve and strengthen the Group's liquidity and financial position on a longer-term basis given a five-year tenor of the Notes. Further, in the case that the Subscriber converts part of or in full the Notes into the Conversion Shares, it will also broaden the Shareholder and capital base of the Company.

In the event that both the First Subscription and the Second Subscription are completed, the Subscription would raise an aggregate of HK\$1.6 billion for the Group. After deduction of the relevant costs and expenses of approximately HK\$2 million, the net proceeds are estimated to be approximately HK\$1.598 billion, which are intended to be applied by the Company in the following manner:

- (i) as to approximately 30.61% or HK\$489.22 million for the PN Repayment within one (1) month from the First Completion;
- (ii) as to approximately 24.56% or HK\$392.39 million for the repayment of the Secured Bank Borrowing within one (1) month from the First Completion;
- (iii) as to approximately 34.82% or HK\$556.39 million will be used for funding the Investment Commitment in at least the next two years and attractive investment/business opportunity(ies) that may arise from time to time which the Board considers to be in the interest of the Company to make such investment(s); the Investment Commitment is currently expected to include capital investments for acquisition of land for the expansion of the Hotel and the construction of additional hotel rooms, for provision of other amenities of the integrated resort including leisure facilities and shopping arcades, and for ongoing upgrades, refurbishments and renovations to the facilities and infrastructures of both the Hotel and the Casino (as at the Latest Practicable Date, the project details for the above capital investments are yet to be finalised, nevertheless, it is expected that the amount will be utilised to fund the Investment Commitment within the 24-month period following the Completion of the Subscription); it should be noted that it is the intention and preference of the Board to first make the PN Repayment and repay the Secured Bank Borrowing to achieve interests savings through the issue of the Notes and to allocate any remaining amount left after such applications, to the Investment Commitment and/or future investment/business opportunity(ies); as there is no definite timeline as to acquisition of land for expansion of the Hotel and making improvements to the Hotel and the Casino, the Board can only estimate a rough 24-month period within which to utilise the funding of the Investment Commitment and/or future investment/business opportunities and based on such estimation, expects that the net proceeds will be fully utilised within 24 months following the Completion; and

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(iv) as to approximately 10.01% or HK\$160 million as general working capital of the Group including, among other things, the payments for salaries and allowances, selling and marketing expenses, and finance costs (which are expected to be approximately 50%, 25% and 12% respectively of the amount to be utilised as the Group's general working capital, the remaining approximately 13% is for other working capital items), it is expected that the amount will be utilised as the Group's general working capital within 12 months from the Completion of the Subscription.

In assessing the fairness and reasonableness of the above proposed allocations of net proceeds from the Subscription, we have primarily taken into consideration the below factors:

Repayment of outstanding indebtedness of the Group

With reference to the 2024/25 Annual Report, we noted that as at 30 June 2025, the Group had (i) outstanding Promissory Notes of approximately HK\$467.99 million which carried an interest rate of 6% per annum, repayable on 31 March 2027; and (ii) secured bank loans with an aggregate outstanding amount of approximately HK\$990.07 million (comprising principals of two loans: (1) HK\$392.39 million carrying an interest rate of 3.35% per annum, repayable in July 2027, being the Secured Bank Borrowing, and (2) HK\$597.68 million which will fall due in October 2030, being the PHP Loan). The bank balances and cash of the Group amounted to approximately HK\$562.52 million as at 30 June 2025 which is insufficient to repay the abovementioned indebtedness of the Group. We understand from the Management that the cash balance of the Group would maintain the flexibility and serve as a buffer to cover the operating expenses incurred during the Group's normal course of business operation and satisfy its existing debt obligations. Furthermore, the Group's cost of sales increased by 41.0% from approximately HK\$79.6 million to approximately HK\$112.2 million, and the gaming tax and licensing fee increased by 915.2% from approximately HK\$17.8 million to approximately HK\$180.7 million for FY2025, representing that the Group is experiencing an increasing trend in terms of operating expenses due to the business expansion following the grant of the Provisional License.

Despite an adequate current ratio of the Group, being current assets divided by current liabilities, which amounted to 320.2% as at 30 June 2025, it is noted that (i) the debt-to-equity ratio, computed by dividing total debts by total equity, elevated from approximately 105.8% as at 30 June 2024 to approximately 188.6% as at 30 June 2025 following an increase in bank borrowings primarily for the purpose of funding the Investment Commitment and the Group's operation; and (ii) the gearing ratio, computed by dividing net debt (which includes Promissory Notes, bank borrowings and convertible bonds, less cash and bank balances) by total equity, amounted to approximately 115.8% as at 30 June 2025 as disclosed in the 2024/25 Annual Report. Given that each of the Promissory Notes and the Secured Bank Borrowing bears a higher interest rate as compared to the Notes which carries an

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interest rate of 3% per annum, the early repayment of the Promissory Notes and the Secured Bank Borrowing would allow the Group to immediately save the associated future interest expenses arising from such indebtedness.

As enquired with the Management, assuming completion of the Subscription on 31 January 2026 and upon the early repayment of the Promissory Notes and the Secured Bank Borrowing using the proceeds from the Subscription, it is expected that an aggregate interest expenses amounting to no less than approximately HK\$15.4 million, calculated on an annualised basis, would be saved, thereby relieving the financial burden of the Group. Based on our review, it is noted that such interest saving amount represents the difference between (i) the aggregate annualised interest expenses derived from (a) the Promissory Notes with principal amount of HK\$467.99 million at interest rate of 6% per annum and (b) the Secured Bank Borrowing with principal amount of HK\$392.39 million at interest rate of 3.35% per annum; and (ii) the annualised interest expense arising from utilising part of the proceeds of the Notes to early repay the aggregate principal amount of the Promissory Notes and the Secured Bank Borrowing of HK\$860.38 million at the interest rate of the Notes of 3% per annum. We consider such computations to be fair and reasonable for illustrative purpose.

Based on our review of the 2024/25 Annual Report, we also noticed that the PHP Loan represents a banking facility of PHP4,320 million (equivalent to approximately HK\$577.5 million) which was fully utilised as at 30 June 2025. It carried variable interest rate at the higher of one year PHP BVAL Reference Rates + 2% per annum or 7.5% per annum, maturing in October 2030. The PHP BVAL Reference Rates are benchmark interest rates administered by the Banks Association of the Philippines, which are published daily on the official online platform of the Philippine Dealing System Holdings Corp. & Subsidiaries (<http://www.pds.com.ph>). Despite the higher interest rate and principal amount of the PHP Loan when compared to the Promissory Notes and the Secured Bank Borrowing, as further enquired with the Management, we learnt that pursuant to the relevant facility agreement underlying the PHP Loan, the Group shall continue to pay the accrued interest until the original maturity date of the PHP Loan in October 2030 if it makes an early repayment, while there is no penalty for early repayment of the Promissory Notes and the Secured Bank Borrowing.

Considering the consecutive loss-making performance of the Group as described in the above section headed “1. Background and financial information of the Group” as well as the increasing finance costs of the Group which amounted to approximately HK\$70.6 million and HK\$91.8 million for the two years ended 30 June 2024 and 2025, respectively, which mainly consisted of interests on promissory notes and bank borrowings of approximately HK\$61.6 million and HK\$87.8 million for the respective years, adversely affecting the financial performance of the Group, the interest savings from the PN Repayment and repayment of the Secured Bank Borrowing will reduce the finance costs and in turn potentially improve the financial performance of the Group. Accordingly, considering the lower interest rate of the Notes and that the repayment date of the Notes falls on the fifth anniversary from the

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date of issue of the relevant Notes which is later than the respective maturity dates of both of the Promissory Notes and the Secured Bank Borrowing, we are of the view that funding the repayment of the Group's indebtedness using the proceeds from the Subscription is in the interests of the Company and the Shareholders as a whole.

Funding the Investment Commitment and suitable investment/business opportunities

In September 2023, PAGCOR granted the Provisional License to the Group to establish and operate casinos and the Group is required to invest no less than US\$1.0 billion (equivalent to approximately HK\$7.80 billion) and up to US\$1.2 billion (equivalent to approximately HK\$9.36 billion) (the “**Investment Commitment**”) for the establishment and development of an integrated resort located in Manila, Philippines (the “**Project**”). We observed that the unutilised net proceeds raised from the Group’s placing exercise completed in 2017 amounted to HK\$14.0 million as at 30 June 2025, which is expected to be fully utilised as part of the Investment Commitment by the end of 2025.

Pursuant to the Group’s development plan submitted to and approved by PAGCOR, the Project comprises the following components: (i) a total gross floor area of at least 250,000 m²; (ii) at least 800 5-star luxury hotel rooms; and (iii) retail areas of at least 20,000 m² consisting of casinos, restaurants, leisure facilities and shopping arcades. Based on current circumstances, the Investment Commitment is expected to be completed by 2033. With effect from 11 May 2024, the Group officially took over from PAGCOR the casino operation in the hotel of the Group (the “**Hotel**”) by virtue of the Provisional License. Given that the operation scale in the existing casino (the “**Casino**”) and the Hotel is insufficient to meet the Project requirement, the Group is required to expand the Group’s hotel premises and casino operation as well as to upgrade the hotel, casino and other amenities with the aim to transform to an integrated resort. Since the grant of the Provisional License, part of the Investment Commitment was utilised for the upgrade and improvement of facilities of the Hotel and the Casino. For instance, the Group has entered into construction contracts with Kimberland Construction Inc. for the upgrades, refurbishments and renovations of the facilities and infrastructures of both the Hotel and the Casino. The Investment Commitment includes further major capital investments to be made such as (i) the acquisition of land for the expansion of the Hotel and the construction of additional hotel rooms to fulfil the hotel offering capacity as required under the Project; (ii) the provision of other amenities of the integrated resort including but not limited to leisure facilities and shopping arcades; and (iii) ongoing upgrades, refurbishments and renovations to the facilities and infrastructures of both the Hotel and the Casino. We understand that the Group has satisfied part of the Investment Commitment as at 30 September 2025.

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In this regard, we have obtained the development plan (the “**Plan**”) prepared by the Management which has been submitted to PAGCOR in respect of the Project setting out the planned investment cost for each components covering, among others, different portions of buildings, gaming equipment, acquisition of land, general and administrative expenses, and the respective planned payment schedule thereof. Based on our review of the Plan, we noted that the intended allocation from the proceeds of the Subscription in the amount of approximately HK\$556.39 million is within the corresponding investment amount planned to be applied by the Group under the Plan particularly with respect to development of casino, hotel, shopping arcade, retail and commercial spaces as well as purchase of gaming equipment, and is sufficient to fulfil the future funding requirement with respect to the Project for at least the next two years. While the intended allocated amount from the Subscription falls short of the outstanding Investment Commitment, we were advised by the Management that the Company shall further conduct fund raising exercise such as bank borrowing, debt financing and/or equity financing as and when necessary to fulfil its obligation towards satisfying the outstanding Investment Commitment taking into consideration the prevailing market condition and the then financial condition of the Group. Upon implementation of the Plan, particularly with the increased number of gaming tables and slot machines, the occupancy rates at the Hotel and consumer spendings at the Casino and the Hotel are expected to increase in the long run, thereby enhancing the revenue of the Group.

On the other hand, the Company intended to finance any suitable investment/business opportunities as they arise from time to time. Based on our discussion with the Management, we understand that such investment/business opportunities will be related to the hotel and gaming sector in the Philippines and/or overseas, which is in line with the business strategy of the Group. As at the Latest Practicable Date, we understand from the Management that no specific target regarding the potential investment had been identified. As described in the above section headed “1. Background and financial information of the Group”, it is observed that the prospects of the casino gaming and tourism industry in the Philippines is generally optimistic as evidenced by the robust market growth. As such, considering that the proceeds from the Subscription would serve as a reserve for the Company to timely seize any suitable business opportunities as they arise, we are of the opinion that the Group’s proposed allocation of proceeds from the Subscription for funding potential investment/business opportunities is fair and reasonable.

Alternative fund raising alternatives considered by the Company

Upon enquiry with the Management, we understand that the Company has considered various ways to raise funds including other form of debt financing such as bank borrowings and equity financing before resolving to the Subscription. With reference to the 2024/25 Annual Report and as discussed with the Management, we noted that the bank loans and banking facilities of the Group were secured by the Group’s hotel and casino complex together with certain bank balances, land use rights and condominiums and financial guarantees provided by associates of the Group. Considering the size of the fund raising amount, the Management anticipated

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that any additional bank borrowings will require the Group to provide extra collaterals as security. Given that the hotel and casino complex of the Group, being the most significant tangible asset of the Group, has already been pledged to the relevant bank for existing loans, the Group lacks significant tangible assets to secure substantial bank borrowings.

On the other hand, equity financing such as placing of new shares or convertible securities to placees which would likely be conducted on a best-effort basis, may impose uncertainty on the final amount of proceeds to be raised and the outcome of which is subject to market condition. With respect to any rights issue or open offer conducted on a fully-underwritten basis which allow all existing shareholders to participate, there is a lack of certainty in successfully implementing such exercises due to their relatively longer timetable as compared to the Subscription. In particular, in view of the ongoing loss-making performance of the Group, the Management expressed uncertainty on securing an underwriter for conducting such equity financing exercises. Even if the Group successfully secures an underwriter, additional expenses like underwriting commissions and other professional fees and administrative and legal cost will be involved. In contrast, the Subscription would allow the Group to raise the necessary fund with greater certainty in a more time-efficient manner without incurring additional costs as compared to rights issue or open offer. The Subscription also provides the Group with a longer repayment term over a five-year tenor of the Notes beyond the maturity dates of the Promissory Notes and the Secured Bank Borrowing, which is beneficial to the Group as it improves and strengthens the Group's liquidity and financial position. The Subscription is also embedded with the option for the Subscriber to convert partly or fully the Notes into Conversion Shares, thereby broadening the Shareholder and capital base of the Company upon such conversion.

Moreover, with reference to the announcement published by the Subscriber in respect of the Subscription, it is disclosed that the potential acquisition of the Company upon conversion of the Notes will allow the Subscriber to optimise its group structure by combining the Group's expertise in hospitality and gaming management with the Subscriber's leadership in digital entertainment and technology. As such, unlike pure debt financing, the Subscription also represents a strategic alliance between the Group and the Subscriber Group in furtherance of their respective business development.

Accordingly, we concur with the Board's view that the Subscription represents a more preferable fund raising option for the Group under the current circumstances.

Having considered that the net proceeds from the Subscription would enable the Group to (i) repay the outstanding indebtedness with respect to the Promissory Notes and Secured Bank Borrowing which carried a higher interest rate as compared to the Notes while at the same time achieving future interest savings, therefore reducing the finance costs of the Group; (ii) finance the planned outstanding Investment Commitment under the Project for at least the next two years; (iii) expand its business by timely capture and finance any potential investment/business

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opportunities relating to the hotel and gaming sector in the Philippines and overseas as they arise so as to strengthen the market presence and position of the Group; (iv) replenish its general working capital for operation in its ordinary course of business; and (v) develop a strategic alliance between the Group and the Subscriber Group, we are of the view that the Subscription is in the interest of the Company and the Shareholders as a whole.

4. PRINCIPAL TERMS OF SUBSCRIPTION AGREEMENT

On 17 November 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Notes in an aggregate amount of up to HK\$1.6 billion. Set out below is a summary of the principal terms of the Subscription Agreement as extracted from the Letter from the Board.

Date : 17 November 2025

Parties : (i) the Company as issuer; and
(ii) the Subscriber

Subscription amount : Up to HK\$1.6 billion

The Subscriber shall subscribe, or procure its wholly-owned subsidiary to subscribe, for the Notes in two tranches, namely, the First Subscription in the principal amount of HK\$0.8 billion and the Second Subscription in the principal amount of HK\$0.8 billion.

The subscription of the Second Subscription Notes shall take place within three (3) months from the First Completion, unless otherwise agreed by the Company and the Subscriber.

Conversion Price : The initial Conversion Price per Conversion Share shall be HK\$1.00, subject to usual anti-dilution adjustments in certain events such as share consolidation, share sub-division, reclassification, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues.

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Adjustment events : The initial Conversion Price is subject to adjustment from time to time in accordance with the terms and conditions of the Notes (as summarised below) and upon the occurrence of certain prescribed and exhaustive events, including (i) consolidation, sub-division or reclassification of Shares; (ii) capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund); (iii) capital distribution (which shall include any distributions in specie or in cash); (iv) rights issue or grant of any options or warrants to subscribe for new Shares at a price which is less than 90% of the market price; (v) issue of securities which are convertible into or exchangeable for or carry rights of subscription for new Shares at a price which is less than 90% of the market price; (vi) modification of rights of conversion or exchange or subscription attaching to the securities of the Company as in (v) at a price which is less than 90% of the market price; (vii) issue of any new Shares at a price which is less than 90% of the market price; or (viii) issue of Shares for the acquisition of any asset at a price which is less than 90% of the market price.

For these purposes, the term "market price" means the average of the closing prices per Share on the Stock Exchange for each of the last 10 days on which dealings in the Shares on the Stock Exchange took place ending on the last such dealing day immediately preceding the day on or as of which the market price is to be determined.

(i) Consolidation or sub-division or reclassification of Shares

The Conversion Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A = the revised nominal amount; and

B = the former nominal amount.

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(ii) *Capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund)*

The Conversion Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{D}$$

where:

C = the aggregate nominal amount of the issued Shares immediately before such capitalisation; and

D = the aggregate nominal amount of the issued Shares immediately after such capitalisation.

(iii) *Capital distribution (which shall include any distribution in specie or in cash)*

The Conversion Price shall be adjusted by multiplying it by the following fraction:

$$\frac{E - F}{E}$$

where:

E = the market price (as defined above) on the date on which the capital distribution is publicly announced or (failing any such announcement) the date immediately preceding the date of the capital distribution; and

F = the fair market value on the day of such announcement or (as the case may require) the immediately preceding day of the portion of the capital distribution.

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(iv) *Rights issue or grant of any options or warrants to subscribe for new Shares at a price which is less than 90% of the market price*

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such rights issue or grant by the following fraction:

$$\frac{P + \frac{Q \times R}{S}}{P + Q}$$

where:

P = the number of Shares in issue immediately before the date of such announcement;

Q = the aggregate number of Shares so offered for subscription or comprised in the options or warrants or other rights;

R = the amount (if any) payable for the right, option or warrant to subscribe for each new Share, plus the subscription price payable for each new Share; and

S = the market price (as defined above) of one Share on the trading day immediately prior to such announcement.

(v) *Issue of securities which are convertible into or exchangeable for or carry rights of subscription for new Shares at a price which is less than 90% of the market price*

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{G}{H}$$

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where:

G = the number of Shares in issue immediately before the date of issue plus the number of Shares which the total effective consideration for the securities issued would purchase at such market price; and

H = the number of Shares in issue immediately before the date of issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

(vi) *Modification of rights of conversion or exchange or subscription attaching to the securities of the Company as in paragraph (v) above at a price which is less than 90% of the market price*

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{J}{K}$$

where:

J = the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

K = the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion rate or subscription price.

For the purpose of paragraphs (v) and (vi) above, the term “**total effective consideration**” means the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights.

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(vii) Issue of any new Shares at a price which is less than 90% of the market price

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of the terms of such issue by the following fraction:

$$\frac{L}{M}$$

where:

L = the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

M = the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued.

(viii) Issue of Shares for the acquisition of any asset at a price which is less than 90% of the market price

The Conversion Price shall be adjusted in such manner as may be determined by an approved financial adviser who is of repute in Hong Kong selected by the Company, or jointly with the Noteholders representing not less than 75% of the then outstanding principal amount of the Notes upon their request.

Interest rate	:	3% per annum, payable on a half-yearly basis.
Maturity	:	The fifth (5th) anniversary from the date of the issue of the relevant Notes (the " Maturity Date ").
Redemption	:	Unless previously converted or purchased or redeemed by the Company, the Company will redeem the Notes on the Maturity Date at the redemption amount which is 108% of the principal amount of the Notes then outstanding plus interest accrued.
Repayment	:	The outstanding principal amount of the Notes or any part thereof shall not be repaid or prepaid by the Company prior to the Maturity Date.

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Repurchase : The Company or any of its subsidiaries may at any time and from time to time purchase the Notes at any price as may be agreed between the Company or such subsidiary and the Noteholder. Any Note so purchased shall forthwith be cancelled by the Company.

Transferability : The Notes will be freely transferable but may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company. The Company shall promptly notify the Stock Exchange upon becoming aware of any dealings in the Notes by any connected person of the Company.

Conversion period : The Noteholder shall have the right to convert at any day commencing on the thirty-first (31st) day after the date of issue of the relevant Notes and until the Maturity Date.

Conversion Shares : Upon full conversion of the Notes at the initial Conversion Price, a total of 1,600,000,000 Shares will be issued by the Company, representing approximately 53.89% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares (assuming no change in the issued share capital of the Company since the date of the Subscription Agreement up to the full conversion of the Notes).

The Noteholder shall have the right to convert the whole or part of the outstanding principal amount of the Notes in the integral multiple of HK\$10,000,000 into the Conversion Shares.

The Conversion Shares shall be issued and allotted by the Company, credited as fully paid, with effect from the date on which Conversion Rights are validly exercised by the Noteholder(s), and the Noteholder(s) shall be entitled to all dividends and other distributions on the record date which fall after the respective conversion dates.

Voting : A Noteholder will not be entitled to receive notice of, attend or vote at any meetings of the Company by reason only of it being the Noteholder.

Events of default : If any of the following events occurs, the Noteholder(s) may give notice in writing to the Company that the principal amount of the Notes, together with any accrued and unpaid interest, shall become immediately due and payable:

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- (a) the Shares ceased to be listing on the Stock Exchange or the trading of the Shares on the Stock Exchange is suspended for a continuous period of 10 Business Days or more on each day of which the Stock Exchange is generally open for the business or dealing in securities; or
- (b) the Company fails to perform or observe or comply with any of its obligations contained in the Notes, if such default is capable of remedy, is not remedied within 20 Business Days after written notice of such default has been given to the Company by the Noteholder holding or Noteholders together holding, not less than 50% of the then outstanding principal amount of the Notes; or
- (c) the Company fails to pay the principal amount when due or the interest on the Notes when due unless non-payment of such interest is due solely to administrative or technical error and payment is made within 10 Business Days of the due date thereof; or
 - (i) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any material part of the undertaking, property, assets or revenues of the Company or any of its Major Subsidiaries and is not discharged, paid out, withdrawn or remedied within 10 Business Days; or
 - (ii) the Company or any of its Major Subsidiaries becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or any of its Major Subsidiaries or the whole or any material part of the undertaking, property, assets or revenues of the Company or any of its Major Subsidiaries or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or compromise with or for the benefit of its creditors; or

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- (iii) an order is made or an effective resolution passed for winding-up of the Company or any of its Major Subsidiaries, except in the case of winding up of such subsidiaries in the course of reorganisation that has been approved by the Noteholder or Noteholders together holding not less than 51% of the then outstanding principal amount of the Notes; or
- (iv) a moratorium is agreed or declared in respect of any indebtedness of the Company or any of its Major Subsidiaries or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets of the Company or any of its Major Subsidiaries; or
- (v) the Company consolidates or amalgamates with or merge into any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or the Company sells or transfers all or substantially all of its assets, or
- (vi) at any time any material indebtedness of the Company or its Major Subsidiaries becomes due and payable prior to its stated maturity by reason of default, or event of default (howsoever described) by the Company or any of its Major Subsidiaries.

Ranking: : The Conversion Shares, when issued and allotted, shall rank *pari passu* in all respects with the Shares in issue as at the date on which the relevant Conversion Rights are exercised.

For further details on the principal terms of the Notes, please refer to the Letter from the Board.

The initial Conversion Price of HK\$1.00 per Conversion Share represents:

- (i) a discount of approximately 3.85% to the closing price of HK\$1.04 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 16.67% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (iii) a discount of approximately 17.36% to the average closing price of approximately HK\$1.21 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Subscription Agreement;

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- (iv) a discount of approximately 18.70% to the average closing price of approximately HK1.23 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (v) a discount of approximately 19.35% to the average closing price of approximately HK\$1.24 per Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vi) a discount of approximately 19.35% to the average closing price of approximately HK\$1.24 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vii) a discount of approximately 9.91% to the average closing price of approximately HK\$1.11 per Share as quoted on the Stock Exchange for the one year immediately prior to the date of the Subscription Agreement;
- (viii) a premium of approximately 78.57% over the net asset value of approximately HK\$0.56 per Share based on the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$773,096,000 as at 30 June 2025 and 1,369,157,235 Shares in issue on the date of the Subscription Agreement;
- (ix) a premium of approximately 85.19% over the adjusted unaudited net asset value of approximately HK\$0.54 per Share based on the adjusted unaudited consolidated net asset value (“**Adjusted NAV**”) of the Group attributable to the Shareholders of approximately HK\$735,507,000, which is calculated based on the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$773,096,000 as at 30 June 2025 and adjusted downward to reflect the decrease in value of the property interests of the Group (i.e. buildings, leasehold improvements and investment properties) (the “**Group’s Property Interests**”) of approximately HK\$37,589,000, which in turn is calculated based on the market value of the Group’s Property Interests of HK\$835,000,000 as at 30 November 2025 as disclosed in the property valuation report set out in Appendix II of this circular, and compared to the carrying value of the Group’s Property Interests of approximately HK\$872,589,000 as recorded in its audited consolidated financial statements as at 30 June 2025; and
- (x) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 9.35%*, represented by the theoretical diluted price of approximately HK\$1.10 per Share to the benchmarked price of approximately HK\$1.21 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price of the Shares on the date of the Subscription Agreement and the average of the

* 9.09% if based on a theoretical diluted price rounded up to two decimal places.

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closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Subscription Agreement.

As disclosed in the Letter from the Board, the initial Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, among others, the market condition, the financial conditions, performance and business prospects of the Group, the prevailing and historical market prices of the Shares, and in particular, the premium of the initial Conversion Price over the net asset value per Share as at 30 June 2025.

Adjusted NAV

With respect to the Group's Property Interests, we have obtained and reviewed the computations provided by the Management in arriving at the Adjusted NAV, which is based on (i) the audited consolidated net asset value of the Group attributable to the Shareholders as at 30 June 2025; and (ii) the fair value loss arising from the difference between (a) the market value of the Group's Property Interests as at 30 November 2025 as disclosed in the property valuation report set out in Appendix II of this circular and (b) the carrying value of the Group's Property Interests as at 30 June 2025. Based on the aforesaid, we consider the adjustment to the consolidated net asset value of the Group attributable to the Shareholders and therefore the determination of the Adjusted NAV to be fair and reasonable.

In assessing the fairness and reasonableness of the principal terms of the Subscription Agreement, we have primarily taken into consideration (i) a review on daily closing price against the initial Conversion Price; and (ii) a comparison with recent issue/subscription of convertible notes/bonds exercises in the market.

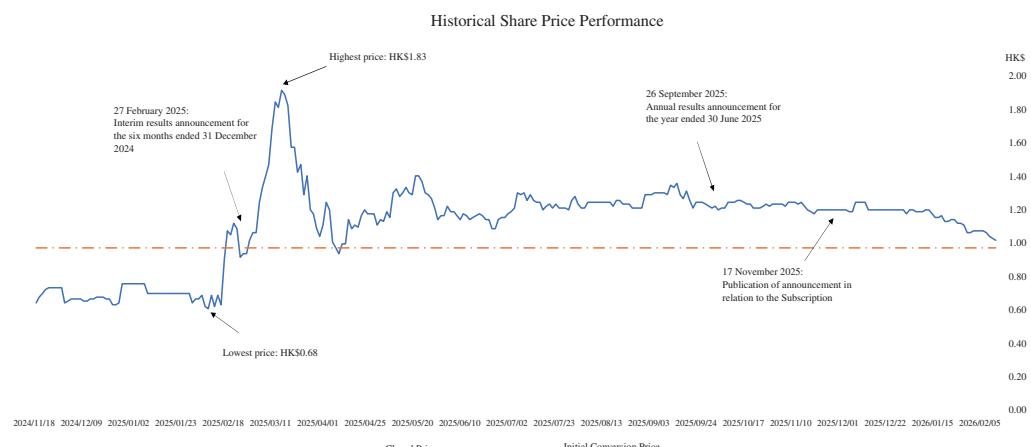
(a) Historical share price performance

We have reviewed the daily closing price of the Shares as quoted on the Stock Exchange for the one year prior to the date of the Subscription Agreement, up to and including the Latest Practicable Date (the "**Review Period**"). Considering that the Review Period represents a reasonable period commonly used to reflect the performance of the closing price of the Shares under the prevailing market condition and that inclusion of any earlier time period further back prior to the Review Period may not be indicative of recent price performance, we are of the view that the Review Period, which covers one year prior to the date of the Subscription Agreement, up to and including the Latest Practicable Date to be fair and representative.

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Chart 1 below illustrates the comparison of daily closing price of the Shares and the initial Conversion Price:

Chart 1: Share price performance against the initial Conversion Price



Source: The official website of the Stock Exchange (<https://www.hkex.com.hk/>)

During the Review Period, the closing prices of the Shares ranged from the lowest of HK\$0.68 per Share, to the highest of HK\$1.83 per Share with an average closing price of approximately HK\$1.13 per Share. The Conversion Price of HK\$1.00 per Conversion Share is within the aforesaid price range of the Shares and is lower than the average closing price.

As depicted in Chart 1, the closing Share prices remained relatively stable and traded below the initial Conversion Price from the beginning of the Review Period before surging at around mid of February 2025 and reaching the peak at HK\$1.83 on 13 March 2025. After reaching the peak, the closing Share prices started to decline sharply and continued such downslope trend to around early April 2025, and closed at below the initial Conversion Price on 9 April 2025. Other than the profit warnings announcement and the interim results announcement of the Company for the six months ended 31 December 2024 published on 21 February 2025 and 27 February 2025, respectively, the Directors are not aware of any matters which might have led to the significant fluctuation of Share prices during such period. The closing Share prices then rebounded and stabilised at above the initial Conversion Price with minor fluctuations up to and including the Latest Practicable Date. The Share price closed at HK\$1.04 per Share on the Latest Practicable Date. Overall, the Shares had been traded at above the initial Conversion Price for majority of the trading days during the Review Period. Notwithstanding the Conversion Price represents a discount to the closing price of the Shares for majority of the trading days during the Review Period, having considered that (i) a discount to recent market price would incentivise the Subscriber to participate in the Subscription given the considerable fund size; (ii) the Conversion Price falls within the historical Share price range during the Review Period; and (iii) the Conversion Price represents a premium to the net asset value per Share and the adjusted net asset value per share taking into account the value of the

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property interests of the Group as at 30 November 2025 as disclosed in the property valuation report set out in Appendix II of this circular, we are of the view that the Conversion Price is fair and reasonable.

(b) Market comparable analysis

To further assess the fairness and reasonableness of the initial Conversion Price, we have attempted to conduct an analysis of comparable transactions (the “**Comparable Issue(s)**”) which (i) were announced by companies listed on the Stock Exchange during the Review Period, which in our view represents a reasonable period of time to reflect the prevailing market conditions for conducting similar transaction; (ii) involved the issue/placing of convertible notes/bonds under specific mandate, excluding issuance for acquisitions, restructuring and/or loan capitalisation and the subject companies were not under prolonged suspension on the date of the relevant announcement; (iii) the duration of the convertible notes/bonds is at least one year which are considered comparable to the Notes in terms of interest rate risk incurred from the maturity of the convertible notes/bonds; and (iv) involved a change in control upon full conversion of the underlying convertible notes/bonds. However, only one Comparable Issue was identified (being True Partner Capital Holding Limited (stock code: 8657)) based on the aforesaid selection criteria. In order to review the general market practice on the key terms of the issue/placing exercise of convertible notes/bonds under specific mandate based on a meaningful sample size for our analysis purpose, and on the basis that any longer review period may not be indicative of the recent market conditions for conducting similar transaction, we have adjusted our selection criteria to also include Comparable Issues that fall into our selection criteria (i), (ii) and (iii) above.

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We have identified an exhaustive list of 10 Comparable Issues which have met our selection criteria. Although the principal businesses, market capitalisation, profitability and financial positions of the companies underlying the Comparable Issues may be different from those of the Company, we consider that the Comparable Issues which were determined under similar market conditions and sentiment and hence, provide a general reference on the key terms for this type of transaction in Hong Kong, are fair and representative. Set out below is a summary of the Comparable Issues.

Company name (Stock code)	Date of announcement	Principal business activities	Maturity period	Interest rate per annum (Year(s))	Premium/ (discount) of the conversion price	Premium/ (discount) of the conversion price to the average closing price per conversion price share for the last to the closing five consecutive price per share trading days on the last prior to or up to trading day prior and including the to or on the date date of of agreement/ agreement/ announcement in announcement in relation to the relation to the Comparable Comparable Issues Issues (Approximate) (Approximate) (%) (%) (%)
					(%)	(%)
True Partner Capital Holding Limited (8657)	4 February 2026	Principally engaged in fund management business, derivative trading and providing consultancy services	2	3	(77.78) (Note 1)	(76.47) (Note 1)
China Biotech Services Holdings Limited (8037)	29 December 2025	Provision of medical laboratory testing services and health check services in Hong Kong, provision of tumor immune cell therapy and health management services in the PRC, provision of boron neutron capture therapy services in the PRC, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong and provision of insurance brokerage services	4	10.00 and 12.00 (Note 2)	(16.46)	(24.49)

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Company name (Stock code)	Date of announcement	Principal business activities	Maturity period	Interest rate per annum (Year(s))	Premium/ (discount) of the conversion price	Premium/ (discount) of the conversion price per share for the last five consecutive trading days prior to or on the date of agreement/ announcement in relation to the	Premium/ (discount) of the conversion price per share for the last trading day prior to or on the date of agreement/ announcement in relation to the
					Comparable Issues (Approximate) (%)	Comparable Issues (Approximate) (%)	
Zoomlion Heavy Industry Science and Technology Co., Ltd. (1157)	30 October 2025	Research, development, manufacturing and sale of construction machinery and agricultural machinery, as well as the provision of finance leasing services	5	1.80	35.23	31.33 (Note 3)	
Mindtell Technology Limited (8611)	24 October 2025 (as supplemented on 27 October 2025)	Provision of system integration and development services, IT outsourcing services and maintenance and consultancy services	2	0	(17.90)	(11.3)	
DTXS Silk Road Investment Holdings Company Limited (620)	17 October 2025	Auction business and sale of antiques, art financing business and art central business district business, sale of wines and related business and property investment and property development business	3	3.85	5.56	6.03	

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Company name (Stock code)	Date of announcement	Principal business activities	Maturity period	Interest rate per annum (Year(s))	Premium/ (discount) of the conversion price	Premium/ (discount) of the conversion price to the average closing price per share for the last five consecutive trading days prior to or up to the last trading day prior to or on the date of agreement/ announcement in relation to the Comparable Issues (Approximate)	Premium/ (discount) of the conversion price to the average closing price per share for the last five consecutive trading days prior to or up to the last trading day prior to or on the date of agreement/ announcement in relation to the Comparable Issues (Approximate)
					(%)	(%)	(%)
Karrie International Holdings Limited (1050)	13 October 2025	Provision of mechanical engineering solutions and engaging in the design, development, manufacturing and sales of server enclosures (general & AI), racks and other related structural components, EV charger enclosures and other metal and plastic components, provision of electronic manufacturing services for storage products such as tape drive data storage devices and other computer peripheral products	3	2	(7.26)	(15.57)	
China Rongzhong Financial Holdings Company Limited (3963)	3 September 2025	Provision of leasing services in the PRC and value-added services including due diligence, credit assessment, investigation and debt collection services in Hong Kong, the PRC and Singapore	3	2.75	0	(0.17)	
Pengo Holdings Group Limited (1865)	1 August 2025	Infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services, construction and engineering services and trading of building materials	1	3	(14.5)	(19.30)	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (Stock code)	Date of announcement	Principal business activities	Maturity period	Interest rate per annum (Year(s))	Premium/ (discount) of the conversion price	Premium/ (discount) of the conversion price
					Comparable Issues (Approximate) (%)	Comparable Issues (Approximate) (%)
Celestial Asia Securities Holdings Limited (1049)	10 June 2025	Sales of furniture and household goods and electrical appliances and provision of asset management services and other financial services	3	5	19.05	19.05
Daido Group Limited (544)	21 April 2025	Cold storage and related services business, trading and sales of food and beverage business	3 <small>(Note 4)</small>	6	(19.98)	(18.90)
			Maximum	5	35.23	31.33
			Minimum	1	(77.78)	(76.47)
			Median	3	(10.88)	(13.44)
			Average	2.9	(9.40)	(10.98)
			On the basis of excluding the Outlier <small>(Note 1)</small>	Maximum	35.23	31.33
				Minimum	(19.98)	(24.49)
				Median	(7.26)	(11.30)
				Average	(1.81)	(3.70)
The Company (1009)	17 November 2025	Hotel and casino business in the Philippines	5	3%	(16.67)	(17.36)

Source: The official website of the Stock Exchange (<https://www.hkex.com.hk/>)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Given the relatively deep discount of conversion price to the relevant closing price of this Comparable Issue (the “**Outlier**”) as compared to the rest of the Comparable Issues, we consider the inclusion of this Outlier may distort the overall result of our comparable analysis. Therefore, this Comparable Issue has been excluded for the purpose of our analysis with respect to the conversion price.
2. The interest rate of this Comparable Issue is 10% per annum for the first two years and 12% per annum for the next two years thereafter.
3. The premium of this Comparable Issue was not disclosed in the underlying announcement. Such premium was computed with reference to the average closing price per share for the last five consecutive trading days prior to the date of announcement in relation to this Comparable Issue.
4. The maturity date of this Comparable Issue is initially three years from the initial issue date of the convertible bonds, which shall be extended to five years from the initial issue date of the convertible bonds if the holder thereof agrees to the extension by giving a written notice prior to the original maturity date.

I. Conversion Price

As shown in the above table, we noted that the conversion price to the closing price per share on the last trading day prior to and on the date of agreement/announcement in relation to the Comparable Issues (excluding the Outlier) ranged from a discount of approximately 19.98% to a premium of approximately 35.23%, with the average being a discount of 1.81%. Among the 9 Comparable Issues (excluding the Outlier), 5 of the Comparable Issues involved conversion price at a discount to the closing price of the shares on the last trading day prior to or on the date of the subscription/placing agreement/announcement and 6 of the Comparable Issues involved conversion price at a discount to the average closing price of the shares for the last five consecutive trading days prior to or up to and including the date of subscription/placing agreement/announcement. The discounts represented by the initial Conversion Price of HK\$1.00 of 16.67% to the closing price per Share on the date of the Subscription Agreement and 17.36% to the last five consecutive trading days prior to the date of the Subscription Agreement are both within the respective range of the premium/discount represented by the Comparable Issues.

II. Interest rate

As shown in the above table, the interest rate underlying the Comparable Issues ranged from 0% to 12% per annum, with the average being 4.49%. The interest rate of the Notes, being 3% per annum, therefore falls within the range of the interest rate of the Comparable Issues and is lower than the average interest rate and equals to the median interest rate of the Comparable Issues.

III. Maturity

As shown in the above table, the term to maturity underlying the Comparable Issues ranged from 1 to 5 years, among which, under one of the Comparable Issues, the maturity date of which shall be extended to five years if the holder thereof agrees to such extension by giving a written notice prior to the original maturity date.

Despite the discount of the initial Conversion Price to the benchmarked price is higher than the average and median and close to the low end of the Comparable Issues, having considered that (i) the initial Conversion Price is within the range of the closing Share prices during the Review period; (ii) a discount to the closing price may be required to attract the Subscriber to subscribe for the Notes given the large fund size; (iii) it is not uncommon for listed issuers to set the initial conversion price at a discount to the prevailing share price at the time of entering into the relevant subscription/placing agreement, as 5 out of 9 Comparable Issues (excluding the Outlier) involved setting a conversion price at a discount to the closing price of the shares on the last trading day prior to or on the date of the subscription/placing agreement/announcement, and 6 out of 9 Comparable Issues (excluding the Outlier) involved setting a conversion price at a discount to the average closing price of the shares for the last five consecutive trading days prior to or up to and including the date of the subscription/placing agreement/announcement; (iv) the principal terms of the Notes (including the term to maturity, interest rate per annum, the discount of the Conversion Price to the closing price per Share on the date of the Subscription Agreement and the discount of the Conversion Price to the average closing price per Share for the five trading days preceding the date of the Subscription Agreement) are within the respective relevant ranges represented by the Comparable Issues; (v) the Subscription would provide immediate liquidity to the Group to repay outstanding indebtedness with respect to the Promissory Notes and Secured Bank Borrowing which carry higher interest rates thereby achieving future interest savings and fund the Investment Commitment under the Project for at least the next two years; and (vi) the Subscription would establish a strategic alliance between the Group and the Subscriber Group for future business cooperation, if any, we are of the view that the principal terms of the Subscription Agreement, including the initial Conversion Price, interest rate and duration of the Notes are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Subscription, while not entered into in the ordinary course of business of the Company, is in the interest of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned.

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5. POTENTIAL DILUTION EFFECT TO THE EXISTING SHAREHOLDERS

As shown in the section headed “Effects on the shareholding structure” in the Letter from the Board, it is noted that immediately upon full conversion of the Notes (assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the full conversion of the Notes), the shareholding interests of the public Shareholders would be diluted from approximately 71.38% to approximately 32.91%.

Notwithstanding the potential maximum dilution of the shareholding interest of the Independent Shareholders as a result of the full conversion of the Notes, taking into account (i) the reasons and benefits for the Subscription as described in the above section headed “3. Reasons for and benefits of the Subscription and use of proceeds”, in particular, the proceeds from the Subscription would provide immediate capital for the Group to repay certain indebtedness which carried higher interest rates thus achieving interest savings and to finance the Investment Commitment of the Group towards the development and operation of the Casino and the Hotel for at least the next two years; and (ii) the terms of the Subscription being fair and reasonable, we are of the view that the dilution to the shareholding interests of the Independent Shareholders as a result of the full conversion of the Notes is justifiable.

6. POSSIBLE FINANCIAL EFFECTS OF THE SUBSCRIPTION

Earnings per Share

With reference to the 2024/25 Annual Report, the loss per Share for the year ended 30 June 2025 amounted to approximately HK\$0.2, as calculated based on the loss for the year attributable to the owners of the Company of approximately HK\$282.1 million and the 1,369,157,235 Shares in issue as at the Latest Practicable Date. The Company intends to utilise part of the net proceeds from the Subscription for the PN Repayment and the interest accrued thereon and the repayment of the Secured Bank Borrowing in an aggregate amount of approximately HK\$881.61 million. Accordingly, given that the annual interest rates of each of the Promissory Notes and the Secured Bank Borrowing are higher than the annual interest rate of the Notes, the Company would save interest expenses as a result of such early repayment, therefore reducing the Group’s finance costs. However, the actual effect on the earnings per Share would depend on the dilution effect arising from the enlarged issued share capital upon conversion of the Notes (if any).

Liquidity

According to the 2024/25 Annual Report, the cash and bank balance of the Group was approximately HK\$562.52 million as at 30 June 2025. Immediately following issue of the Notes, the cash balance of the Group will increase by the net proceeds from the Subscription of approximately HK\$1.598 billion. As such, the liquidity of the Group will be improved as a result of the Subscription.

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Based on the above, we consider that the Subscription would have an overall positive financial effect on the Group.

Shareholders should note that the above potential analyses are for illustrative purpose only and do not purport to represent the financial position of the Group as a result of the Subscription.

7. WHITEWASH WAIVER

As disclosed in the Letter from the Board, the Subscriber does not hold any Shares. Assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Notes, upon full conversion of the Notes at the initial Conversion Price, a total of 1,600,000,000 Conversion Shares will be issued and allotted to the Subscriber, representing approximately 53.89% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares. The Subscriber will therefore acquire more than 30% of the voting rights of the Company upon full conversion of the Notes.

As such, the Subscriber, upon full conversion of the Notes, will be obliged to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by it and the parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is granted and approved.

An application has been made by the Subscriber to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue and allotment of the Conversion Shares. The Whitewash Waiver, if granted by the Executive, will be conditional upon (i) approval by at least 75% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) approval by more than 50% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Subscription and the transactions contemplated thereunder.

RESERVATION OF RIGHT TO WAIVE THE WHITEWASH WAIVER

The Executive may or may not grant the Whitewash Waiver. In the event that (i) the Whitewash Waiver is not granted by the Executive; or (ii) if the Whitewash Waiver is granted by the Executive but the relevant resolution relating to the Whitewash Waiver is not passed by the Independent Shareholders at the EGM, the Subscriber may, at its discretion, waive the conditions precedent in relation to the Whitewash Waiver and proceed with the Subscription. In such circumstances, a general offer obligation will be triggered if the Subscriber exercises its Conversion Rights under the Notes to the extent that it will acquire 30% or more of the voting rights of the Company. On the other hand, if the Subscriber does not waive the condition precedent in such circumstances, the Subscription will not proceed. If the Whitewash Waiver is not granted or approved, the Subscriber will disclose in the results announcement of the EGM whether or not it will proceed with the Subscription and make a general offer in the event that it exercises its Conversion Rights under the Notes which will result in it acquiring 30% or more of the voting rights of the Company.

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As mentioned above, the grant of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders are conditions precedent to the Subscription Agreement, and the Subscriber has reserved the right on waiving such conditions. We were given to understand that as at the Latest Practicable Date, the Subscriber has not yet determined whether or not to waive the conditions in relation to the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders and proceed with the Subscription. Accordingly, if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders at the EGM and that the Subscriber decides not to waive the condition precedent in relation to the Whitewash Waiver, the Subscription will not proceed. As such, the Company will not be able to attain the benefits to be brought by the Subscription.

In view of the Subscription is in the interests of the Company and the Shareholders as a whole and that the approval of the Whitewash Waiver is a condition of the Subscription, we are of the view that the Whitewash Waiver is fair and reasonable as far as the Independent Shareholders are concerned.

8. SPECIAL DEAL

As at the date of the Subscription Agreement and the Latest Practicable Date, the PN Holder is a Shareholder holding 41,160,000 Shares, representing approximately 3.01% of the issued share capital of the Company. As part of the net proceeds to be received from the Subscription will be used for the PN Repayment in the event that the Subscription is completed, and given the PN Repayment is not extended to all other Shareholders, it constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Subscription Agreement and the PN Repayment are fair and reasonable; and (iii) approval by more than 50% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Special Deal. An application has been made by the Company to the Executive for the consent to the Special Deal under Rule 25 of the Takeovers Code. In the event that the Special Deal is not approved by the Independent Shareholders, the Company may waive the conditions precedent of the Subscription Agreement in relation to the Special Deal and the net proceeds of the Subscription intended to be applied towards the PN Repayment will be re-allocated to fund the Investment Commitment.

Taking into account that (i) the Promissory Notes bear a higher interest rate of 6% per annum as compared to the Notes of 3% per annum and therefore the PN Repayment would allow the Group to immediately save future interest expenses associated with the Promissory Notes; (ii) the PN Repayment using the proceeds of the Subscription would lower the finance costs of the Group and potentially improve the earnings of the Group; (iii) the PN Holder as well as persons who are involved in or interested in the Subscription, the Whitewash Waiver and/or the Special Deal will abstain from voting on the resolution to be proposed at the EGM to approve the Special Deal; and (iv) all Independent Shareholders are entitled to vote for or against the resolution in respect of

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the Special Deal at the EGM, we are of the opinion that the Special Deal is an arm's length transaction on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATIONS

Having considered the above principal factors and reasons set out above, in particular:

- (i) given the lower interest rate of the Notes, the PN Repayment and the repayment of the Secured Bank Borrowing would enable the Group to achieve interest savings and in turn potentially enhance its earnings;
- (ii) the proceeds from the Subscription would facilitate the Group to fulfil the Investment Commitment for development of the Hotel and Casino under the Provisional License, as well as providing funds for potential investment related to the hotel and gaming sector in the Philippines and/or overseas, enabling the Group to seize any suitable business opportunities which may arise from time to time;
- (iii) the Subscription is the most appropriate fund raising means to the Group under current circumstances given that the Group lacks significant tangible assets to secure substantial bank borrowings and the Subscription is considered more time and cost efficient;
- (iv) the discount rates represented by the initial Conversion Price of approximately 16.67% to the closing price per Share on the date of the Subscription Agreement and approximately 17.36% to the last five consecutive trading days prior to the date of the Subscription Agreement are both within the respective range of the premium/discount as demonstrated by the Comparable Issues;
- (v) the Subscriber has reserved its right to waive the conditions in relation to the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders, such that if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Subscriber may waive the condition precedent in relation to the Whitewash Waiver and proceed with the Subscription and make a general offer in the event that it exercises its Conversion Rights under the Notes to the extent that it will acquire 30% or more of the voting rights of the Company. However, if the Subscriber at its discretion decides not to waive the condition precedent in relation to the Whitewash Waiver, the Subscription will not proceed and the Company will not be able to attain the benefits to be brought by the Subscription; and
- (vi) the Special Deal, being the early repayment to the PN Holder would allow the Group to immediately save future interest expenses associated with the Promissory Notes, while there is no penalty on the Group for the PN Repayment,

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we are of the opinion that, while the Subscription, the Whitewash Waiver and the Special Deal are not in the ordinary and usual course of business of the Company, (i) the terms of the Subscription Agreement are on normal commercial terms, and the terms of the Subscription, the Whitewash Waiver and the Special Deal are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Subscription, the Whitewash Waiver and the Special Deal are in the interests of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deal.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Kristie Ho
Managing Director

Ms. Kristie Ho is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in the securities and investment banking industries.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial information of the Group for each of the three years ended 30 June 2023, 2024 and 2025 as extracted from the consolidated financial statements of the Company as set forth in the 2023/24 Annual Report and 2024/25 Annual Report:

	For the year ended 30 June		
	2025	2024	2023
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Revenue	566,159	229,786	207,219
Gaming tax and licensing fee	(180,731)	(17,792)	—
Cost of sales	<u>(112,183)</u>	<u>(79,564)</u>	<u>(70,593)</u>
 Gross profit	273,245	132,430	136,626
Other income	44,250	17,895	11,938
Other (loss)/gain, net	(82,638)	(15,506)	1,653
Change in fair value of financial assets at fair value through profit or loss	(533)	(723)	(3,127)
Change in fair value of financial liabilities at fair value through profit or loss	3,208	1,385	(4,258)
Change in fair value of investment properties	(23,315)	(14,145)	2,962
Share of result of associates	5,686	(4,090)	(1,058)
Selling and marketing expenses	(74,494)	(4,220)	(137)
General and administrative expenses	(326,550)	(204,639)	(97,024)
Finance costs	<u>(91,824)</u>	<u>(70,633)</u>	<u>(26,474)</u>
 (Loss)/profit before taxation	(272,965)	(162,246)	21,101
Income tax (expense)/credit	<u>(9,180)</u>	<u>30,282</u>	<u>(2,819)</u>

	For the year ended 30 June		
	2025	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
(Loss)/profit for the year attributable to the owners of the Company	(282,145)	(131,964)	18,282
Other comprehensive (loss)/income that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations	(55)	802	307
— 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	<u>24,124</u>	<u>(59,008)</u>	<u>(7,528)</u>
Total comprehensive (loss)/income for the year attributable to the owners of the Company	<u>(243,693)</u>	<u>(190,170)</u>	<u>11,061</u>
(Loss)/earnings per share attributable to the owners of the Company			
Basic	<u>(20.61) cents</u>	<u>(9.64) cents</u>	<u>1.34 cents</u>
Diluted	<u>(20.61) cents</u>	<u>(9.64) cents</u>	<u>1.34 cents</u>

No dividend was paid or proposed by the Company during the three years ended 30 June 2025.

Save as disclosed above, the Group had no other material items of income or expense for the years ended 30 June 2025, 2024 and 2023.

The auditors of the Company for the year ended 30 June 2025, 2024 and 2023 were BDO Limited. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Company in respect of the Group's audited consolidated financial statements for the three years ended 30 June 2025, 2024 and 2023.

There was no change in the Group's accounting policy during the three years ended 30 June 2025, 2024 and 2023 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for each of the three years ended 30 June 2023, 2024 and 2025 are disclosed in the following annual reports of the Company for each of the three years ended 30 June 2023, 2024 and 2025, respectively, and have been published on the website of the Company (www.iencorp.com) and the website of the Stock Exchange (www.hkexnews.hk):

- (i) annual report of the Company for the year ended 30 June 2023 published on 30 October 2023 (as shown on pages 142 to 266), which can be accessed via the link at: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000806.pdf>
- (ii) annual report of the Company for the year ended 30 June 2024 published on 22 October 2024 (as shown on pages 139 to 262), which can be accessed via the link at: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1022/2024102200509.pdf>
- (iii) annual report of the Company for the year ended 30 June 2025 published on 23 October 2025 (as shown on pages 140 to 262), which can be accessed via the link at: <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1023/2025102300328.pdf>

3. STATEMENT OF INDEBTEDNESS

As at 31 December 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this circular, the details of the Group's indebtedness (unaudited) and contingent liabilities (unaudited) were as follows:

Bank borrowings and promissory notes

As at 31 December 2025, the Group had outstanding bank borrowings and promissory notes (unsecured and guaranteed by the Company) of approximately HK\$967,540,000 and HK\$467,986,000, respectively.

Pledge of assets

As at 31 December 2025, the aforesaid bank borrowings were secured by the Group's properties, plant and equipment of approximately HK\$454,503,000, investment properties of approximately HK\$317,500,000, restricted bank balance of approximately HK\$403,184,000, land use rights and condominiums of associates of the Group of approximately HK\$408,353,000 and HK\$101,003,000, respectively, together with unlimited financial guarantees provided by associates of the Group.

Lease liabilities

As at 31 December 2025, the Group had outstanding lease liabilities of approximately HK\$39,138,000 which were unsecured and unguaranteed.

Contingent liabilities

As at 31 December 2025, the Group had tax disputes with the Bureau of Internal Revenue in the Philippines (“**BIR**”) for other taxes representing possible obligations (the 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 the Group) which may require an outflow of resources, the Directors estimated that as at 31 December 2025, the contingent liabilities in respect of the alleged deficiency in other taxes covering the calendar years of 2008, 2012, 2014, 2015, 2018 and 2019, representing the stated amounts in the respective disputed assessments received from the BIR, were in the aggregate amount of around PHP1,524,000,000 (equivalent to approximately HK\$203,743,000), together with the possible additional penalties, surcharges or interest liabilities that may be assessed by the BIR for the respective taxable years which existence can only be confirmed based on the outcome of the other taxes disputes cases.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables, as at 31 December 2025, the Group did not have any debt securities issued or outstanding or authorised or otherwise created but unissued, or any bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that, save for the Subscription Agreement, the Whitewash Waiver and the Special Deal (the details of which are set out in the “Letter from the Board” to this circular), there has been no material change in the financial or trading position or outlook of the Group subsequent to 30 June 2025, being the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Valplus Consulting Limited, an independent valuer, in connection with its valuation as at 30 November 2025 of the property interests held by the Group.



Valplus Consulting Limited
Unit 917, 9/F, Houston Centre
63 Mody Road Tsim Sha Tsui East
Hong Kong

9 February 2026

The Board of Directors,
International Entertainment Corporation
Suites 1802–1803, 18/F.,
Three Exchange Square,
8 Connaught Place,
Central, Hong Kong

Dear Sirs/Madams,

Re: Valuation of New Coast Hotel Manila and Marina Square Suites, 1588 M. H. Del Pilar,
cor. Pedro Gil, Malate, Manila, The Republic of the Philippines

In accordance with the instructions from International Entertainment Corporation (the “**Company**” and together with its subsidiaries, the “**Group**”) for us to value the captioned property interests (“**Property**”) held by the Group located in The Republic of the Philippines (“**Philippines**”), we confirm that we have made relevant enquires and obtained such information as we consider necessary for providing you with our opinion on the market value of such property interests in existing state as at 30 November 2025 (“**Valuation Date**”).

This letter, forming part of our valuation report, identifies the property interests being valued, explains the basis and methodology of our valuation, and lists out the assumptions and title investigation, which we have made in the course of our valuation, as well as the limiting conditions.

1. PURPOSE OF VALUATION

The report is being solely prepared for the directors and management of the Company for reference and incorporation into a public circular of the Company, in connection with a subscription agreement dated 17 November 2025 (“**Subscription**”) entered into by the Company, under the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**SEHK**”) and the Codes on Takeovers and Mergers and Share Buy-backs (“**Takeovers Code**”) issued by the Securities and Futures Commission (“**SFC**”).

2. BASIS AND PREMISE OF VALUE

Our valuation represents our opinion on the market value which we would define to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of a property estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the Property, we have complied with all the requirements set out in Rule 11 of the Takeovers Code issued by the SFC, Chapter 5 and Practice Note 12 of the Listing Rules issued by the SEHK, the International Valuation Standards published by the International Valuation Standards Council and the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors.

3. SOURCE OF INFORMATION

In undertaking our valuation of the Property, we have relied on advice, documents, information and materials provided by the management of the Group and its representatives (together, “**Management**”). The major documents and information include but not limited to title certificates, tenancy agreements, legal opinions dated 6 February 2026 (“**Legal Opinions**”) provided by the Group’s Philippine legal adviser, namely Macalintal Law Office, all of which are set out in the notes of this valuation report.

4. VALUATION METHODOLOGIES

In valuing the Property which is held for investment and owner-occupation, we have adopted the income capitalization method, under which the value is developed on the basis of capitalization of the net potential earnings that would be generated if a specific stream of income can be attributed to an asset or a group of property.

Among income capitalization, market and asset approaches, we consider that the income capitalization approach is more appropriate for valuing the Property.

The asset approach does not take future earning potential of the Property into consideration. Market approach may be difficult to apply as we have not identified sufficient comparable market transactions. In this regard, we have considered but decided against using the asset and market approaches for valuing the Property. We consider income capitalization approach to be more appropriate for valuing the Property as it considers future growth potential of the Property's businesses.

5. TITLE INVESTIGATION

We have not caused land searches regarding the title of the Property but have been provided by the Group with copies of certain extracts on title documents and other documents in relation to the Property. However, we have not searched and examined the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied on the Legal Opinions regarding the title to and the interests in the Property. No responsibility is assumed for legal matters in nature and no investigation has been made to the title of or any liabilities against the property valued.

6. SITE INSPECTION

The site inspection of the Property was conducted on 6 and 7 January 2026 by our Mr. Jason Soong, with over 3 years of relevant experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Rim. No structural survey has been made and it was not possible to inspect the woodwork and other parts of the structures which were covered, unexposed or inaccessible. We are therefore unable to report whether the property interests are free from rot, infestation or any other defects. No test was carried out on any of the building services.

7. VALUATION ASSUMPTIONS

- Our valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the values of the property interests. No forced sale situation in any manner is assumed in our valuation; and
- No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect the value of the property interests.

8. LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by and have accepted advice from the Company on such matters as planning approvals, statutory notices, easements, tenures, occupancy, lettings, site, floor areas, rooms, facilities, identifications and all other relevant materials regarding the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information provided. All documents have been used as reference only. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas of the property interests but have assumed that the areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached valuation report are based on information contained in the documents provided to us for reference only and therefore are only approximations.

No environmental impact study has been ordered or made. Pursuant to the Legal Opinions, neither HVPHI, MSPI, NCLI, NCHI nor PBPI (as defined later in our valuation report), nor their respective properties are currently the subject of any existing, pending or potential litigation as of the Latest Practicable Date.

9. POTENTIAL TAX LIABILITIES

For the purpose of compliance with Rule 11.3 of the Takeovers Code and as advised by the Management, the potential tax liabilities which will arise on direct disposal of the Property held by the Group at amount valued by us mainly comprise (i) a withholding tax of 6% on the selling price; (ii) value-added tax (“VAT”) of 12% on the gross selling price; and (iii) documentary stamp taxes (PHP15 for every PHP1,000, or fraction thereof, of the selling price or fair market value, whichever is higher), payable to the Bureau of Internal Revenue in the Philippines. As advised by the Company, the likelihood of any potential tax liabilities for the Property being crystalized is remote as the Group has no intention to sell the Property.

10. REMARKS

The Company has reviewed and agreed on our valuation report and confirmed the factual content of our valuation report.

Unless otherwise stated, all monetary amounts stated in our valuation report are in Hong Kong Dollar (“HK\$”). The exchange rate adopted in our valuation is approximately HK\$1 = PHP7.48, which was broadly consistent with the prevailing rate as of the Valuation Date.

We hereby confirm that we have neither present nor prospective interests in the Property, the Group or the value reported herein.

We confirm that we are an independent qualified valuer as referred to in Rule 5.08 of the Listing Rules and Rule 11.1(b) and Note to Rule 11 of the Takeovers Code.

Our Valuation Certificate is enclosed herewith.

Respectfully submitted,
For and on behalf of
VALPLUS CONSULTING LIMITED

Damon S.T. Wan, CFA, FRM, MRICS
Founding Partner

Analysed and reported by: **Alfred Y.M. Wong, CPA (Aust.)** **Jason Soong**
Manager *Assistant Manager*

Mr. Damon S.T. Wan is a CFA Charterholder, a Certified FRM and a member of Royal Institution of Chartered Surveyors. Mr. Wan has been working in the professional valuation field since 2008. He is experienced and specialized in performing properties, financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger & acquisition and public listing.

Mr. Alfred Y.M. Wong is a member of CPA Australia and has been working in the corporate finance industry since 2015. He has experience in corporate finance, corporate credit risk, property valuation and business valuation.

Mr. Jason Soong had previously worked in the accounting and consulting industry following his Mathematical Sciences academic discipline. He possesses experience in business valuation, property valuation, data analysis and project management.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value as at 30 November 2025
New Coast Hotel Manila and Marina Square Suites 1588 M. H. Del Pilar, cor. Pedro Gil, Malate, Manila, The Republic of the Philippines	<p>The Property comprises a portion of a 31-storey building complex, erected on two contiguous parcels of land. The building is a mixed-use development consisting of a hotel with 348 rooms under the name New Coast Hotel Manila ("NCHM"), casino, and apartments under the name Marina Square Suites ("MSS"), originally completed in the late 1990s.</p> <p>According to the Transfer Certificate of Title ("TCT"), NCHM (formerly known as "Plaza Building") was initially a 12-storey building. Following extension works completed in about 2003, a 19-storey tower was constructed atop the original 12 floors of NCHM, thereby converting into a 31-storey building.</p> <p>As per the TCT, one of the above two contiguous parcels of land with a site area of 7,255.3 sq.m. is leased to Marina Square Properties, Inc. ("MSPI"), by Harbor View Properties and Holdings, Inc. ("HVPHI"). The other parcel of land with a site area of 1,484 sq.m., land improved with a building, known as MSS, is held under strata-title.</p> <p>The Property has a total gross floor area of approximately 109,969.7 sq.m., and the area schedule is as follows:</p>	<p>As at the Valuation Date, the hotel portion and a portion of casino portion are currently owner-operated, and a portion on the 5th, 6th and 8th floors was leased to an independent third party for gaming and related activities. (see notes 8, 9 and 10)</p>	HK\$835,000,000

* Figures above are subject to rounding.

As advised by the Management, MSS is a strata-title building, and a number of its condominium units have already been disposed of in the market. The remaining portion of MSS has been refurbished and now forms part of NCHM. Save for the disposed portion, the Property is held under fee simple interests.

Notes:

- 1) Pursuant to a TCT (Document No. 258812) dated 19 March 2003 issued by the Registry of Deeds for the City of Manila, the registered owner of the parcel of land with a site area of 7,255.3 sq.m. (“**Land**”) was granted to HVPHI, an associate of the Company. The Company through its indirect wholly-owned subsidiary, Oriental-Invest Properties Limited (“**OPL**”) beneficially holds 40% shareholding in HVPHI and the remaining 60% shareholding is beneficially owned by an independent third party.
- 2) Pursuant to the 10 Condominium Certificates of Title (“**CCT**”) (Document Nos. 47656, 47657, 47658, 47659, 47660, 47661, 47662, 47663, 47664 and 47665) dated 3 March 2003 issued by the Registry of Deeds for the City of Manila, the registered owner of unit nos. LG-A, 1-A, 2-A, 3-A, 4-A, 5-A, 6-A, 8-A, 23-B and 25-F located at MSS (“**10 Condo Units**”) with a total gross floor area of 8,915.9 sq.m. was granted to New Coast Hotel, Inc. (“**NCHI**”), an indirect wholly-owned subsidiary of the Company.
- 3) Pursuant to 6 CCT (Document Nos. 47650, 47651, 47652, 47653, 47654 and 47655) dated 3 March 2003 issued by the Registry of Deeds for the City of Manila, the registered owner of unit nos. 10-A, 11-A, 12-A, 14-A, 15-A and 16-A located at MSS (“**6 Condo Units**”) with a total gross floor area of 5,883.16 sq.m. was granted to Pacific Bayview Properties, Inc. (“**PBPI**”), an associate of the Company. The Company through OPL beneficially holds 40% shareholding in Blue Marine Properties Inc. (“**BMPI**”), which in turn owns 100% shareholding in PBPI, the remaining 60% shareholding in BMPI is beneficially owned by an independent third party.
- 4) Pursuant to the Legal Opinions and a tax declaration (“**TD**”) (Document No. PIN 117-13-699-002-005-B0012) dated 17 January 2019 issued by the Department of Assessment of the City of Manila, the registered owner of 160 car parking spaces (“**CPSs**”) situated on basement 1 and 2 of the Property was granted to MSPI, an indirect wholly-owned subsidiary of the Company.
- 5) Pursuant to a lease agreement (“**LA 1**”) dated 2 April 2003 and supplementary agreements dated 30 June 2004, 23 November 2004, 20 October 2010, 1 September 2015 and 17 September 2025 (collectively “**SLA 1**”) entered into between HVPHI and MSPI, the Land is leased to MSPI for a term of 28 years commencing from 13 February 2004 at a current annual rent of approximately PHP6,500,749 (exclusive of VAT) with an option to renew for a further term of 25 years thereafter.
- 6) Pursuant to a lease agreement (“**LA 2**”) dated 2 April 2003 and supplementary agreements dated 30 June 2004, 23 November 2004, 20 October 2010 and 27 February 2020 (collectively “**SLA 2**”) entered into between PBPI and NCHI, 6 Condo Units with a total gross floor area of 5,883.16 sq.m. are leased to NCHI for a term of 25 years from 15 September 2004 at a current annual rental of PHP35,292,960 (inclusive of VAT) with an option to renew for a further 25 years.
- 7) Pursuant to a lease agreement (“**CPSs Lease**”) dated 31 January 2003 and a supplementary agreement dated 30 June 2004 entered into between MSPI and NCHI, a lease term commenced on 30 June 2004 for a period of 25 years, expiring on 1 July 2029. On 1 January 2021, MSPI and NCHI further agreed to amend the terms and conditions of the CPSs Lease, effective from 1 January 2021, covering 85 CPSs located on basements 1 and 2 of the Property, at a current annual rental of PHP2,040,000, renewable for a further term of 25 years.

- 8) Pursuant to a provisional license agreement (“**Provisional License**”) dated 27 September 2023, granted by PAGCOR to MSPI and New Coast Leisure Inc., an indirect wholly-owned subsidiary of the Company (“**NCLI**”, together with MSPI, hereinafter referred to as the “**Licensee**”), the Licensee shall operate the casino for a term commencing from 10 May 2024 and expiring on 11 July 2033, the expiration date of the Regular Casino Gaming License held by PAGCOR, which shall be renewed subject to the terms of the extension of the PAGCOR Charter. The Licensee must remit to PAGCOR on a monthly basis a license fee at the sum of 15% of Gross Gaming Revenues (“**GGR**”) generated from high roller tables, 25% of GGR generated from non-high roller tables and 25% of GGR generated from electronic gaming machines, or the Minimum Guaranteed Share (“**MGS**”) including a current monthly MGS of PHP133,333,333.33 from January 2025 onwards, whichever is higher. The Licensee, with the approval of PAGCOR, shall incorporate and register a foundation for the restoration of cultural heritage by setting aside a foundation fee on a monthly basis of 2% of the total GGR generated from non-junket tables. PAGCOR shall pay the franchise tax on actual GGR generated by the casino (“**Franchise Tax**”), where the license fee mentioned above is inclusive of the Franchise Tax.
- 9) A lease agreement was entered between MSPI and Silkroad World Inc. (“**Silkroad**”), an independent third party for a term of 5 years commencing from 1 September 2024. The leased premises comprise a portion on 6/F and 8/F of the Property with a total leased area of approximately 3,540 sq.m., which shall be used exclusively for the purposes to undertake and conduct casino gaming and related operations as authorized under the relevant laws and regulations. The monthly rent is USD1,000,000 (exclusive of VAT) for the first 6 months and subject to the escalation rate of 5% semi-annually for every 6 months thereafter. Either party may terminate the agreement, without cause, provided that the party wishing to terminate the agreement shall provide written notice to the other party at least 30 days prior to the intended date of termination.
- 10) A lease agreement was entered between NCLI and Silkroad, for a term of 5 years commencing from 1 November 2024. The leased premises comprise a portion on 5/F of the Property with a leased area of approximately 733 sq.m., which shall be used exclusively for the purposes to undertake and conduct casino junket operations as authorized under the relevant laws and regulations. The monthly rent is USD30,000 (exclusive of VAT) for the first 6 months and subject to the escalation rate of 5% semi-annually for every 6 months thereafter. Either party may terminate the agreement, without cause, provided that the party wishing to terminate the agreement shall provide written notice to the other party at least 30 days prior to the intended date of termination.
- 11) On 14 February 2025, the Group entered into a construction service agreement with a contractor for the phase 1 renovation and construction works at the hotel. Pursuant to this agreement, NCLI agreed to engage the contractor to undertake construction works with an aggregate contract price of PHP1,471.68 million (equivalent to approximately HK\$196.75 million). On 30 May 2025, the Group entered into a construction service agreement with the same contractor for the 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\$140.79 million). For details, please refer to the announcements of the Company dated 14 February 2025 and 30 May 2025.

12) In valuing the Property, our adopted key assumptions and parameters as at the Valuation Date are summarized as follows:

	Hotel portion	Leased portion	Casino portion
a. Average daily room rate	PHP4,450 for Year 1	Not applicable	Not applicable
b. Average occupancy rate on available room basis	70% for Year 1	Not applicable	Not applicable
c. Growth rate	3.5%	1.6%	1.6%
d. Capitalization rate	7%	7%	7%
e. Discount rate	10.5%	8.6%	8.6%

* Figures above are subject to rounding.

Notes:

- a. It is referred to the Property's historical average daily room rate for the period from 2023 to 2025, which is provided by the Management.
- b. It is referred to the Property's historical average occupancy rate for the period from 2023 to 2025, which is provided by the Management.
- c. Growth rates are made with reference to the consumer price index in the Philippines with data sourced from Bloomberg and disclosed in the "Q3 2025 Metro Manila Office Report" dated 6 November 2025 publicly issued by Colliers.
- d. It is referred to "Q3 2025 Asia Pacific Cap Rates" dated 30 October 2025 publicly reported by Colliers.
- e. It is the sum of growth rate and capitalization rate.

Hotel Portion

As disclosed in Note 5, the lease term is valid until 12 February 2032 and is opted to further extends to 12 February 2057 in accordance with LA 1 and SLA 1. A forecast period of approximately 32.1 years from the Valuation Date has been adopted.

The total revenues for the forecast period range from approximately PHP636 million to PHP2,172 million annually, generated from room revenue, food and beverage revenue and minor departmental revenue. These figures are anchored on hotel's historical operational data with reference to the growth rate of approximately 3.5%. Net operating income has been derived after accounting for operating expenses, reserves for replacement and renovation, insurance expenses, and management incentive fees for employees, all benchmarked against the hotel's historical operational data. To arrive at the market value of the hotel portion, a discount rate of approximately 10.5% has been applied.

Casino Portion

As mentioned in Note 8, the Provisional License will expire on 11 July 2033. Accordingly, a forecast period of approximately 8.1 years from the Valuation Date has been adopted.

Total revenues during the forecast period are ranging from approximately PHP6,278 million to PHP6,924 million annually, primarily derived from gaming activities. These figures have been determined based on casino's historical operational data, and a growth rate of approximately 1.6%. Net operating income has been calculated after factoring in casino's other incomes, staff costs and reserves for replacement and renovation, all benchmarked against the casino's historical operational data. A discount rate of approximately 8.6% was applied to the net operating incomes to calculate the market value of the casino portion.

Leased Portion

In accordance with Note 9, the lease agreement entered into between MSPI and Silkroad for a term of 5 years, with a monthly contractual rent of USD1 million (exclusive of VAT), will expire on 31 August 2029. Accordingly, the forecast period is approximately 4.1 years from the Valuation Date ("Term Period").

Upon the expiry of the existing lease term ("Reversionary Period"), the income is expected to revert to the prevailing market unit rent, which is derived from comparable market analysis. To assess market unit rents during the Reversionary Period, we conducted a comparable search on Lamudi^(Note), considering (i) the most recent asking comparables within two months prior to the Valuation Date; (ii) properties located near the Property; and (iii) commercial use. After our analysis, we have made reference to relevant rental comparables in Malate, Manila. The monthly unit rents of comparables range from approximately PHP660 per sq. m. to approximately PHP1,024 per sq. m.. Based on our analysis, we adopted an average monthly unit rent of approximately PHP900 per sq. m., which lies within the comparable range and is considered fair and reasonable.

Revenues for the forecast period were calculated by combining (i) existing contractual rents under the lease agreement during the Term Period; and (ii) market unit rents during the Reversionary Period, which range from approximately PHP408 million to PHP616 million annually. The net operating income was discounted at approximately 8.6% to arrive at the market value of the leased portion.

Note: Lamudi is an independent online real estate marketplace in the Philippines, founded in 2013 by Rocket Internet. It provides a platform for property transactions across emerging markets and has been one of the leading portals in the Philippines since its expansion there in 2014.

- 13) The Property is situated at the eastern side of M.H. Del Pilar Street at the junction with Pedro Gil Street, close to Manila Bay, in the west of Manila. Hotels, shopping centre, commercial buildings and low to middle-rise composite buildings can be found in the locality. The upper floors of the subject hotel command sea view towards Manila Bay.
- 14) In preparing our valuation, we have made reference to the Legal Opinions, which contains, *inter alia*, the following information:
 - a. The property interest of MSPI in the Property consist of the following:
 - i. Leasehold right over the Land covered by TCT No. 258812 dated 19 March 2003 issued by the Registry of Deeds for the City of Manila under the name of HVPHI;
 - ii. The original first 12 floors (the "MSPI Plaza") of the Property; and
 - iii. 160 CPSs on basements 1 and 2 of the Property.

b. The property interest of NCHI in the Property consist of the following:

- i. The additional 19 floors built on top of the MSPI Plaza (the “**NCHM Extension**”);
- ii. Leasehold right over the 85 Parking Units on basements 1 and 2 of the Property owned by MSPI, as evidenced by the CPSs Lease dated 31 January 2003 and the supplementary agreement dated 30 June 2004 and the supplementary agreement with an effective date of 1 January 2021 entered into between MSPI and NCHI;
- iii. 10 Condo Units with a total gross floor area of 8,915.9 sq.m. as stated in Note 2; and
- iv. Leasehold right over 6 Condo Units with a total gross floor area of 5,883.16 sq.m. as stated in Note 3.

c. The TD issued under the name of MSPI, MSPI’s payment of real property taxes, the annotations on HVPHI’s TCT No. 258812, and the continued possession of the Property by MSPI, taken together, constitute substantial proof of MSPI’s ownership and legal title over the MSPI Plaza, including the CPSs. MSPI has all the rights of an owner under the laws of the Philippines, which include the absolute right to sell, lease, dispose, mortgage, pledge or encumber any portion of the owner property.

d. The TD issued under the name of NCHI, NCHI’s payment of real property taxes on the NCHM Extension, the annotations at the back of HVPHI’s TCT No. 258812, and the continued possession of the Property by NCHI, taken together, constitute substantial proof of NCHI’s ownership and legal title over the NCHM Extension. NCHI has the right to mortgage, pledge or encumber their condominium units along with the right to sell or dispose of any portion of the owned property.

e. Both NCHI and PBPI have valid titles over the 10 Condo Units and 6 Condo Units respectively. Thus, NCHI and PBPI have the right to mortgage, pledge or encumber their condominium units along with the right to sell or dispose of any portion of their owned properties. According to Part II, Section 8(B) of the Master Deed and Declaration of Restrictions of MSS (“**Master Deed**”), both NCHI and PBPI are free to lease their units, provided that proper notice thereof, with such particulars as Marina Square Suites Condominium Association, Inc. (“**MSSCAI**”) may reasonably require, is given to MSSCAI within five days from the effectivity of the lease.

f. The LA 2 is valid and enforceable as between PBPI and NCHI. Furthermore, the original LA 2 notarized on and deemed dated 2 April 2003 is binding upon third persons because it was annotated on PBPI’s CCT Nos. 47655, 47654, 47653, 47652, 47651 and 47650.

g. The leasehold right over the 85 CPSs on basement 1 and 2 of the Property owned by MSPI, as evidenced by the CPSs Lease dated 31 January 2003 and the supplementary agreements dated 30 June 2004 and 1 January 2021 entered into between MSPI and NCHI is valid and enforceable as between MSPI and NCHI. Furthermore, the original CPSs Lease dated 31 January 2003 is binding upon third persons because it was annotated on HVPHI’s TCT No. 258812.

h. The Licensee may lawfully lease out existing gaming areas or venues to third parties. MSPI has the power to enter into lease agreements over the properties, or any portion thereof in carrying out the business of gaming and entertainment centres and other tourist or leisure-oriented establishments, as is essential or necessary to carry out for corporate purposes. On the other hand, NCLI may also lease the properties pursuant to its inherent powers under Section 35 of the Revised Corporation Code.

i. The Licensee may delegate or enter into an agreement for the operation and/or management of the casino itself. If the operation/management of the casino itself may be delegated, even without the prior approval of PAGCOR, it stands to follow that the lease of certain portions of the integrated resort may also be undertaken. The Provisional License do not appear to prohibit The Licensee from leasing out portions of its premises, whether these portions are classified as a gaming area or otherwise. Thus, there is basis to state that the Licensee may validly enter into a lease agreement with third parties, even if the areas to be leased constitute gaming areas.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than those relating to the Subscriber or any of its associates or parties acting in concert with it) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement (other than those expressed by the Subscriber) herein or this circular misleading.

This circular, for which the directors of the Subscriber collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Subscriber. The directors of the Subscriber, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than those relating to the Group or any of its associates or parties acting in concert with it) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement (other than those expressed by the Directors) herein or this circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than those relating to the Subscriber or any of its associates or parties acting in concert with it) and confirm that, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the Subscriber) have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statements in this circular misleading.

The directors of the Subscriber jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than those relating to the Group or any of its associates or parties acting in concert with it) and confirm that, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement in this circular misleading.

Share Capital

The authorised and issued share capital of the Company as at the Latest Practicable Date was, and upon full conversion of the Notes will be, as follows:

	Number of Shares	Nominal value
		HK\$
Authorised:		
As at the Latest Practicable Date	<u>200,000,000,000</u>	<u>2,000,000,000</u>
Issued and fully paid:		
As at the Latest Practicable Date	1,369,157,235	13,691,572
Shares to be issued upon the full conversion of the Notes	<u>1,600,000,000</u>	<u>16,000,000</u>
Total:	<u>2,969,157,235</u>	<u>29,691,572</u>

All the Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital.

As at the Latest Practicable Date, no share awards had been granted by the Company under the Share Award Scheme. The Company had not issued any Shares since 30 June 2025.

No application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

2. MARKET PRICES

The table below shows the closing price of the Shares on the Stock Exchange on (i) the Last Trading Day; (ii) the last day on which trading took place in each of the calendar months during the Relevant Period; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
30 May 2025	1.17
30 June 2025	1.19
31 July 2025	1.21
29 August 2025	1.28
30 September 2025	1.20
31 October 2025	1.23
14 November 2025 (being the Last Trading Day)	1.18
28 November 2025	1.20
31 December 2025	1.20
30 January 2026	1.09
6 February 2026 (being the Latest Practicable Date)	1.04

The highest and lowest closing prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK\$1.38 on 19 and 20 May 2025 and HK\$1.04 on 6 February 2026, being the Latest Practicable Date, respectively.

3. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as

otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, or required to be disclosed under the Takeovers Code, were as follows:

(i) Long positions in shares and underlying shares of the Company

Number of Shares held, capacity and nature of interest

Name of Director	Personal interest	Corporate interest	Total number of shares interested	Total interests as to percentage of the Company's issued share capital as at the Latest Practicable Date ^(Note 1)
Mr. Ho	—	260,000,000 <i>(Note 2)</i>	260,000,000	18.99%

Notes:

1. The number of issued Shares were 1,369,157,235 as at the Latest Practicable Date.
2. The Shares were held by Excite Opportunity Fund L.P., an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of the Cayman Islands, and managed by Excite Investments Holdings Limited (as general partner) which was wholly-owned by Mr. Ho, an executive Director.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, or required to be disclosed under the Takeovers Code.

(b) Substantial Shareholders

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders who had interests or short positions in the shares and underlying shares of the Company (other than a Director or chief executive of the Company) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Number of shares	Total interests as to percentage of the Company's issued share capital as at the Latest Practicable Date (<i>Note 1</i>)
Excite Opportunity Fund L.P.	Beneficial owner	260,000,000	18.99% (<i>Notes 2 and 3</i>)
Excite Investments Holdings Limited	Interest of a controlled corporation	260,000,000	18.99% (<i>Note 2</i>)
Glorious Future Fund SPC	Interest of a controlled corporation	260,000,000	18.99% (<i>Note 3</i>)
AG Investment Management Company Limited	Interest of a controlled corporation	260,000,000	18.99% (<i>Note 3</i>)
Mr. Tang Yuk Fan	Interest of a controlled corporation	260,000,000	18.99% (<i>Note 3</i>)
Eriska Investment Fund Ltd	Beneficial owner	131,800,000	9.63% (<i>Note 4</i>)

Notes:

1. The number of issued Shares were 1,369,157,235 as at the Latest Practicable Date.
2. These Shares were held by Excite Opportunity Fund L.P., an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of the Cayman Islands, and managed by Excite Investments Holdings Limited (as general partner) which was wholly-owned by Mr. Ho, an executive Director. Accordingly, Excite Investments Holdings Limited was deemed to be interested in the Shares held by Excite Opportunity Fund L.P. under the SFO.

3. Excite Opportunity Fund L.P. was owned as to 100% by Glorious Future Fund SPC as limited partner, whose management shares were held by AG Investment Management Company Limited in its capacity as investment manager. AG Investment Management Company Limited was wholly-owned by Mr. Tang Yuk Fan. Accordingly, each of Glorious Future Fund SPC, AG Investment Management Company Limited and Mr. Tang Yuk Fan was deemed to be interested in the Shares held by Excite Opportunity Fund L.P. under the SFO.
4. Based on the information available on the LEI (Legal Entity Identification) public register (the “**LEI Public Register**”) as at the Latest Practicable Date, the direct parent and ultimate parent of Eriska Investment Fund Ltd was M.I.H. International Ltd. Based on the information available on the LEI Public Register as at the Latest Practicable Date, the parents of M.I.H. International Ltd. were natural persons in respect of which the direct parent exception and ultimate parent exception were reported. No further information on the direct parent and ultimate parent of M.I.H. International Ltd. was provided on the LEI Public Register.

As at the Latest Practicable Date, save as disclosed above, none of the Directors was a director or employee of any substantial Shareholders.

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, there were no subsisting service contracts between the Directors and the Company or any subsidiary or associated company of the Company which (a) (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period; (b) are continuous contracts with a notice period of 12 months or more; (c) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (d) are not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective close associates or substantial Shareholders was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and significant to the business of the Group.

7. MATERIAL LITIGATION

Save for the tax disputes with the BIR as disclosed in the section headed "Statement of Indebtedness" in Appendix I to this circular and so far as the Company is aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors pending or threatened by or against any member of the Group.

8. DISCLOSURE REQUIRED UNDER THE TAKEOVERS CODE

During the Relevant Period and as at the Latest Practicable Date,

1. the Company and the Directors did not own any shares of the Subscriber Group or convertible securities, warrants, options and derivatives in respect of the shares of any members of the Subscriber Group;
2. save for Mr. Ho, none of the Directors had any interest (within the meaning of Part XV of the SFO) in the Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
3. none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who was presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" in the Takeovers Code or who was an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

4. there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who was presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who was an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;
5. no fund managers (other than exempt fund managers) connected with the Company had managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis;
6. none of the Company or the Directors in concert had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares;
7. none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
8. neither the Company, any of its subsidiaries, nor any Directors was interested in or had dealt for value in any shares of the Subscriber or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Subscriber Group.

As at the Latest Practicable Date,

9. save for the Special Deal, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder on the one hand; and (2) the Company, its subsidiaries or associated companies on the other hand;
10. save for Mr. Ho, none of the Directors held any shareholdings in the Company which would entitle them to vote for or against the resolutions approving the Subscription (including the Specific Mandate), the Whitewash Waiver and the Special Deal;
11. Mr. Ho, in respect of his beneficial shareholding of the Company, has indicated that he intends to vote in favour of the resolutions to be proposed at the EGM in relation to the Subscription (including the Specific Mandate), the Whitewash Waiver and the Special Deal;

12. the directors of the Subscriber were not interested in any relevant securities in the Company, and had not dealt for value in any relevant securities in the Company during the Relevant Period;
13. no Shares acquired by the Subscriber or parties acting in concert with it pursuant to the Subscription would be transferred, charged or pledged to any other persons;
14. there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscriber or any person acting in concert with it and any Director, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Subscription Agreement and/or the Whitewash Waiver and/or the Special Deal; and
15. no person had irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM to approve the Subscription (including the Specific Mandate), the Whitewash Waiver and the Special Deal.

9. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date, save for the transactions contemplated under the Subscription Agreement, the Whitewash Waiver and the Special Deal:

- (i) there was no agreement, arrangement or understanding (including any compensation agreement) regarding any benefit to be given to any Director as compensation for loss of office or otherwise in connection with the Subscription Agreement and/or the Whitewash Waiver and/or the Special Deal;
- (ii) there was no agreement, arrangement or understanding between any Director and any other person which was conditional on or dependent upon the outcome of, or otherwise connected with, the Subscription Agreement and/or the Whitewash Waiver and/or the Special Deal; and
- (iii) none of the Directors was materially interested in any material contract entered into by the Subscriber.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the members of the Group within the two years immediately preceding and up to (and including) the Latest Practicable Date and are or may be material:

1. the Subscription Agreement;
2. the phase 2 construction service agreement dated 30 May 2025 entered into between New Coast Leisure, Inc. (“**NCLI**”), a wholly-owned subsidiary of the Company registered and organised under the laws of the Philippines, and Kimberland Construction Inc., a domestic corporation registered and organised under the laws of the Philippines (the “**Contractor**”), in relation to the implementation of the renovation and construction works at the hotel and integrated resort of the Group located in Manila City in the Philippines (the “**Hotel**”) by the Contractor at a consideration of PHP1,053.14 million (equivalent to approximately HK\$140.79 million); and
3. the phase 1 construction service agreement dated 14 February 2025 entered into between NCLI and the Contractor in relation to the implementation of the renovation and construction works at the Hotel by the Contractor at a consideration of PHP1,471.68 million (equivalent to approximately HK\$196.75 million).

11. EXPERT’S QUALIFICATION AND CONSENT

The followings are the qualification of the experts who have been named in this circular or have given opinion or advice contained in this circular:

Name	Qualification
Lego Corporate Finance Limited	A corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Valplus Consulting Limited	An independent professional valuer
Macalintal Law Office	the Group’s Philippine legal adviser

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and all references to its name in the form and context in which they are included.

As at the Latest Practicable Date, none of the above experts have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 30 June 2025, being the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, none of the above experts have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the Notes or any securities in any member of the Group.

12. CORPORATE AND OTHER INFORMATION

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The company secretary of the Company is Mr. Wong Wing Kit. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (c) The head office and principal place of business of the Company in Hong Kong is at Suites 1802–1803, 18/F., Three Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (d) The principal share registrar and transfer office of the Company is Suntera (Cayman) Limited at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.
- (e) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (f) The largest shareholder of the Subscriber is Mr. Eusebio H. Tanco, being the chairman of the board of directors of the Subscriber, who was interested in 780,928,993 Subscriber's Shares in total, representing approximately 17.26% of the total outstanding common shares of the Subscriber.
- (g) As at the Latest Practicable Date, the directors of the Subscriber are Mr. Eusebio H. Tanco, Mr. Tsui Kin Ming, Mr. Willy N. Ocier, Mr. Rafael Jasper S. Vicencio, Mr. Tang Yong, Mr. Paul Joseph M. Garcia, Mr. Ramon Pancratio D. Dizon, Mr. Timoteo B. Aquino and Mr. Arthur R. Tan. Among the directors of the Subscriber, Mr. Tsui Kin Ming, Mr. Willy N. Ocier, Mr. Rafael Jasper S. Vicencio, Mr. Paul Joseph M. Garcia, Mr. Ramon Pancratio D. Dizon, Mr. Timoteo B. Aquino and Mr. Arthur R. Tan, were interested in 33,403,633 Subscriber's Shares in total, representing approximately 0.74% of the total outstanding common shares of the Subscriber. Mr. Tang Yong was interested in 114,506,108 Subscriber's Shares in total, representing approximately 2.53% of the total outstanding common shares of the Subscriber.
- (h) The registered address of the Subscriber is located at 32nd-36th Floor, Eco Prime Building, 32nd Street corner 9th Avenue, Bonifacio Global City, Taguig City, 1635 Philippines.
- (i) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the websites of (i) the Stock Exchange at www.hkexnews.hk; (ii) the SFC at www.sfc.hk and (iii) the Company at <http://www.iencorp.com> from the date of this circular up to the date of the EGM:

- (a) this circular;
- (b) the Subscription Agreement;
- (c) the memorandum and articles of association of the Company;
- (d) the articles of incorporation of the Subscriber;
- (e) the published annual reports of the Company containing audited consolidated financial statements of the Company for each of the three years ended 30 June 2023, 2024 and 2025;
- (f) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (g) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (h) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (i) the valuation certificate and associated valuation report from the Independent Valuer as set out in Appendix II to this circular;
- (j) the material contracts referred to in the paragraph headed “10. Material Contracts” in this Appendix; and
- (k) the written consents referred to in the paragraph headed “11. Expert’s qualification and consent” in this Appendix.

NOTICE OF THE EGM



INTERNATIONAL ENTERTAINMENT CORPORATION

國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01009)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of International Entertainment Corporation (the “Company”) will be held on Thursday, 26 February 2026 at 11:00 a.m. at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

Specific Mandate

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the Subscription Agreement dated 17 November 2025 (the “**Subscription Agreement**”, a copy of which has been produced to the EGM and marked “A” and initialled by the chairman of the EGM for identification purpose) entered into between the Company and DigiPlus Interactive Corp. (the “**Subscriber**”), pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the convertible notes (the “**Convertible Notes**”) in the aggregate amount of up to HK\$1.6 billion at the interest rate of 3% per annum issuable by the Company to the Subscriber in full in two tranches at the initial conversion price of HK\$1 per ordinary share of the Company (the “**Conversion Share(s)**”) (the “**Subscription**”) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Conversion Shares, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate for the allotment and issue of the Conversion Shares in accordance with the terms of the Subscription Agreement; and
- (c) any one Director be and is hereby authorised to do all such acts and things and sign, execute and deliver all documents (including affixing the common seal of the Company if appropriate) and take all steps which he or she considers necessary, desirable or expedient to carry out or to give effect to the Subscription Agreement and the transactions contemplated thereunder.”

NOTICE OF THE EGM

Special Deal

ORDINARY RESOLUTION

2. “**THAT** subject to the consent of the Executive Director (the “**Executive**”) of the Securities and Futures Commission or any of his/her delegates pursuant to Rule 25 of the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”), the early repayment of the promissory notes in the total principal amount of approximately HK\$467.99 million and the interest accrued thereon, issued by the Company to Future Growth Opportunity Fund SPC — Future Growth Opportunity Fund SP1 (the “**PN Holder**”) (the “**Special Deal**”), using part of the proceeds raised from the issue of the Convertible Notes which constitutes a special deal under Rule 25 of the Takeovers Code, be and is hereby approved.”

Whitewash Waiver

ORDINARY RESOLUTION

3. “**THAT** the Subscription Agreement and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed.”

SPECIAL RESOLUTION

4. “**THAT** conditional upon (i) the passing of resolution numbered 3 above and (ii) subject to the Executive granting a whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code waiving any obligation on the part of the Subscriber to make a mandatory offer for all the issued shares of the Company and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with it which might otherwise arise as a result of the allotting and issuing to the Subscriber of the shares pursuant to the conversion of the Convertible Notes (the “**Whitewash Waiver**”), the Whitewash Waiver be and is hereby approved, and that any one Director be and is hereby authorised to do all such acts and things and sign, execute and deliver all documents (including affixing the common seal of the Company if appropriate) and take all steps which he or she considers necessary, desirable or expedient to carry out or to give effect to any matters relating to or in connection with the Whitewash Waiver.”

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

Hong Kong, 9 February 2026

NOTICE OF THE EGM

*Head office and principal place
of business in Hong Kong:*

Suites 1802–1803, 18/F.
Three Exchange Square
8 Connaught Place
Central, Hong Kong

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Notes:

1. Resolutions numbered 2, 3 and 4 will be voted on by the independent shareholders of the Company (the “**Independent Shareholders**”). The Independent Shareholders are the Company’s shareholders (the “**Shareholders**”) other than (i) the Subscriber, its associates, and any parties acting in concert with it; (ii) the PN Holder and (iii) all other Shareholders who are involved in or interested in the Subscription, the Whitewash Waiver and/or the Special Deal.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company (“**Shares**”) may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in such form as the board of directors of the Company (the “**Board**”) may determine and in the absence of such determination, shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened or any adjourned meeting thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any Share stands shall for the purposes of the articles of association of the Company be deemed joint holders thereof.

NOTICE OF THE EGM

6. The register of members of the Company will be closed from Monday, 23 February 2026 to Thursday, 26 February 2026 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 20 February 2026 for registration. The record date for attending and voting at the EGM is Thursday, 26 February 2026.
7. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all votes of the Shareholders at the meeting will be taken by poll and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (www.iencorp.com).
8. The translation into Chinese language of the notice convening the meeting is for reference only. In case of any inconsistency or discrepancy, the English version shall prevail.
9. **BAD WEATHER ARRANGEMENTS:**

If tropical cyclone warning signal no. 8 or above is hoisted, "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 9 a.m. on Thursday, 26 February 2026, the EGM will not be held on that day but will automatically be postponed and, by virtue of this notice, be held at the same time and place on Friday, 27 February 2026. Shareholders may call the Company at (852) 2869 8117 during business hours from 9:00 a.m. to 6:00 p.m. from Monday to Friday, excluding public holidays, for details of the alternative meeting arrangements.

In the event the EGM is postponed as mentioned above, all forms of proxy deposited with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, for the purpose of the EGM will remain valid for the adjourned EGM. The book closure period for ascertaining the rights of the Shareholders who shall be entitled to attend and vote at the EGM remains unchanged.

The EGM will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the EGM under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

As at the date of this notice, 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.