INTERNATIONAL ENTERTAINMENT CORPORATION
國 際 娛 樂 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01009)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2022	Year ended 30 June 2021
Revenue *(HK$'000)*	**85,525**	64,900
Loss before taxation *(HK$'000)*	**(263,158)**	(272,794)
Loss for the year attributable to owners of the Company *(HK$'000)*	**(256,391)**	(242,040)
Loss per share — Basic *(HK cents)*	**(18.73)**	(17.68)

The Board does not recommend the payment of a final dividend for the year ended 30 June 2022.

RESULTS

The board of directors (the "**Board**") of International Entertainment Corporation (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 30 June 2022 (the "**Year**"), together with the comparative figures for the year ended 30 June 2021, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	**Year ended 30 June 2022** ***HK$'000***	Year ended 30 June 2021 *HK$'000*
Revenue	*3(b)*	**85,525**	64,900
Cost of sales		**(63,573)**	(60,378)
Gross profit		**21,952**	4,522
Other income	*4*	**4,641**	14,802
Other losses, net		**(17,968)**	(3,192)
Change in fair value of financial assets at fair value through profit or loss	*12*	**(40,949)**	(46,545)
Change in fair value of financial liabilities at fair value through profit or loss		**3,176**	5,104
Change in fair value of investment properties	*9*	**(120,731)**	(111,939)
Gain on modification of promissory notes	*15*	**–**	1,945
Impairment loss of property, plant and equipment		**–**	(24,797)
Impairment loss of right-of-use assets		**–**	(3,728)
Share of loss of associates	*11*	**(6,445)**	(789)
Selling and marketing expenses		**(65)**	(18)
General and administrative expenses		**(77,259)**	(78,812)
Finance costs		**(29,510)**	(29,347)
Loss before taxation	*5*	**(263,158)**	(272,794)
Income tax credit	*6*	**6,767**	30,754
Loss for the year attributable to the owners of the Company		**(256,391)**	(242,040)

	Notes	**Year ended 30 June 2022** *HK$'000*	Year ended 30 June 2021 *HK$'000*
Other comprehensive income/(loss) that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations		**517**	(179)
— Exchange differences arising on translation of presentation currency		**(139,837)**	45,348
Total comprehensive loss for the year attributable to the owners of the Company		**(395,711)**	(196,871)
		HK Cents	*HK Cents*
Loss per share attributable to owners of the Company	*8*		
Basic		**(18.73)**	(17.68)
Diluted		**(18.73)**	(17.68)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	30 June 2022 HK$'000	30 June 2021 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**162,453**	223,330
Investment properties	*9*	**993,000**	1,231,000
Loan receivables	*10*	**63,967**	77,203
Interest in associates	*11*	**43,917**	55,686
Right-of-use assets		**31,442**	37,735
Other receivables, deposits and prepayments		**15,351**	16,995
		1,310,130	1,641,949
Current assets			
Inventories		**1,242**	1,403
Financial assets at fair value through profit or loss	*12*	**8,212**	52,573
Trade receivables	*13*	**12,981**	4,347
Contract assets		**224**	2,232
Other receivables, deposits and prepayments		**28,966**	30,433
Amounts due from associates		**917**	3,275
Bank balances and cash		**512,104**	564,942
		564,646	659,205
Total assets		**1,874,776**	2,301,154
Current liabilities			
Trade payables	*14*	**2,088**	1,779
Other payables and accrued charges	*14*	**30,319**	29,863
Promissory notes	*15*	**400,300**	382,196
Contract liabilities		**184**	19
Bank borrowings	*16*	**31,216**	19,887
Lease liabilities		**3,501**	2,469
		467,608	436,213
Net current assets		**97,038**	222,992

	Notes	**30 June 2022** *HK$'000*	30 June 2021 *HK$'000*
Non-current liabilities			
Deferred tax liabilities		**131,829**	152,255
Other liabilities		**890**	999
Lease liabilities		**35,553**	42,394
Bank borrowings	*16*	**–**	34,803
Convertible bond		**42,998**	42,881
		211,270	273,332
NET ASSETS		**1,195,898**	1,591,609
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,369,157**	1,369,157
Share premium and reserves		**(173,259)**	222,452
TOTAL EQUITY		**1,195,898**	1,591,609

Notes:

1. BASIS OF PREPARATION

(a) General

International Entertainment Corporation (the "**Company**") was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Units 2109–10, 21st Floor, Wing On House, No. 71 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. The Group were principally involved in hotel operations, leasing of properties equipped with entertainment equipment at the hotel complex of the Group in Metro Manila in the Republic of the Philippines (the "**Philippines**") to Philippine Amusement and Gaming Corporation ("**PAGCOR**") and participation in the gaming operation (the "**Hotel Operation Business**" and "**Gaming Operation Business**") and live poker events (the "**Live Events Business**") in Macau.

(b) Statement of compliance

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

(c) Basis of measurement

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

The consolidated financial statements for the year ended 30 June 2022 comprise the Group and the Group's interest in associates.

(d) Functional and presentation currency

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of new/revised HKFRSs

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendments to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021

The directors are of the opinion that none of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period.

(b) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's operations, have been issued but are not yet effective and have not been early adopted by the Group.

Annual Improvements to HKFRSs 2018–2020	Annual improvement project[1]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 January 2022.

[2] Effective for annual periods beginning on or after 1 January 2023.

[3] Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

[4] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Those new/revised HKFRSs that might have material impact on the Group's financial statements are set out below:

Annual Improvements to HKFRSs 2018–2020

The annual improvements amends a number of standards, including below amendments that might relevant to the Group upon effective:

- HKFRS 9, Financial Instruments, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies

The amendments change the requirements in HKAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in HKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Guidance and examples have been developed to explain and demonstrate the application of the 'four-step materiality process' described in HKFRS Practice Statement 2.

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Amendments to 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to HKAS 12 require entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning obligations. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences.

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of the amendments above in the future will have material impact on the financial statements.

3. SEGMENT REPORTING

Reportable segments

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

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

The Executive Directors have determined that the Group has the following reportable segments:

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

— the "Gaming Operation" segment represents leasing of investment properties equipped with entertainment equipment to PAGCOR and participation in the gaming operation (Note (i));

— the "Live Events" segment represents the operation of live poker events business (Note (ii)).

Notes:

(i) In previous years, the Group leased its properties equipped with entertainment equipment to PAGCOR for gaming operation. On 9 August 2021, the Group and PAGCOR entered into the cooperation agreement (the "**Cooperation Agreement**"), in which, except for leasing of properties with entertainment equipment, the Group would participate in gaming operation through a management committee (the "**Management Committee**") jointly established with PAGCOR. Accordingly, this segment has been presented as "Gaming Operation" in the year ended 30 June 2022.

(ii) Due to the prevalence of novel coronavirus ("**COVID-19**") pandemic, there was no live poker event held during the Year.

(a) **Business segment**

Segment information about these reportable segments is presented below:

Year ended 30 June 2022

	Hotel Operation *HK$'000*	**Gaming Operation** *HK$'000*	**Live Events** *HK$'000*	**Consolidated** *HK$'000*
Revenue — external	**32,633**	**52,892**	**–**	**85,525**
Segment results	**(47,154)**	**(101,476)**	**(929)**	**(149,559)**
Unallocated other income				**792**
Exchange losses				**(24,829)**
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")				**(40,949)**
Change in fair value of financial liabilities at FVTPL				**3,176**
Share of loss of associates				**(6,445)**
Auditor's remuneration				**(1,846)**
Legal and professional fees				**(4,408)**
Salaries and allowances				**(13,030)**
Depreciation of right-of-use assets				**(1,003)**
Finance costs				**(21,678)**
Unallocated expenses				**(3,379)**
Loss before taxation for the year				**(263,158)**

At 30 June 2022

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	**199,626**	**1,267,717**	**16,434**	**1,483,777**
Unallocated assets				
Bank balances and cash				**335,549**
Financial assets at FVTPL				**8,212**
Interest in associates				**43,917**
Others				**3,321**
Consolidated total assets				**1,874,776**
LIABILITIES				
Segment liabilities	**64,417**	**158,231**	**2,203**	**224,851**
Unallocated liabilities				
Promissory notes				**404,336**
Convertible bond				**42,998**
Others				**6,693**
Consolidated total liabilities				**678,878**

Other information

Year ended 30 June 2022

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation of property, plant and equipment	**29,281**	**15,746**	**–**	**12**	**45,039**
Depreciation of right-of-use assets	**3,255**	**387**	**–**	**1,003**	**4,645**
Addition to property, plant and equipment	**2,474**	**2,073**	**–**	**11**	**4,558**
Addition to investment properties	**–**	**1,837**	**–**	**–**	**1,837**
Provision for expected credit losses	**13**	**142**	**–**	**1,580**	**1,735**
Change in fair value of investment properties	**–**	**120,731**	**–**	**–**	**120,731**
Change in fair value of financial assets at FVTPL	**–**	**–**	**–**	**40,949**	**40,949**
Change in fair value of financial liabilities at FVTPL	**–**	**–**	**–**	**(3,176)**	**(3,176)**
Share of loss of associates	**–**	**–**	**–**	**6,445**	**6,445**
Interest income	**(5)**	**(3,418)**	**–**	**(615)**	**(4,038)**
Income tax credit	**(4,308)**	**(2,459)**	**–**	**–**	**(6,767)**

Year ended 30 June 2021

	Hotel Operation *HK$'000*	Leasing *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Revenue — external	34,262	30,638	–	64,900
Segment results	(46,336)	(139,403)	(5,115)	(190,854)
Unallocated other income				846
Exchange gains				689
Change in fair value of financial assets at FVTPL				(46,545)
Change in fair value of financial liabilities at FVTPL				5,104
Gain on modification of promissory notes				1,945
Share of loss of associates				(789)
Auditor's remuneration				(1,970)
Legal and professional fees				(3,414)
Salaries and allowances				(13,703)
Depreciation of right-of-use assets				(1,364)
Finance costs				(21,004)
Unallocated expenses				(1,735)
Loss before taxation for the year				(272,794)

At 30 June 2021

	Hotel Operation *HK$'000*	Leasing *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	248,563	1,566,455	16,601	1,831,619
Unallocated assets				
Bank balances and cash				355,657
Financial assets at FVTPL				52,573
Interest in associates				55,686
Others				5,619
Consolidated total assets				2,301,154
LIABILITIES				
Segment liabilities	77,801	198,408	2,202	278,411
Unallocated liabilities				
Promissory notes				386,035
Convertible bond				42,881
Others				2,218
Consolidated total liabilities				709,545

Other information

Year ended 30 June 2021

	Hotel Operation *HK$'000*	Leasing *HK$'000*	Live Events *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation of property, plant and equipment	30,856	17,064	–	541	48,461
Depreciation of right-of-use assets	3,611	407	–	1,364	5,382
Addition to property, plant and equipment	6,381	6,502	–	–	12,883
Addition to investment properties	–	4,183	–	–	4,183
(Reversal of)/provision for expected credit losses	(241)	(547)	3,540	–	2,752
Change in fair value of investment properties	–	111,939	–	–	111,939
Change in fair value of financial assets at FVTPL	–	–	–	46,545	46,545
Change in fair value of financial liabilities at FVTPL	–	–	–	(5,104)	(5,104)
Gain on modification of promissory notes	–	–	–	(1,945)	(1,945)
Impairment loss of property, plant and equipment	22,530	2,267	–	–	24,797
Impairment loss of right-of-use assets	2,831	897	–	–	3,728
Share of loss of associates	–	–	–	789	789
Interest income	(11)	(3,885)	(32)	(421)	(4,349)
Income tax (credit)/expense	(9,905)	(20,905)	56	–	(30,754)

(b) Disaggregation of revenue

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

Year ended 30 June 2022

	Hotel Operation *HK$'000*	Gaming Operation *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Primary geographical market				
The Philippines	**32,633**	**52,892**	**–**	**85,525**
Timing of revenue recognition				
Transferred over time				
Room revenue	**24,261**	**–**	**–**	**24,261**
Food and beverages	**7,145**	**–**	**–**	**7,145**
Other hotel service income	**1,227**	**–**	**–**	**1,227**
	32,633	**–**	**–**	**32,633**
Other source of income				
Leasing of investment properties equipped with entertainment equipment for gaming operation	**–**	**52,892**	**–**	**52,892**
	32,633	**52,892**	**–**	**85,525**

Year ended 30 June 2021

	Hotel Operation *HK$'000*	Leasing *HK$'000*	Live Events *HK$'000*	Consolidated *HK$'000*
Primary geographical market				
The Philippines	34,262	30,638	–	64,900
Timing of revenue recognition				
Transferred over time				
Room revenue	30,357	–	–	30,357
Food and beverages	3,192	–	–	3,192
Other hotel service income	713	–	–	713
	34,262	–	–	34,262
Other source of income				
Leasing of investment properties equipped with entertainment equipment	–	30,638	–	30,638
	34,262	30,638	–	64,900

(c) Geographic information

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

	At 30 June 2022 ***HK$'000***	At 30 June 2021 *HK$'000*
The Philippines	**1,229,800**	1,547,741
Others	**1,012**	10
	1,230,812	1,547,751

(d) Information about major customers

Included in the revenue generated from gaming operation (2021: leasing) segment of approximately HK$52,892,000 (2021: HK$30,638,000) were contributed by the Group's largest customer and the aggregate revenue from this customer represented approximately 62% (2021: 47%) of the total revenue of the Group. There are no other single customer contributing over 10% of the Group's total revenue.

4. OTHER INCOME

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Interest income	**4,038**	4,349
Sundry income *(Note)*	**603**	10,453
	4,641	14,802

Note:

Sundry income mainly includes rental income of approximately HK$231,000 (2021: HK$10,028,000) from leasing of insignificant portion of the Group's spare hotel units as office, currently classified as property, plant and equipment, to external parties on a short-term basis.

5. LOSS BEFORE TAXATION

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Loss before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	**4,718**	3,798
Staff costs (excluding directors' emoluments):		
Salaries and allowances	**26,497**	26,656
Retirement benefits scheme contributions	**1,810**	832
Total staff costs	**33,025**	31,286
Depreciation of property, plant and equipment		
— included in cost of sales	**45,027**	47,920
— included in general and administrative expense	**12**	541
Depreciation of right-of-use assets (included in general and administrative expenses)	**4,645**	5,382
Total depreciation	**49,684**	53,843

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Change in fair value of financial assets at FVTPL *(Note 12)*	**40,949**	46,545
Change in fair value of financial liabilities at FVTPL	**(3,176)**	(5,104)
Change in fair value of investment properties *(Note 9)*	**120,731**	111,939
Gain on modification of promissory notes *(Note 15)*	**–**	(1,945)
Impairment loss of property, plant and equipment	**–**	24,797
Impairment loss of right-of-use assets	**–**	3,728
Auditor's remuneration		
— Audit services	**2,100**	1,400
— Non-audit service	**200**	570
Cost of inventories recognised as expense	**755**	689
Short-term lease payment	**62**	1,268
Low-value assets lease payment	**–**	1
Provision for/(reversal of) expected credit losses of		
— Trade receivables	**155**	(788)
— Other receivables	**1,580**	3,540
Legal and professional fees	**6,452**	5,976

6. INCOME TAX CREDIT

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

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Current tax		
— Current year	**9**	–
— Under provision of income tax in previous year	**–**	56
	9	56
Deferred tax credit	**(6,776)**	(30,810)
Income tax credit	**(6,767)**	(30,754)

Hong Kong profits tax for the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK$2 million for the years ended 30 June 2022 and 2021. Hong Kong profits tax for other group entities is calculated at 16.5% on the estimated profits. No provision for taxation in Hong Kong was made in the financial statements for the current year as the Group's operations in Hong Kong had no assessable profits.

The Group's subsidiaries in the Philippines are subject to the Philippines profits tax rate of 25% for the year ended 30 June 2022 (2021: 25%). The withholding tax rate in respect of a dividend distributed by a subsidiary of the Company operating in the Philippines to its overseas immediate holding company is 15% for the years ended 30 June 2022 and 2021. No provision for taxation in the Philippines was made in the financial statements for the current year as the Group's operations in the Philippines had no assessable profits.

The Group's subsidiary in Macau is subject to Macau profits tax rate of 12% for the years ended 30 June 2022 and 2021. No provision for taxation in Macau was made in the financial statements for the current year as the Group's operations in Macau had no assessable profits.

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Loss before taxation	**(263,158)**	(272,794)
Taxation at the principal tax rates applicable to profits in the country concerned	**(65,790)**	(68,199)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**48,103**	14,024
Tax effect of expenses not deductible for tax purpose	**3,124**	701
Tax effect of income not taxable for tax purpose	**(1,839)**	(1,296)
Tax effect of net income derived from leasing of properties to PAGCOR not taxable for tax purpose	**(13,043)**	(13,549)
Tax effect of utilisation of tax losses and deductible temporary difference not previously recognised	**–**	(116)
Tax effect of tax losses and deductible temporary difference not recognised	**22,678**	61,565
Decrease in opening deferred tax balances resulting from an decrease in the tax rate	**–**	(23,940)
Under provision in previous years	**–**	56
Income tax credit for the year	**(6,767)**	(30,754)

At 30 June 2022 and 2021, there are tax dispute cases between Marina Square Properties, Inc. ("**MSPI**"), an indirect wholly-owned subsidiary of the Company principally engaging in the business of leasing of properties with gaming equipment in the Philippines, and Bureau of Internal Revenue ("**BIR**") in the Philippines for the calendar years of 2008, 2012, 2014 and 2015 of approximately Peso3,676,000,000 (equivalent to approximately HK$524,610,000) inclusive of interest, surcharge and penalties as stated in the latest assessments from BIR, which were pending for final decision of the court. Based on the advice of the independent tax and legal advisor of the subsidiary, the Directors believe that MSPI has valid legal arguments to defend the tax disputes and concluded that the possibility of additional tax liabilities is remote.

On 4 May 2022, MSPI received a formal letter of demand from BIR for alleged deficiency taxes covering the calendar year of 2018 amounting to approximately Peso767,633,000 (equivalent to approximately HK$109,544,000) inclusive of penalties and interest.

On 3 June 2022, MSPI filed an administrative protest with BIR and Large Taxpayers Service ("**LTS**") against the formal letter of demand for 2018 and request for reinvestigation of the formal letter of demand for calendar year of 2018, in accordance with the relevant laws, rules and regulations of the Philippines.

MSPI submitted its supporting documents to BIR and LTS on 2 August 2022, and the BIR have a period of 180 days from 2 August 2022 within which to issue its Final Decision on disputed assessment.

Based on the advices of the independent tax and legal advisers of MSPI, the Directors believe that MSPI has valid legal arguments to defend the tax dispute. Accordingly, no provision has been made for the tax dispute in the consolidated financial statements of the Group for the year ended 30 June 2022. However, as there is at present a possible obligation (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 such subsidiary) which may or may not require an initial outflow of resources, the Directors consider it prudent to estimate that as at 30 June 2022, the contingent liabilities in respect of the alleged deficiency taxes covering the calendar year of 2018 that may be assessed by BIR for the taxable year 2018 which are not yet barred by prescription under the relevant laws, rules and regulations of the Philippines as being a total of approximately Peso767,633,000 (equivalent to approximately HK$109,544,000) as a possible outflow of resources.

The potential exposure to the Group for the alleged tax disputes in relation to CY 2008, 2012, 2014, 2015 and 2018, inclusive of accrued interest, surcharge and penalties upto 30 June 2022 was approximately Peso6,410,000,000 (equivalent to approximately HK$914,700,000).

7. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2022 (2021: nil).

8. LOSS PER SHARE

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

	Year ended 30 June 2022	Year ended 30 June 2021
	HK$'000	*HK$'000*
Loss for the year	**(256,391)**	(242,040)

	Year ended 30 June 2022	Year ended 30 June 2021
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,369,157**	1,369,157

	Year ended 30 June 2022 *HK Cents*	Year ended 30 June 2021 *HK Cents*
Loss per share		
Basic	**(18.73)**	(17.68)
Diluted	**(18.73)**	(17.68)

The computation of diluted loss per share for the years ended 30 June 2022 and 2021 does not assume the exercise of the Company's outstanding share options and convertible bond as the exercise price of those options and convertible bond is higher than the average market price for shares for the Year.

9. INVESTMENT PROPERTIES

	Total *HK$'000*
FAIR VALUE	
At 1 July 2020	1,308,000
Addition	4,183
Fair value loss	(111,939)
Exchange adjustment	30,756
At 30 June 2021	**1,231,000**
Addition	**1,837**
Fair value loss	**(120,731)**
Exchange adjustment	**(119,106)**
At 30 June 2022	**993,000**

The above investment properties are located in the Philippines. The Group's property interest held to earn rentals is measured using the fair value model and is classified and accounted for as investment property.

The fair value of the Group's investment properties at 30 June 2022 was approximately HK$993,000,000 (30 June 2021: HK$1,231,000,000). The fair value has been arrived at based on a valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), independent professional valuer not connected with the Group. JLL is a member of the Hong Kong Institute of Surveyors.

Investment properties are pledged to a bank to secure the loan and general banking facilities granted to the Group (Note 16).

The fair values were determined based on the income approach, where capitalising the estimated net income derived from the investment properties with reference to the Lease Agreement and taking into account the future growth potential with reference to historical income trend achieved in previous years and latest market condition. The discount rate was determined by reference to weighted average cost of capital of the listed companies with similar business portfolio. There had been no change from the valuation technique used in the prior period. Key assumptions used in calculating the fair value are as follows:

	At 30 June 2022	At 30 June 2021
Growth rate of revenue	**3.0%**	3.0%
Discount rate	**13.5%**	12.5%
Capitalisation rate	**7.5%**	7.5%

The rental income forecasts used in the income capitalisation approach were probability weighted based on the following scenarios to account for the uncertainty from COVID-19:

— Base case (75% weighting): The casino operated by PAGCOR has no capacity limit during the forecast period and gradually resume to ordinary level from early financial year of 2023/24.

— Conservative case (25% weighting): The expected resumption of the gaming activities and expected cashflow from recovery in base case would defer for 1 year due to uncertainty on when travel restriction release among countries and prevalence of COVID-19.

The fair value of the investment properties at 30 June 2022 and 2021 were measured using valuation techniques with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy. There were no transfer into or out of Level 3 during the Year.

A significant increase/decrease in the rental value in isolation would result in a significant increase/decrease in the fair value of the investment properties. A significant increase/decrease in the discount rate and capitalisation rate in isolation would result in a significant decrease/increase in the fair value of the investment properties. Generally, a change in the assumption made for the rental value is accompanied by a directionally similar change in the rent growth per annum.

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

10. LOAN RECEIVABLES

As at 30 June 2022 and 2021, the Group's loan receivables represent three loans to associates as below:

(a) A loan advance with principal of Peso 338,000,000 (equivalent to HK$48,269,000, 2021: HK$53,815,000) was granted to Harbor View Properties and Holdings, Inc. ("**HVPHI**"), which is an associate of the Company. The loan is interest bearing at 3.5% per annum, repayable annually and the whole principal amount is repayable on 3 August 2032.

The loan was secured by parcels of land owned by HVPHI. Management considered that the estimated fair value of these collaterals was not less than the carrying amount of the respective loan receivable as at 30 June 2022 and 2021.

The Group additionally granted Peso 92,000,000 (equivalent to HK$13,129,000, 2021: HK$14,638,000) to HVPHI. The loan is interest bearing at 3.5% per annum, repayable on demand and unsecured. The Group does not intend to request for repayment within twelve months after the end of the reporting period.

(b) A loan advance with principal of Peso 55,000,000 was granted in prior years to Pacific Bayview Properties, Inc. ("**PBPI**"), which is the wholly-owned subsidiary of Blue Marine Properties, Inc., and is an associate of the Company. The loan is interest bearing at 3.5% per annum and repayable on demand. During the Year, PBPI has repaid Peso 37,000,000 to the Group with principal amount of Peso 18,000,000 (equivalent of HK$2,569,000) outstanding at 30 June 2022 (2021: Peso 55,000,000 equivalent to HK$8,750,000) The Group does not intent to request for repayment within twelve months after the end of the reporting period.

The loan was secured by condominium properties owned by PBPI. Management considered that the estimated fair value of these collaterals was not less than the carrying amount of the respective loan receivable as at 30 June 2022 and 2021.

11. INTEREST IN ASSOCIATES

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
Share of net assets	**43,917**	55,686

Particulars of the Group's associates are as follows:

Name of associates	**Principal activities**	**Place of incorporation and operations**	**Percentage held by the Group** %
Harbor View Properties and Holdings, Inc.	Property developer	the Philippines	40
Blue Marine Properties, Inc.	Investment holdings	the Philippines	40

(a) Harbor View Properties and Holdings, Inc.

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
Current assets	**46,148**	51,596
Non-current assets	**185,253**	207,903
Current liabilities	**(97,107)**	(95,572)
Non-current liabilities	**(64,576)**	(74,737)
Net assets	**69,718**	89,190
Net assets attributable to owners of the equity	**69,718**	89,190
Group's share of the net assets of the associate	**27,887**	35,676

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Revenue	**1,391**	1,462
Loss for the year	**(10,826)**	(2,774)
Total comprehensive loss	**(10,988)**	(2,774)
Dividends received from the associate	**–**	–

(b) Blue Marine Properties, Inc.

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
Current assets	**9,987**	14,209
Non-current assets	**92,617**	106,589
Current liabilities	**(39,911)**	(45,200)
Non-current liabilities	**(22,618)**	(25,574)
Net assets	**40,075**	50,024
Net assets attributable to owners of the equity	**40,075**	50,024
Group's share of the net assets of the associate	**16,030**	20,010

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
Revenue	**5,346**	6,566
(Loss)/profit for the year	**(5,125)**	801
Total comprehensive (loss)/income	**(5,125)**	801
Dividends received from the associate	**–**	–

The summarised movements of interest in associates during the Year are as below:

	Year ended 30 June 2022 *HK$'000*	Year ended 30 June 2021 *HK$'000*
At beginning of the year	**55,686**	55,228
Share of loss of associates	**(6,445)**	(789)
Exchange adjustments	**(5,324)**	1,247
At end of the year	**43,917**	55,686

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
Deutsche Far Eastern DWS Asia High Yield Bond Income Fund	**–**	717
Unlisted investment fund *(Note)*	**8,212**	51,856
	8,212	52,573

Note:

The unlisted investment fund represented approximately 48% (2021: 48%) interests in Hontai Capital Fund II Limited Partnership (the "**Hontai Fund**").

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

The directors of the Company have determined the fair value of its interest held in the Hontai Fund as at 30 June 2022 with reference to the valuation report issued by an independent professional valuer who has professional qualifications and relevant experience. The fair value of the Hontai Fund is determined by market approach, with references to comparable companies benchmark multiples. During the year ended 30 June 2022, the Group recognised a fair value loss of HK$40,949,000 in the consolidated statement of comprehensive income.

13. TRADE RECEIVABLES

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
Trade receivables	**13,475**	4,737
Less: provision for expected credit losses	**(494)**	(390)
	12,981	4,347

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

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
0–30 days	**11,875**	3,429
31–60 days	**32**	–
61–90 days	**203**	50
Over 90 days	**871**	868
	12,981	4,347

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

14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

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

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

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

	At 30 June 2022 *HK$'000*	At 30 June 2021 *HK$'000*
0–30 days	**1,800**	1,587
31–60 days	**119**	68
61–90 days	**9**	–
Over 90 days	**160**	124
	2,088	1,779

15. PROMISSORY NOTE

The promissory note (the "**2016 PN**") was issued on 3 October 2016 by Fortune Growth Overseas Limited ("**Fortune Growth**"), a wholly-owned subsidiary of the Company and the holder is an independent third party (the "**Holder**"). The 2016 PN carries interest which accrues on the outstanding principal amount of HK$350,000,000 from its issue date until repayment in full of the principal amount at the fixed rate of 4% per annum. The promissory note shall become due and payable in full on the business day immediately preceding the fifth anniversary of its issue date and is unsecured and guaranteed by the Company.

On 31 March 2021, Fortune Growth issued 6 promissory notes (the "**2021 PNs**") to the Holder in exchange for the 2016 PN. The 2021 PNs in the principal amount of HK$64,150,685 each and totalling HK$384,904,110 represented the principal amount and the accrued interest of the 2016 PN. The 2021 PNs carry interest which accrues on the outstanding principal amount of HK$384,904,110 from its issue date until repayment in full of the principal amount at the fixed rate of 4% per annum. The 2021 PNs shall become due and payable in full on the business day immediately preceding the first anniversary of its issue date and is unsecured and guaranteed by the Company. A modification gain of approximately HK$1,945,000 was recognised in profit or loss in 2021 in relation to this non-substantial modification of promissory note, which represented the amount by which the aggregate of the carrying amount of the 2016 PN and interest payable exceeded the amortised cost of the 2021 PNs.

On 31 March 2022, Fortune Growth issued for 6 new promissory notes (the "**2022 PNs**") to the Holder in exchange for the matured debt under the 2021 PNs. No default for repayment of 2021 PNs before the exchange of 2022 PNs for 2021 PNs. The 2022 PNs in principal amount of HK$66,716,712 each and totalling HK$400,300,272 represented the principal amount and accrued interest of the 2021 PNs. The 2022 PNs carry interest which accrues on the outstanding principal amount of HK$400,300,272 from its issue date until repayment in full of the principal amount at the fixed rate of 4% per annum. The 2022 PNs shall become due and payable in full on the business day immediately preceding the first anniversary of its issue date (i.e. 30 March 2023) and is unsecured and guaranteed by the Company.

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

16. BANK BORROWINGS

	At 30 June 2022	At 30 June 2021
	HK$'000	*HK$'000*
Non-current		
Bank loans due for repayment more than one year	**–**	34,803
Current		
Bank loans due for repayment within one year	**31,216**	19,887

Note:

On 4 March 2019, a banking facility has been granted to a subsidiary of the Group of Peso 1,500,000,000 (equivalent to approximately HK$238,648,000), of which Peso 218,750,000 (equivalent to approximately HK$31,216,000) has been utilised as at 30 June 2022. Interest is charged at a fixed rate of 8.53% per annum in respect to this banking facility.

The bank loan was secured by the subsidiary's investment properties (Note 9) with net asset value of HK$993,000,000. During the year, the subsidiary breached a covenant related to the debt service coverage ratio of the subsidiary which the lender has the right to demand immediate payment of the entire outstanding loan balance. Temporarily waiver for compliance with the debt service coverage ratio was granted by the lender during the financial year. Management has classified the bank loan as current liability at 30 June 2022 because such waiver do not provide the subsidiary right to defer settlement of the bank loan for at least twelve months after 30 June 2022. The bank loan has fully settled in August 2022.

At 30 June 2022, total non-current bank loans was scheduled to repay as follows:

	At 30 June 2022	At 30 June 2021
	HK$'000	*HK$'000*
More than one year, but not exceeding two years	–	19,887
More than two years, but not exceeding five years	–	14,916
	–	34,803

17. EVENTS AFTER THE END OF REPORTING PERIOD

On 15 June 2022, the Group received a warrant of distraint and/or levy ("**WDL**") from BIR which directed its collection and enforcement team to distrain and/or levy on MSPI's properties in relation to the disputed deficiency tax assessments for calendar year of 2015 (Note 9). Between end of July 2022 and early August 2022, we were informed by certain banks that they received warrants of garnishment from the BIR. Upon receipt of warrants of garnishment, some of these banks have complied with the warrants of garnishment, approximately Peso 426,000,000 (HK$60,800,000) has been garnished. Upon the receipt of WDL, MSPI filed an Urgent Motion to Quash WDL ("**Motion to Quash**") to Court of Tax Appeals ("**CTA**") on 23 June 2022 and up to date of this announcement, the CTA has yet to resolve the Motion to Quash from MSPI. Based on the advice of the independent legal adviser of MSPI, the Directors believe that MSPI has valid legal arguments to defend the tax dispute with right to request for refund of the garnished amounts and expect no material negative financial impact to the Group from the garnishment.

Except for the above, the Group did not have any material subsequent event need to disclose or adjust.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue for the Year was approximately HK$85.5 million, representing an increase of approximately 31.7%, as compared with approximately HK$64.9 million in the year ended 30 June 2021 (the "**Previous Year**"). The Group reported a gross profit of approximately HK$22.0 million for the Year under review, representing an increase of approximately 388.9%, as compared with approximately HK$4.5 million in the Previous Year. Gross profit margin for the Year was approximately 25.7%, representing an increase of approximately 267.1%, as compared to gross profit margin of approximately 7.0% for the Previous Year. These improvements were mainly due to the increase in revenue from the Group's gaming operation (leasing of investment properties equipped with entertainment equipment to PAGCOR and participation in the gaming operation) as the performance started to pick up in the fourth quarter of the financial year following the easing of most COVID-19 control measures and reopening of the Philippines' international borders in the third quarter of the financial year.

Other income of the Group for the Year was approximately HK$4.6 million, representing a decrease of approximately 68.9%, as compared with approximately HK$14.8 million for the Previous Year. This was because there were more short term rental income in the Previous Year.

Other losses of the Group mainly represented the net foreign exchange gain or loss. The Group recorded a net foreign exchange loss of approximately HK$18.0 million for the Year, while a net foreign exchange gain of approximately HK$0.4 million was recorded in the Previous Year.

The Group recorded a loss of approximately HK$40.9 million on change in fair value of financial assets at fair value through profit or loss for the Year, while a loss on change in fair value of financial assets at fair value through profit or loss of approximately HK$46.5 million was recognised for the Previous Year.

The Group also recorded a gain of approximately HK$3.2 million on change in fair value of financial liabilities at fair value through profit or loss for the Year, representing a decrease of approximately 37.3%, as compared with a gain of approximately HK$5.1 million in the Previous Year.

The fair value of the Group's investment properties has been arrived at based on a valuation carried out by JLL, an independent professional valuer not connected to the Group. The fair value loss for the Year amounted to approximately HK$120.7 million, as compared to approximately HK$111.9 million for the Previous Year. Economic uncertainty might continue to have an impact on the future cash flow from the Group's gaming operation which affected the valuation of the properties.

There were no impairment loss of property, plant and equipment and impairment loss of right-of-use assets recorded in the Year, compared to approximately HK$24.8 million (approximately HK$2.3 million for gaming operation and approximately HK$22.5 million for hotel operation) and HK$3.7 million (approximately HK$0.9 million for gaming operation and approximately HK$2.8 million for hotel operation) respectively in the Previous Year. Hotel operation started to recover since the lifting of the COVID-19 restrictions.

Selling and marketing expenses and general and administrative expenses of the Group decreased by approximately 1.9% to approximately HK$77.3 million for the Year from approximately HK$78.8 million in the Previous Year. Included in these expenses for the Year, approximately 40.9% and 14.2% were the staff costs and the utilities expenses respectively. The staff costs for the Year was approximately HK$31.6 million, representing an increase of approximately 1.0%, as compared with approximately HK$31.3 million in the Previous Year. The utilities expenses for the Year was approximately HK$11.0 million, representing an increase of approximately 10.0%, as compared with approximately HK$10.0 million in the Previous Year. Electricity cost of the Group's operations in the Philippines increased in the fourth quarter of the financial year due to the surge in international coal prices.

Finance costs of the Group for the Year was approximately HK$29.5 million, representing an increase of approximately 0.7% as compared with approximately HK$29.3 million in the Previous Year. The finance costs included the interest on promissory notes, the bank borrowings, lease liabilities and convertible bond.

The Group recorded income tax credit of approximately HK$6.8 million for the Year, while income tax credit of approximately HK$30.8 million was recognised in the Previous Year. This was because corporate income tax rate applicable for our business in the Philippines was lowered from 30% to 25% in the Previous Year which resulted in a significant tax credit recognised to reflect the change.

The Group recorded a loss of approximately HK$256.4 million for the Year as compared with a loss of approximately HK$242.0 million for the Previous Year.

Loss per share for the Year amounted to approximately 18.73 HK cents, as compared with loss per share of approximately 17.68 HK cents for the Previous Year.

BUSINESS REVIEW

The principal activities of the Group are gaming operation (leasing of investment properties equipped with entertainment equipment to PAGCOR and participation in the gaming operation), hotel operation and live events.

1. Gaming operation

The revenue derived from the gaming operation is based on an agreed percentage of net gaming revenue generated from the local gaming area operated by PAGCOR as lessee of the Group's premises or a fixed rental amount, whichever is higher.

In August 2021, in order for the Group to participate and accumulate relevant experience in gaming operations, MSPI, an indirect wholly-owned subsidiary of the Group in the Philippines entered into a Cooperation Agreement with PAGCOR and jointly established a Management Committee for casino operations at the casino located in the Group's hotel premises. Since the establishment of the Management Committee, the representatives of MSPI, through the Management Committee, have been participating in the casino operations. The representatives of MSPI has attended the Management Committee monthly meetings to transact the business of the casino, including but not limited to, (i) review the operational performance and understand the fluctuation of operational performance; (ii) plan the business framework, flow and model for the operation and development; (iii) review and approve on the budget planning, forecasting and variance analysis; (iv) review and approve expenditures in excess of pre-approved budgets; (v) prepare marketing and promotion proposal and timetable; (vi) review and monitor capital injection commitment; and (vii) ensure compliance to relevant laws, rules and regulations issued or promulgated by pertinent authorities and requiring all department heads of casino to report any non-compliance issue or potential non-compliance issue occur (collectively, the "**Management Functions**"). Apart from the Management Functions, MSPI also undertakes certain functions in connection with the casino operation such as provision of food and beverages service and marketing and promotion function of the casino. In view of MSPI's participation in the casino operation, the segment has been presented as "Gaming Operation" in the Year (the Previous Year: "**Leasing**") of the Group.

The revenue derived from the gaming operation for the Year was approximately HK$52.9 million, representing an increase of approximately 72.9%, as compared with approximately HK$30.6 million in the Previous Year. Most anti-pandemic measures such as border restriction and different levels of community quarantine requirements have been lifted by the government of the Philippines in the third quarter of the financial year. Capacity restriction for casinos in Manila was dropped starting March 2022. Revenue in the segment started to recover since then. It contributed approximately 61.8% of the Group's revenue during the Year under review while it contributed approximately 47.2% of the Group's revenue in the Previous Year.

At 30 June 2022 and 2021, there are tax dispute cases between MSPI, an indirect wholly-owned subsidiary of the Company and BIR in the Philippines. Please refer to note 6 to the consolidated financial statements in this announcement for more details and estimated contingent liabilities.

2. Hotel operation

The revenue derived from the hotel operations mainly includes room revenue, revenue from food and beverages and other hotel service income. The hotel of the Group is located in Manila City which is a tourist spot with churches and historical sites as well as various night spots catered for tourists and is one of the major tourist destinations in the Philippines.

The revenue derived from the hotel operations for the Year was approximately HK$32.6 million, representing a decrease of approximately 5.0%, as compared with approximately HK$34.3 million in the Previous Year. It would take time for the tourism industry in the Philippines to recover as the COVID-19 pandemic brought travel and tourism to a standstill around the world for two years.

During the Year under review, included in the revenue derived from the hotel operations, approximately 74.5% of the revenue was contributed by room revenue while it was approximately 88.6% in the Previous Year. The room revenue for the Year was approximately HK$24.3 million, representing a decrease of approximately 20.1%, as compared with approximately HK$30.4 million in the Previous Year.

3. Live events

The revenue represented income from sponsorship and entrance fee of live poker events. However, there was no live poker event during the Year due to the impact of COVID-19 pandemic.

FUTURE OUTLOOK

Countries across the globe are taking unprecedented measures to combat the spread of COVID-19 pandemic since its initial outbreak back in January of 2020. Travel restriction, travellers quarantine and even "lock down" policies have been impacting the global economy seriously. Different degrees of community quarantine measures were imposed by the Philippines government and visitation to the Philippines decreased drastically since the outbreak.

After two years into the COVID-19 pandemic, the gaming industry and tourism industry in the Philippines have shown signs of recovery in the first half of 2022. The improved performance follows the easing of most COVID-19 pandemic restrictions across the Philippines, with borders reopened to international tourists in February 2022 and community quarantine requirements eased in March 2022. Low COVID-19 cases and measures to boost vaccination rate further promoted the industries recovery. Gaming and tourism frontliners, such as employees of hotels and guests have been prioritized for vaccination in the Philippines. Market expected the performance can reach the pre-pandemic level in the short to medium term. However, challenges such as inflation, progress of vaccination rollouts globally, measures undertaken by other countries to promote tourism recovery, and geopolitics may have an impact on the sector.

The Group remain cautiously optimistic about the recovery of the tourism and gaming industry in the Philippines. The Group will continue to focus on its existing business operations and investments in the Philippines riding on business environment to strive for exploring potential business opportunities.

MSPI had submitted an application to PAGCOR for a provisional license (the "**Provisional License**") in order to expand and upgrade the current hotel premises, facilities and services by the establishment and operation of a casino and the development of an integrated resort in the Philippines. As disclosed in the announcement of the Company dated 18 September 2020, MSPI received the draft provisional license agreement (the "**Provisional License Agreement**") in relation to the grant of Provisional License from PAGCOR on 18 September 2020. As at the date of this announcement, (i) MSPI and PAGCOR are still negotiating the terms of the draft Provisional License Agreement, including the development scale and timeline of the Integrated Resort; and (ii) the Group has not yet identified suitable land to expand the hotel premises, hence the Provisional License Agreement has yet been executed.

In August 2021, in order for MSPI to participate and accumulate relevant experience in gaming operations, MSPI entered into the Cooperation Agreement with PAGCOR and jointly established the Management Committee to commence participation in casino operations at the casino located in the Group's hotel premises.

Regarding for the future development of an integrated resort, the Board will consider different financing method and change of capital structure (as the case may be) in order to expand our business and maintain the liquidity of the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2022, the Group's net current assets amounted to approximately HK$97.0 million (as at 30 June 2021: HK$223.0 million). Current assets amounted to approximately HK$564.6 million (as at 30 June 2021: HK$659.2 million), of which approximately HK$512.1 million (as at 30 June 2021: HK$564.9 million) was bank balances and cash, approximately HK$13.0 million (as at 30 June 2021: HK$4.3 million) was trade receivables, approximately HK$29.0 million (as at 30 June 2021: HK$30.4 million) was other receivables, deposits and prepayments, approximately HK$1.2 million (as at 30 June 2021: HK$1.4 million) was inventories, approximately HK$8.2 million (as at 30 June 2021: HK$52.6 million) was financial assets at fair value through profit or loss, approximately HK$0.2 million (as at 30 June 2021: HK$2.2 million) was contract assets, and approximately HK$0.9 million (as at 30 June 2021: HK$3.3 million) was amounts due from associates.

As at 30 June 2022, the Group had current liabilities amounted to approximately HK$467.6 million (as at 30 June 2021: HK$436.2 million), of which approximately HK$2.1 million (as at 30 June 2021: HK$1.8 million) was trade payables, approximately HK$30.3 million (as at 30 June 2021: HK$29.9 million) was other payables and accrued charges, approximately HK$0.2 million (as at 30 June 2021: HK$0.02 million) was contract liabilities, approximately HK$31.2 million (as at 30 June 2021: HK$19.9 million) was bank borrowings, approximately HK$400.3 million (as at 30 June 2021: HK$382.2 million) was promissory notes and approximately HK$3.5 million (as at 30 June 2021: HK$2.5 million) was lease liabilities.

The bank balances and cash of the Group as at 30 June 2022 was mainly denominated in Peso, HK$ and United States Dollars ("**USD**").

Net cash used in operating activities of the Group for the Year under review was approximately HK$0.7 million, while net cash used in operating activities of the Group was approximately HK$9.8 million for the Previous Year. Net assets attributable to the owners of the Company as at 30 June 2022 amounted to approximately HK$1,195.9 million, representing a decrease of approximately 24.9%, as compared with approximately HK$1,591.6 million as at 30 June 2021.

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

Set forth below is a summary of the utilisation of the net proceeds as at 30 June 2022:

	Intended use of the net proceeds *(HK$ million)*	**Amount of the net proceeds utilised as at 30 June 2022** *(HK$ million)*	**Balance of the net proceeds unutilised as at 30 June 2022** *(HK$ million)*	**Expected timeline for the application of the balance of the net proceeds** *(Note 4)*
Renovation of the Hotel *(Note 1)*	150.0	123.3	26.7	On or before 30 June 2023
Development of the New Hotel Land, including but not limited to the construction of a carpark and amenities of the Hotel, and the provision of a facility to an independent third party for the acquisition of the New Hotel Land *(Note 2)*	100.0	52.6	47.4	On or before 30 June 2023

	Intended use of the net proceeds *(HK$ million)*	Amount of the net proceeds utilised as at 30 June 2022 *(HK$ million)*	Balance of the net proceeds unutilised as at 30 June 2022 *(HK$ million)*	Expected timeline for the application of the balance of the net proceeds *(Note 4)*
Potential acquisition (the "**Potential Acquisition**") of, including but not limited to, lands in the Philippines for the construction of hotel(s) and/or casino(s) *(Note 3)*	70.0	–	70.0	On or before 30 June 2023
General working capital of the Group	38.5	38.5	–	
Total	358.5	214.4	144.1	

Notes:

1. The renovation of the Hotel was almost completed. Due to the COVID-19 pandemic, the remaining renovation work of the Hotel was slow during the year ended 30 June 2022, and expected to be completed in the financial year ending 30 June 2023.

2. The HK$52.6 million utilised comprised HK$51.9 million loan to Harbor View Properties and Holdings, Inc. for the acquisition of the New Hotel Land and HK$0.7 million for the payment of the design and consultancy services fees for the development of the New Hotel Land. Priority will be given to the development of the new lands to be acquired in the Potential Acquisition before the development of the New Hotel Land. Due to the continuous outbreak of the COVID-19 pandemic, the Group had been more prudent in applying the proceeds during the Year. The expected timeline for application of the balance of the proceeds is 30 June 2023. It is expected that in addition to the balance of the net proceeds of approximately HK$47.4 million allocated, further financial resources are required for the development of the New Hotel Land. The time for commencement of the development of the New Hotel Land and use of the remaining net proceeds allocated for the development of the New Hotel Land will depend on the internal and external financial resources available to the Group and commencement of the development of the new lands to be acquired.

3. Due to the continuous outbreak of the COVID-19 pandemic, the Group had been more prudent in applying the proceeds for acquisition and there was no progress for the Potential Acquisition during the Year. The expected timeline for the application of the balance of the net proceeds is 30 June 2023.

4. The expected timeline for the application of the balance of the net proceeds is based on the management's best estimation barring unforeseen circumstances, and would be subject to change based on the future development of market conditions. The corporate and commercial environment has changed significantly due to the COVID-19 pandemic. The uncertain economic and market conditions make some of the Group's operations more challenging. The Group will continue to assess the plans for application of the balance of the net proceeds, and may revise or amend such plans where necessary, to cope with the changing market conditions and strive for better business performance for the Group. Should there be any material change in the intended use of the balance of the net proceeds, the Company will make appropriate announcement in due course.

The gearing ratio, measured in terms of the carrying values of total borrowings divided by total assets, was approximately 25.3% (as at 30 June 2021: 20.8%).

The Group financed its operations including but not limited to internally generated cash flows and the issuance of promissory notes.

RISKS AND UNCERTAINTIES

Owing to the outbreak of COVID-19 pandemic since the early of 2020, countries across the world are taking unprecedented measures to combat the spread of the virus. Travel restriction, travellers quarantine and even "lock down" policies have been impacting the global economy seriously. Visitation to the Philippines decreased drastically since the outbreak. Different degrees of community quarantine measures were imposed by the Philippines government during the Year under review. The Group's hotel and the casino in the hotel may be subject to temporary mandated closures to comply with those anti-pandemic measures. All these may pose a negative impact on the Group's revenue from its hotel and gaming operations in the Philippines.

It is uncertain when this will end. The Group will closely monitor the current market situation and make corresponding measures such as cost control policy in order to sustain our business.

The Group continues to face significant risks and uncertainties from the economic growth and the competition in the market that the Group operates, and changes in economic, political and social conditions and changes in the relevant laws and regulations in the places that the Group operates.

The Group is also exposed to currency risk as the Group's assets and liabilities are mainly denominated in HK$, USD, Peso and EURO and the Group primarily earns its revenue and income in HK$, USD and Peso while the Group primarily incurs costs and expenses mainly in HK$ and Peso.

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Save as otherwise mentioned in this announcement, during the year ended 30 June 2022, there was no incidence of non-compliance with the relevant laws and regulations of the places in which the Group operates that has a significant impact on the business operations of the Group.

CHARGES ON GROUP ASSETS

As at 30 June 2022 and 30 June 2021, the bank loans are secured by the Group's investment properties amounted to approximately HK$993 million and HK$1,231 million respectively.

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

On 22 June 2020, MSPI submitted an application to PAGCOR for the Provisional License from PAGCOR in relation to the establishment and operation of a casino in the City of Manila, Philippines. On 4 November 2020, PAGCOR in principle agreed to grant the Provisional License to MSPI subject to the parties entering into the Provisional License Agreement. MSPI is in the course of reviewing the terms of the Provisional License Agreement.

The operation of gambling casinos in the Philippines is a regulated activity, and every gambling casino in the Philippines has to be licensed by PAGCOR and obtain a valid license from PAGCOR for the operation of the gambling activities. Pursuant to the draft Provisional License Agreement, the Provisional License to be granted to MSPI shall take effect on the date of the Provisional License Agreement and shall be valid until the issuance of the regular casino gaming license (the "**Regular Casino Gaming License**") by PAGCOR upon completion of the development of the integrated resort and upon approval by PAGCOR of the report detailing the actual total project cost to ensure MSPI's compliance with the approved project cost based on the approved plan. The Provisional License and the Regular Casino Gaming License shall have an aggregate term of fifteen (15) years from the issue date of the Provisional License or until 11 July 2033, whichever comes first. The Regular Casino Gaming License may be renewed subject to the same terms and conditions pursuant to the Provisional License Agreement. According to the draft Provisional License Agreement, MSPI can only commence the operation of gambling activities upon the receipt of the notice of commencement after PAGCOR is satisfied that the casino in the integrated resort is fully compliant with the approved plans and the pre-conditions provided by PAGCOR, and in any event, the notice of commencement would not be issued by PAGCOR earlier than 28 February 2022. In order for MSPI to participate and accumulate relevant experience in gaming operations prior to issue of the notice of commencement by PAGCOR, PAGCOR and MSPI entered into the Cooperation Agreement. The entering into of the Provisional License Agreement and the execution of the Cooperation Agreement are not interconditional upon each other.

The transactions contemplated under the Cooperation Agreement constituted a major transaction of the Company under Chapter 14 of the Listing Rules and were subject to the reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. The relevant resolution as set out in the notice of the extraordinary general meeting of the Company (the "**EGM**") dated 21 July 2021 was duly passed by the Shareholders by way of poll at the EGM held on 6 August 2021. The Board was notified by MSPI that it received the signed Cooperation Agreement dated 9 August 2021 from PAGCOR, and the Cooperation Agreement took effect for a period of fifteen (15) years as from 1 April 2016 until 31 March 2031 (both dates inclusive), unless otherwise lawfully terminated in accordance with the Cooperation Agreement.

Following the execution of the Cooperation Agreement, MSPI and PAGCOR jointly established the Management Committee as a governing body for the management and operations of the casino and commenced casino operations, in which MSPI has the authority to participate in the management of the casino through the Management Committee.

Further details are set out in the announcements of the Company dated 10 June 2020, 18 June 2020, 22 June 2020, 18 September 2020, 5 November 2020, 26 February 2021, 16 July 2021, 6 August 2021, 13 August 2021, 30 August 2021 and 28 February 2022; and the circular of the Company dated 21 July 2021.

In view of MSPI's participation in the casino operation during the Year, the Company considered it is more appropriate to present the Group's business segment as "Gaming Operation" while its properties will remain the same as "Investment Properties".

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to explore the market and identify any business opportunities which may provide its growth and development potential, enhance the profitability, and strive for better return to the Shareholders. The Group will also continue to consider a renovation plan to improve the properties of the Group as well as the facilities therein so as to attract more guests and enhance their experience during their stays.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

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

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

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

FINAL DIVIDEND

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

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group was 218 as at 30 June 2022 (as at 30 June 2021: 201). The staff costs for the Year was approximately HK$33.0 million (the Previous Year: HK$31.3 million), among which, HK$31.6 million (the Previous Year: HK$31.3 million) was included in the general and administrative expenses, and HK$1.4 million (the Previous Year: HK$ Nil) was included in cost of sales. The remuneration policy of the Company is recommended by the remuneration committee of the Company. The remuneration of the Directors and the employees of the Group is based on the performance and experience of the individuals and is determined with reference to the Group's performance, the remuneration benchmark in the industry and the prevailing market conditions. In addition to the salaries, the employees of the Group are entitled to benefits including medical, insurance and retirement benefits. Besides, the Group regularly provides internal and external training courses for the employees of the Group to meet their needs.

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

During the year ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

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

CHANGE OF DIRECTORS

A summary of change of Directors of the Company from 1 July 2021 up to date of this announcement of annual results:

(1) Dr. Choi Chiu Fai Stanley resigned as executive Director with effect from 31 March 2022 and should *ipso facto* cease to be the chairman of the Board, the chairman of the executive committee of the Board, and an authorised representative under the Rule 3.05 of the Listing Rules (the "**Authorised Representative**");

(2) Mr. Ha Kee Choy Eugene resigned as independent non-executive Director with effect from 31 March 2022 and should *ipso facto* cease to be a member and the chairman of the audit committee of the Board, and a member of the remuneration committee and the nomination committee of the Board;

(3) Mr. Aurelio Jr. Dizon Tablante has been appointed as executive Director and a member of the executive committee of the Board with effect from 1 April 2022;

(4) Mr. Chung Dan has been appointed as independent non-executive Director, a member and the chairman of the nomination committee of the Board and a member the audit committee and the remuneration committee of the Board with effect from 1 April 2022; and

(5) following the resignation of Dr. Choi Chiu Fai Stanley, Mr. Ho Wong Meng, the chief executive officer of the Company (the "**Chief Executive Officer**"), has been appointed as the chairman of the Board, the chairman of the executive committee of the Board and an Authorised Representative with effect from 1 April 2022.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 30 June 2022, the Company has applied the principles and complied with the applicable code provisions set out in the Corporate Governance Code that were in force during the year as set out in Appendix 14 to the Listing Rules as its code of corporate governance (the "**CG Code**") except for the deviation from the code provisions which are explained below.

Code Provision A.2.1

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

Dr. Choi Chiu Fai Stanley has resigned as the executive Director and stepped down from the position of the chairman of the Board (the "**Chairman**") with effect from 31 March 2022. Mr. Ho Wong Meng ("**Mr. Ho**") who serves as executive Director and the Chief Executive Officer, has been appointed as the Chairman with effect from 1 April 2022. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ho performs both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. These two roles are performed by Mr. Ho distinctly.

The Company will apply and comply with the applicable code provisions as set out in the new CG Code (came into effect on 1 January 2022), the requirements under which shall apply to the Corporate Governance Report of the Company in the forthcoming financial year ending 30 June 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by directors (the "**Required Standard of Dealings**").

All Directors have confirmed, following the specific enquiry by the Company, that they complied with the Required Standard of Dealings throughout the year ended 30 June 2022 and up to the date of this announcement of annual results.

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period is set out in note 17 to the consolidated financial statements in this announcement.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 30 June 2022, consolidated statement of comprehensive income and related notes thereto for the Year as set out in this announcement of annual results have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on this announcement of annual results.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in accordance with the requirements of among Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules.

As at the date of this announcement of annual results, the Audit Committee currently comprises three independent non-executive Directors, namely Mr. Cheng Hong Wai (the chairman of the Audit Committee), Mr. Lau Ka Ho and Mr. Chung Dan.

The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee, which was of the opinion that the consolidated financial statements had been prepared in compliance with applicable accounting standards and the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

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

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

Hong Kong, 30 September 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho Wong Meng and Mr. Aurelio Jr. Dizon Tablante, and three independent non-executive Directors, namely Mr. Lau Ka Ho, Mr. Cheng Hong Wai and Mr. Chung Dan.