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PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	507,944	425,271
Cost of sales and services		(179,299)	(167,048)
Gross profit		328,645	258,223
Other income, gains and losses		22,776	18,450
Marketing, selling and distribution costs		(58,847)	(57,850)
Operating and administrative expenses		(98,789)	(85,558)
Amortisation of intangible assets		(6,068)	(6,068)
Finance costs	5	(3,753)	(6,144)
Share of result of an associate		5	—
Profit before taxation	6	183,969	121,053
Taxation	7	(6,188)	(1,646)
Profit for the period		177,781	119,407
Profit for the period attributable to:			
— owners of the Company		172,459	116,116
— non-controlling interests		5,322	3,291
		177,781	119,407
		HK cents (unaudited)	HK cents (unaudited)
Basic earnings per Share	9	16.4	11.0

* For identification purposes only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	177,781	119,407
Other comprehensive (expense) income for the period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(3,332)	1,603
Reclassification of cumulative translation reserve upon disposal/deregistration of a foreign operation	47	(6,209)
	<u>(3,285)</u>	<u>(4,606)</u>
Total comprehensive income for the period	<u>174,496</u>	<u>114,801</u>
Total comprehensive income for the period attributable to:		
— owners of the Company	169,736	111,256
— non-controlling interests	<u>4,760</u>	<u>3,545</u>
	<u>174,496</u>	<u>114,801</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		212,437	215,751
Right-of-use assets		15,806	19,899
Intangible assets		2,023	8,091
Interests in a joint venture		—	—
Interests in an associate		15	—
Deferred tax assets		385	385
Other assets		2,917	9,202
Pledged bank deposits		49,771	48,134
		<u>283,354</u>	<u>301,462</u>
Current assets			
Inventories		31,793	32,710
Trade and other receivables	10	109,982	101,262
Amount due from a related company		2,256	2,256
Bank balances and cash		417,761	389,181
		<u>561,792</u>	<u>525,409</u>
Current liabilities			
Trade and other payables	11	58,125	59,867
Amounts due to Directors		1,443	5,043
Taxation payable		24,973	18,785
Bank borrowings — due within one year		11,040	10,952
Other borrowings — due within one year		46	10,269
Lease liabilities		12,498	16,519
Contract liabilities		27,608	28,180
Loans from a Shareholder		14,189	23,492
		<u>149,922</u>	<u>173,107</u>
Net current assets		<u>411,870</u>	<u>352,302</u>
Total assets less current liabilities		<u>695,224</u>	<u>653,764</u>

	At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
Non-current liabilities		
Bank borrowings — due after one year	99,148	104,654
Other borrowings — due after one year	185	208
Lease liabilities	5,364	6,773
Loans from a Shareholder	—	2,078
	<u>104,697</u>	<u>113,713</u>
Net assets	<u><u>590,527</u></u>	<u><u>540,051</u></u>
Capital and reserves		
Share capital	1,052	1,052
Reserves	<u>554,562</u>	<u>500,566</u>
Equity attributable to owners of the Company	555,614	501,618
Non-controlling interests	<u>34,913</u>	<u>38,433</u>
Total equity	<u><u>590,527</u></u>	<u><u>540,051</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its Shares are listed on the Stock Exchange.

The condensed consolidated financial statements are presented in HK\$, which is also the functional currency of the Company, and have been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the HKICPA as well as the applicable disclosure requirements of the Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

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

3. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Casino management services:		
Provision of casino management services, recognised over time	<u>382,576</u>	<u>356,515</u>
Gaming systems:		
— Macau		
Sale of electronic gaming equipment and systems, recognised at a point in time	123,745	66,210
Leasing of electronic gaming equipment and systems		
— variable operating lease payments	<u>1,276</u>	<u>1,934</u>
	<u>125,021</u>	<u>68,144</u>
— Overseas		
Sale of electronic gaming equipment and systems, recognised at a point in time	185	—
Leasing of electronic gaming equipment and systems		
— variable operating lease payments	<u>162</u>	<u>—</u>
	<u>347</u>	<u>—</u>
	<u>125,368</u>	<u>68,144</u>
Innovative and renewable energy solutions business:		
Sale of smart charging equipment, recognised at a point in time	—	47
Provision of charging services to electric vehicles, recognised over time	<u>—</u>	<u>565</u>
	<u>—</u>	<u>612</u>
	<u>507,944</u>	<u>425,271</u>
Analysis of revenue:		
Recognised over time	382,576	357,080
Recognised at a point in time	<u>123,930</u>	<u>66,257</u>
Revenue recognition for revenue from contracts with customers	506,506	423,337
Leasing income — variable operating lease payments	<u>1,438</u>	<u>1,934</u>
	<u>507,944</u>	<u>425,271</u>

4. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision makers (the “CODM”). The CODM review the business with the following reportable and operating segments:

Casino management services	—	Provision of casino management services in Macau
Gaming systems	—	Development, sale and leasing of electronic gaming equipment and systems and royalty income
Innovative and renewable energy solutions business	—	Supply of smart charging stations, smart charging equipment and charging services for electric motorcycles, bicycles, and vehicles, etc.

The Group monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment results represent the operating profit or loss earned by each segment without allocation of corporate income and expenses, finance costs and taxation. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

During the six months ended 30 June 2025, the Group received notification that its provision of casino management services to Casino Kam Pek Paradise in Macau would not be renewed or extended upon the expiry of the related service agreement between the Group and SJM Resorts on 31 December 2025.

During the six months ended 30 June 2025, the Group disposed of its entire equity interests in the subsidiaries under the innovative and renewable energy solutions business segment. The disposal did not represent disposal of a major line of business or geographical area of operation of the Group. Following the disposal, the innovative and renewable energy solutions business segment has been excluded from current-period segment reporting.

Information regarding the above segments is reported below:

For the six months ended 30 June 2025 (unaudited)

	Casino management services HK\$'000	Gaming systems HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Segment revenue	382,576	125,368		507,944
Segment results	150,702	48,509		199,211
Unallocated corporate income				10,417
Unallocated corporate expenses				(21,911)
Finance costs				(3,753)
Share of result of an associate				5
Profit before taxation				183,969
Taxation				(6,188)
Profit for the period				177,781
Other information				
Capital expenditure	11,222	8,520	26	19,768
Amortisation of intangible assets	6,068	—	—	6,068
Depreciation of property, plant and equipment	10,283	4,390	677	15,350
Depreciation of right-of-use assets	5,292	1,049	1,307	7,648
Gain on disposal of subsidiaries	—	—	(965)	(965)

For the six months ended 30 June 2024 (unaudited)

	Casino management services <i>HK\$'000</i>	Gaming systems <i>HK\$'000</i>	Innovative and renewable energy solutions business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>356,515</u>	<u>68,144</u>	<u>612</u>		<u>425,271</u>
Segment results	<u>124,480</u>	<u>7,876</u>	<u>(918)</u>		131,438
Unallocated corporate income					8,055
Unallocated corporate expenses					(12,296)
Finance costs					<u>(6,144)</u>
Profit before taxation					121,053
Taxation					<u>(1,646)</u>
Profit for the period					<u>119,407</u>
Other information					
Capital expenditure	8,599	3,994	43	649	13,285
Amortisation of intangible assets	6,068	—	—	—	6,068
Depreciation of property, plant and equipment	8,575	4,529	332	647	14,083
Depreciation of right-of-use assets	5,253	1,422	—	1,282	7,957
Gain on deregistration of a subsidiary	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6,209)</u>	<u>(6,209)</u>

No analysis of the Group's assets and liabilities by operating and reportable segments are disclosed as they are not regularly provided to the CODM.

Geographical information

The Group's operations are principally located in Macau and Mainland China.

Information about the Group's revenue from external customers is presented based on the location of the operations.

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Macau	507,597	424,659
Mainland China	—	612
Others	347	—
	<u>507,944</u>	<u>425,271</u>

The Group's non-current assets (excluding financial assets) are mainly located in Macau.

Information about a major customer

During the six months ended 30 June 2025, revenue derived from one (six months ended 30 June 2024: one) customer, which contributed over 10% of the Group's revenue, is as follows:

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Casino management services segment	382,576	356,515
Gaming systems segment	55,684	4,437
	<u>438,260</u>	<u>360,952</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Interest on:		
— bank borrowings	1,526	2,059
— loans from a Shareholder	1,249	2,582
— lease liabilities	978	1,503
	<u>3,753</u>	<u>6,144</u>

6. PROFIT BEFORE TAXATION

Six months ended 30 June
2025 2024
HK\$'000 HK\$'000
(unaudited) (unaudited)

Profit before taxation has been arrived at after charging:

Directors' emoluments	9,388	8,253
Other staff costs:		
— Salaries and other benefits	52,324	45,379
— Retirement benefit scheme contributions	1,785	1,290
 Total staff costs	 63,497	 54,922
 Cost of inventories recognised as expenses (included in cost of sales and services)	 26,288	 23,388
Cost of inventories recognised as expenses (included in operating and administrative expenses)	7,555	6,596
Depreciation of property, plant and equipment	15,350	14,083
Depreciation of right-of-use assets	7,648	7,957
Short-term lease rentals in respect of rented premises	917	568
Variable lease rentals in respect of rented premises which are not included in lease liabilities	15,322	14,969
Commission expenses for casino management services (included in marketing, selling and distribution costs)	16,278	23,798
Research and development expenditure (<i>note</i>) (included in operating and administrative expenses)	22,111	15,205
Loss on disposal/write-off of property, plant and equipment (included in other income, gains and losses)	668	—
 and after crediting:		
Bank interest income (included in other income, gains and losses)	4,245	1,096
Interest on a loan receivable (included in other income, gains and losses)	41	277
Gain on disposal/deregistration of subsidiaries (included in other income, gains and losses)	965	6,209
Reversal of impairment loss on amount due from a joint venture (included in other income, gains and losses)	371	—

Note: Research and development expenditure for the six months ended 30 June 2025 of HK\$22,111,000 (six months ended 30 June 2024: HK\$15,205,000) mainly includes staff costs of HK\$14,880,000 (six months ended 30 June 2024: HK\$12,220,000), depreciation of property, plant and equipment of HK\$123,000 (six months ended 30 June 2024: HK\$368,000), depreciation of right-of-use assets of HK\$1,005,000 (six months ended 30 June 2024: HK\$921,000) which are also included in the respective total amounts disclosed separately above.

7. TAXATION

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current taxation charges:		
Macau Complementary Tax	5,000	250
Dividend Tax	1,188	1,358
PRC Enterprise Income Tax	—	38
	<u>6,188</u>	<u>1,646</u>

No provision for Hong Kong Profits Tax has been recognised in the condensed consolidated financial statements as the Group did not generate any assessable profit in Hong Kong for both periods.

Macau Complementary Tax (“Macau CT”) is calculated at 12% of the estimated assessable profit.

Pursuant to the letter issued by the Financial Services Bureau of the Macau government dated 28 October 2020, the revenue generated from the service agreement signed between LT (Macau) Limited (“LT Macau”), a wholly-owned subsidiary of the Company incorporated in Macau, and SJM Resorts is not subject to Macau CT for the period from 1 April 2020 to 26 June 2022 since it is derived from SJM Resorts’ gaming revenue, for which gaming revenue is exempted from Macau CT pursuant to the terms of no. 2 of article 28 of the Law 16/2001 and the exemption granted by Despatch no. 89/2020 of 23 March 2020.

Pursuant to the terms of no. 2 of article 28 of the Law 16/2001 and Despatch no. 19/2024 published on 29 January 2024, SJM Resorts’ income generated from gaming operations is not subject to Macau CT for the period from 1 January 2023 to 31 December 2027. Since the revenue generated from the service agreement signed between LT Macau and SJM Resorts is derived from SJM Resorts’ gaming revenue, the Group is in the progress of applying for exemption approval from Financial Services Bureau of the Macau government for the period from 1 January 2023 to 31 December 2025.

Pursuant to the letter issued by the Financial Services Bureau of the Macau government dated 28 October 2020, LT Macau is obligated to pay lump sum dividend tax of MOP388,000 (equivalent to HK\$376,000) for the period from 1 January 2021 to 31 December 2021 and MOP190,000 (equivalent to HK\$184,000) for the period from 1 January 2022 to 26 June 2022, respectively, as payment in lieu of Macau CT otherwise due by the shareholders of LT Macau on dividend distributions from gaming profits generated in relation to the operation of the casino under the Group’s management. These lump sum dividend tax payments are required regardless of whether dividends were actually distributed or whether LT Macau had distributable profits in the relevant periods. For the six months ended 30 June 2025, the Group provided dividend tax of HK\$1,188,000 (six months ended 30 June 2024: HK\$1,358,000) on the same basis as SJM Resorts and the amount was charged to the condensed consolidated statement of profit or loss.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Regulation on the Implementation of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25%. No provision for Enterprise Income Tax was made in the condensed consolidated financial statements for the six months ended 30 June 2025 as the Group did not generate any assessable profit for that period.

No provision for taxation for overseas subsidiaries has been made in the condensed consolidated financial statements as the Group has no assessable profit arising from operations of these subsidiaries for both periods.

8. DIVIDEND

Six months ended 30 June	
2025	2024
<i>HK\$'000</i>	<i>HK\$'000</i>
(unaudited)	(unaudited)

Dividend for the Shareholders recognised as distribution during the period:

Final dividend for the year ended 31 December 2024 of
HK11.0 cents per Share declared and paid

115,740	—
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Subsequent to the end of the current interim period, the Directors have determined that an interim dividend in respect of the six months ended 30 June 2025 of HK7.5 cents (six months ended 30 June 2024: HK5.0 cents) per Share amounting to HK\$78,914,000 (six months ended 30 June 2024: HK\$52,609,000) in aggregate will be paid to owners of the Company whose names appear in the register of members of the Company on 19 September 2025.

9. EARNINGS PER SHARE

The calculation of basic earnings per Share attributable to the owners of the Company is based on the following data:

Six months ended 30 June	
2025	2024
<i>HK\$'000</i>	<i>HK\$'000</i>
(unaudited)	(unaudited)

Earnings

Profit for the period attributable to owners of the Company
for the purposes of basic earnings per Share

172,459	116,116
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Six months ended 30 June	
2025	2024
<i>'000</i>	<i>'000</i>
(unaudited)	(unaudited)

Number of Shares

Weighted average number of Shares for the purposes of
basic earnings per Share

1,052,185	1,052,185
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For the six months ended 30 June 2025 and 30 June 2024, no diluted earnings per Share were presented as there were no dilutive potential Shares.

10. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
Trade receivables, net (<i>note i</i>)	71,190	53,609
Deposits paid	12,893	15,193
Deposit paid to SJM Resorts for the Group's provision of casino management services	12,114	12,114
Loan receivable (<i>note ii</i>)	—	4,126
Other receivables	9,908	11,424
Prepayments	3,877	4,796
	<u>109,982</u>	<u>101,262</u>

Notes:

- (i) At the end of the reporting period, trade receivables comprise amounts receivable from a gaming operator for the Group's provision of casino management services, customers for the Group's sale and leasing of electronic gaming equipment and systems and sale of smart charging equipment. No interest is charged on the trade receivables.

As at 30 June 2025, trade receivables of HK\$71,190,000 (31 December 2024: HK\$53,609,000) comprised receivables from contracts with customers and lease receivables of HK\$70,784,000 (31 December 2024: HK\$52,179,000) and HK\$406,000 (31 December 2024: HK\$1,430,000), respectively.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer for considering the customer's quality and determining the credit limits for that customer. Recoverability and credit limit of the existing customers are reviewed by the Group regularly. As at 30 June 2025, included in the Group's trade receivable balances were receivables with an aggregate carrying amount of HK\$66,926,000 (31 December 2024: HK\$48,353,000) which are not past due. The Directors considered that trade receivables are of good credit quality given the continuous settlements from the gaming operator and other customers and forward-looking information such as the economic outlook.

The Group normally allows a credit period with an average of 30 days to the gaming operator and other customers.

As at 30 June 2025, included in the Group's trade receivables balance were receivables with aggregate carrying amount of HK\$4,264,000 (31 December 2024: HK\$5,256,000) which are past due as at the reporting date. Out of the past due balances at 30 June 2025, HK\$1,750,000 (31 December 2024: HK\$2,214,000) was past due 90 days or more and was not considered as in default based on historical repayment pattern from the specific debtors. The Group does not hold any collateral over these balances.

As at 30 June 2025, 94.0% (31 December 2024: 90.2%) of the trade receivables that are not credit-impaired had the best credit scoring attributable under the internal credit scoring system used by the Group.

Following is the aged analysis of trade receivables (net of loss allowance) based on the date of monthly statements of service income or the invoice date at the end of the reporting period:

	At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
Age:		
0–30 days	66,926	48,353
31–60 days	285	445
61–90 days	2,222	304
91–180 days	25	2,343
181–365 days	1,693	1,027
Over 365 days	39	1,137
	<u>71,190</u>	<u>53,609</u>

- (ii) The amount represented a loan granted by the Group to a third party which is a company incorporated in Japan and principally engaged in the development and manufacture of gaming products. The loan is unsecured, bears interest at the rate of 8% per annum and is guaranteed by a director of an indirect non-wholly owned subsidiary of the Company who also holds an 18% shareholding in this non-wholly owned subsidiary. The maturity date of the outstanding loan principal and accrued interest is 5 October 2025. During the six months ended 30 June 2025, an interim dividend was declared by the non-wholly owned subsidiary of the Company. The non-controlling shareholder of the subsidiary assigned certain of its dividend entitled to fully settle the outstanding loan and interest amount through the interim dividend declared.

11. TRADE AND OTHER PAYABLES

	At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
Trade payables	8,019	5,009
Accrued staff costs	14,510	15,414
Accrued promotional expenses	23,409	21,418
Deposits received	640	640
Payable for acquisition of property, plant and equipment	273	3,269
Other sundry payables	8,307	10,935
Other accrued expenses	2,967	3,182
	<u>58,125</u>	<u>59,867</u>

Following is the aged analysis of trade payables based on the invoice date at the end of the reporting period:

	At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
Age:		
0–30 days	3,810	4,222
31–60 days	3,621	255
61–90 days	71	62
91–365 days	259	175
Over 365 days	258	295
	<u>8,019</u>	<u>5,009</u>

The average credit period of trade payables is 30 days. No interest is charged on trade payables.

12. CAPITAL COMMITMENTS

	At 30 June 2025 <i>HK\$'000</i> (unaudited)	At 31 December 2024 <i>HK\$'000</i> (audited)
Capital expenditure in respect of property, plant and equipment contracted for but not provided for in the condensed consolidated financial statements	<u>840</u>	<u>7,812</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

Overview of Results

Total reported revenue of the Group for the six months ended 30 June 2025 was HK\$507.9 million, representing an increase of 19.4% over that of HK\$425.3 million for the six months ended 30 June 2024. The increase in the total reported revenue of the Group was mainly due to the increase in revenue from the provision of casino management services and the sale of electronic gaming equipment and systems in Macau.

An analysis of reported revenue by nature is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$ million	HK\$ million
Casino under the Group's management in Macau:		
Casino Kam Pek Paradise	<u>382.6</u>	<u>356.5</u>
Electronic gaming equipment and systems:		
Sale/leasing of electronic gaming equipment and systems in Macau*	125.0	68.2
Sale/leasing of electronic gaming equipment and systems overseas	<u>0.3</u>	<u>—</u>
	<u>125.3</u>	<u>68.2</u>
Innovative and renewable energy solutions business in Mainland China	<u>—</u>	<u>0.6</u>
Total reported revenue	<u><u>507.9</u></u>	<u><u>425.3</u></u>

* Leasing revenue in Macau for the six months ended 30 June 2025 and 30 June 2024 did not include the intercompany revenue derived from the LMG terminals, and slot machines and ETG machines deployed at the casino under the Group's management in Macau amounting to HK\$96.7 million (six months ended 30 June 2024: HK\$84.8 million) and HK\$0.9 million (six months ended 30 June 2024: HK\$0.8 million), respectively, which was included in the reported revenue of Casino Kam Pek Paradise under the Group's management in Macau in the above table.

The Group recorded a profit of HK\$177.8 million for the six months ended 30 June 2025, representing an increase of 48.9% over that of HK\$119.4 million for the six months ended 30 June 2024.

Adjusted EBITDA, being a non-HKFRSs measure, is the Group's profit for the period before interest income, finance costs, taxation, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets, gain on disposal/deregistration of subsidiaries, loss on disposal/write-off of property, plant and equipment, reversal of impairment loss on amount due from a joint venture and costs incurred or associated with corporate exercises or potential projects, where applicable.

Adjusted EBITDA for the six months ended 30 June 2025 was a profit of HK\$211.8 million, representing an increase of 43.4% over that of HK\$147.7 million for the six months ended 30 June 2024.

Adjusted EBITDA is used by the management of the Group as the primary measure of the operating performance of the Group and to compare the operating performance of the Group with that of other companies operating in the same or similar business sectors as the Group. Adjusted EBITDA is presented as a supplemental disclosure for the Shareholders or potential investors and is widely used to measure the performance, and as a basis for valuation, of

companies operating in the same or similar business sectors as the Group. Adjusted EBITDA does not have a standardised meaning prescribed by HKFRSs and should not be interpreted as an alternative to profit/loss or operating profit/loss (as an indicator of operating performance) or to cash flows generated from/used in operations (as a measure of liquidity), in each case, as determined in accordance with HKFRSs. As a result, Adjusted EBITDA as presented by the Group in this interim results announcement may not be directly comparable to other similarly titled measures presented by other companies.

The following table reconciles profit for the period to Adjusted EBITDA. The Group considers that excluding the below items from profit for the period to arrive at Adjusted EBITDA provides a more accurate representation of the Group's operating performance from its primary business activities and allows for better comparability with other industry participants, which may have different financing arrangements.

	Six months ended 30 June	
	2025	2024
	HK\$ million	HK\$ million
Profit for the period	177.8	119.4
Adjustments for:		
Interest income ⁽¹⁾	(4.3)	(1.4)
Finance costs ⁽²⁾	3.8	6.1
Taxation ⁽³⁾	6.2	1.6
Depreciation of property, plant and equipment ⁽⁴⁾	15.4	14.1
Depreciation of right-of-use assets ⁽⁴⁾	7.6	8.0
Amortisation of intangible assets ⁽⁴⁾	6.1	6.1
Gain on disposal/deregistration of subsidiaries ⁽⁵⁾	(1.0)	(6.2)
Loss on disposal/write-off of property, plant and equipment ⁽⁵⁾	0.7	—
Reversal of impairment loss on amount due from a joint venture ⁽⁵⁾	(0.4)	—
Others ⁽⁶⁾	(0.1)	—
Adjusted EBITDA	211.8	147.7

Notes:

- (1) Interest income is excluded from profit for the period to arrive at Adjusted EBITDA as it is a non-operating item which does not directly relate to the primary operations of the Group.
- (2) Finance costs are excluded from profit for the period to arrive at Adjusted EBITDA as they relate to the capital structure of the Group but are not directly associated with the Group's day-to-day operating performance.
- (3) Taxation is excluded from profit for the period to arrive at Adjusted EBITDA as it is a non-operating item associated with the Group's income tax obligations, which may differ from year-to-year due to changes in tax laws or policies, or other non-recurring events.
- (4) These items are excluded from profit for the period to arrive at Adjusted EBITDA as they are non-cash expenses not directly related to the Group's operating cash flows.
- (5) These items are excluded from profit for the period to arrive at Adjusted EBITDA as they are non-recurring events that are not part of the Group's primary operations. No adjustment was made for loss on disposal/write-off of property, plant and equipment and reversal of impairment loss on amount due from a joint venture in the six months ended 30 June 2024 as there were no such events being recognised in the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 for the above presentation.
- (6) Others represent the rounding differences when converting the adjusting items from the nearest HK\$ thousand (as extracted from the unaudited condensed consolidated financial statements of the Group) to the nearest HK\$ million (as presented above). The rounding was made to align the presentation format across the table which displays figures in HK\$ million.

An analysis of Adjusted EBITDA by nature is as follows:

	Six months ended 30 June	
	2025	2024
	<i>HK\$ million</i>	<i>HK\$ million</i>
Casino under the Group's management in Macau:		
Casino Kam Pek Paradise	<u>170.5</u>	<u>143.8</u>
Electronic gaming equipment and systems:		
Sale/leasing of electronic gaming equipment and systems	70.4	25.7
Research and development and other costs	<u>(21.6)</u>	<u>(14.5)</u>
	<u>48.8</u>	<u>11.2</u>
Other businesses	1.3	0.2
Corporate and other expenses	<u>(8.8)</u>	<u>(7.5)</u>
Adjusted EBITDA	<u><u>211.8</u></u>	<u><u>147.7</u></u>

Adjusted EBITDA from the casino under the Group's management in Macau segment for the six months ended 30 June 2025 was a profit of HK\$170.5 million, representing an increase of 18.6% over that of HK\$143.8 million for the six months ended 30 June 2024. The increase was mainly due to the increase in total GGR, particularly the GGR from LMG terminals, generated by Casino Kam Pek Paradise in Macau for the six months ended 30 June 2025 when compared with that generated for the six months ended 30 June 2024, which in turn was mainly due to the increase in the number of patrons to Casino Kam Pek Paradise during the six months ended 30 June 2025.

Adjusted EBITDA from the electronic gaming equipment and systems segment for the six months ended 30 June 2025 was a profit of HK\$48.8 million, representing an increase of 335.7% over that of HK\$11.2 million for the six months ended 30 June 2024. The increase was mainly attributable to the increase in revenue from the sale of gaming machines (including LMG terminals and slot machines) and other gaming equipment and systems, and the provision of upgrading services to LMG terminals in Macau for the six months ended 30 June 2025 when compared with that for the six months ended 30 June 2024 which was partially offset by the increase in research and development and other costs of such business segment.

Provision of Casino Management Services in Macau

The following table sets out the average numbers of gaming tables, LMG terminals, and slot machines and ETG machines which were in operation in Casino Kam Pek Paradise under the Group's management for the six months ended 30 June 2025 and 30 June 2024:

	Six months ended 30 June	
	2025	2024
Traditional gaming tables	20	20
LMG gaming tables	10	10
LMG terminals	973	956
Slot machines and ETG machines	<u>95</u>	<u>95</u>

Pursuant to a service contract entered into between the Group and SJM Resorts on 30 December 2022 for the Group's provision of casino management services in Casino Kam Pek Paradise for the period from 1 January 2023 to 31 December 2025, the Group has been allocated quotas for managing 30 gaming tables and 100 units of slot machines and ETG machines in Casino Kam Pek Paradise.

As at 30 June 2025, the Group managed a total of 30 (as at 31 December 2024: 30) gaming tables and 100 (as at 31 December 2024: 100) units of slot machines and ETG machines (including 38 (as at 31 December 2024: 32) units of the Group's innovative machines) in Casino Kam Pek Paradise.

The following table sets out certain key operational data of gaming tables, LMG terminals, and slot machines and ETG machines which were in operation in Casino Kam Pek Paradise under the Group's management for the six months ended 30 June 2025 and 30 June 2024:

		Six months ended 30 June	
		2025	2024
Traditional gaming tables			
GGR	(HK\$ million)	235.2	240.4
Gaming tables	(Average no. of tables)	20	20
GGR/table/day	(HK\$ thousand)	65.0	66.0
LMG gaming tables			
GGR	(HK\$ million)	439.7	385.6
Terminals/gaming tables	(Average no. of terminals/tables)	973/10	956/10
GGR/terminal/day	(HK\$)	2,497	2,216
GGR/table/day	(HK\$ thousand)	242.9	211.9
Total gaming tables			
GGR	(HK\$ million)	674.9	626.0
Gaming tables	(Average no. of tables)	30	30
GGR/table/day	(HK\$ thousand)	124.3	114.7
Slot machines and ETG machines			
GGR	(HK\$ million)	24.0	25.7
Machines	(Average no. of units)	95	95
GGR/unit/day	(HK\$)	1,396	1,486
Total GGR		698.9	651.7

For the six months ended 30 June 2025, total GGR generated by Casino Kam Pek Paradise amounted to HK\$698.9 million, representing an increase of 7.2% over that of HK\$651.7 million for the six months ended 30 June 2024. The increase was attributable to the increase in GGR generated by the LMG terminals following an increase in the popularity of the LMG terminals offered in and the number of patrons to the casino for the six months ended 30 June 2025.

A breakdown of the revenue attributable to the Group for the casino under the Group's management in Macau for the six months ended 30 June 2025 and 30 June 2024 is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$ million	HK\$ million
Casino Kam Pek Paradise:		
Traditional gaming tables	129.4	132.2
LMG gaming tables	241.8	212.1
Slot machines and ETG machines	11.4	12.2
	382.6	356.5

Total revenue attributable to the Group generated by Casino Kam Pek Paradise for the six months ended 30 June 2025 was HK\$382.6 million, representing an increase of 7.3% over that of HK\$356.5 million for the six months ended 30 June 2024.

Development, Sale and Leasing of Electronic Gaming Equipment and Systems and Royalty Income

Sale/Leasing of Electronic Gaming Equipment and Systems in Macau

For the six months ended 30 June 2025, revenue from the sale/leasing of electronic gaming equipment and systems in Macau amounted to HK\$125.0 million, representing an increase of 83.3% over that of HK\$68.2 million for the six months ended 30 June 2024. Revenue for the six months ended 30 June 2025 comprised revenue of:

- (i) HK\$77.0 million (six months ended 30 June 2024: HK\$47.1 million) derived from the sale of gaming machines, including sale of LMG terminals of HK\$74.6 million (six months ended 30 June 2024: HK\$47.1 million) and sale of slot machines and ETG machines of HK\$2.4 million (six months ended 30 June 2024: nil) in Macau;
- (ii) HK\$25.1 million (six months ended 30 June 2024: HK\$13.0 million) derived mainly from the sale of other gaming equipment and systems in Macau;
- (iii) HK\$21.6 million (six months ended 30 June 2024: HK\$6.2 million) from the provision of upgrading services to LMG terminals and other services in Macau; and
- (iv) HK\$1.3 million (six months ended 30 June 2024: HK\$1.9 million) derived from leasing of electronic gaming equipment and systems in Macau.

The increase in the Group's revenue from the sale/leasing of electronic gaming equipment and systems to key casino operators in Macau was mainly due to the increase in demand for and popularity of LMG terminals and related products in Macau during the six months ended 30 June 2025.

Sale/Leasing of Electronic Gaming Equipment and Systems in Overseas Markets

For the six months ended 30 June 2025, revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets amounted to HK\$0.3 million which represented mainly the sale/leasing of gaming machines and systems in the Asian markets other than Macau. For the six months ended 30 June 2024, the Group did not generate any revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets.

In view of the increasing appeal of electronic gaming equipment and systems to both the casino operators and the patrons, in addition to the home market of Macau, the Group is in the course of expanding its business of supplying electronic gaming equipment and systems to other Asian markets, such as the Philippines and the Sri Lanka markets, as well as the North American markets.

Royalty income

In April 2016, the Group entered into a strategic agreement with an independent third party (the “Licencee”) whereby the Group has assigned and licensed certain patents and associated technology to the Licencee in return for a non-refundable upfront payment of US\$12.95 million (approximately HK\$101.0 million) and a 15-year earn-out payment for every related ETG machine deployed in the global market (other than Macau).

With reference to the royalty statements provided by the Licencee to the Group, the Group did not recognise any royalty income from the Licencee for the six months ended 30 June 2025 and 30 June 2024. Up to 30 June 2025, the Group has accumulatively recognised a total royalty income of HK\$14.7 million from the Licencee.

Innovative and Renewable Energy Solutions Business in Mainland China

As part of the ongoing strategic evaluation, the Group decided to cease to engage in the supply of smart charging stations, smart charging equipment and charging services for electric motorcycles, bicycles, and vehicles, etc. to customers in Mainland China. During the six months ended 30 June 2025, this business contributed an income of HK\$0.6 million (included in other income, gains and losses) (six months ended 30 June 2024: HK\$0.6 million (included in revenue)) to the Group and was loss-making. This strategic move enables the Group to concentrate on its core gaming business and optimise the Group’s resources for greater effectiveness.

During the six months ended 30 June 2025, the Group, as vendor, entered into an equity transfer agreement with an independent third party, as purchaser, pursuant to which the Group sold, and the purchaser purchased the entire equity interest in a subsidiary of the Company engaging in the innovative and renewable energy solutions business of the Group at nominal consideration. Upon completion of the said equity transfer, the Group ceased to engage in the innovative and renewable energy solutions business and recognised a gain on disposal of subsidiaries of HK\$1.0 million in the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

Prospects

The Group’s vision to focus on the mass market offering through strategic investments in innovative technology and the development of advanced electronic gaming equipment and systems has proven effective. This approach positions the Group to capitalise on the resurgence in tourism, enhancing its competitive edge in the gaming industry.

In the first half of 2025, Macau emerged as a resilient tourism and gaming powerhouse, surpassing 19.2 million visitor arrivals solidifying its status as a leading leisure destination in the Greater Bay Area and Asia. Following the easing of the Individual Visa Scheme in mid-2024, residents of Zhuhai and Hengqin are able to apply for one-trip-per-week and multiple-entry visas to Macau starting in 2025. These measures are anticipated to stimulate additional travel demand from Mainland China to Macau. Concurrently, ongoing improvements in regional connectivity, such as the extension of the Macau Light Rapid Transit to Hengqin port since December 2024, is expected to further enhance transport convenience and support increased visitor frequency between Macau and Mainland China.

The development of Macau’s mass gaming market aligns closely with the Group’s strategic objectives. As the Macau’s non-VIP segment continues to expand, driven by increased investment in entertainment offerings and deeper engagement with the middle-class customers, the industry is converging with the Group’s core business focus. This shift enhances the accessibility of gaming experiences for a broader audience and fosters a vibrant and inclusive atmosphere that captivates players from diverse backgrounds. LMG, the Group’s first and core flagship patented product, plays a key role in this strategy, offering a user-friendly and engaging platform specifically designed to appeal to the mass market. Notably, the percentage contribution of LMG to the overall gross gaming revenue in Macau rose to 2.1% in

the first half of 2025, as compared with 1.8% in the corresponding period in 2024. This underscores the growing significance of LMG within the Macau gaming industry, with gross gaming revenue from LMG experiencing a remarkable increase of 22.5% in the first half of 2025 when compared with the same period in 2024, while the increase of the overall gross gaming revenue in Macau in the first half of 2025 was 4.4% when compared with the same period in 2024. This trend not only highlights LMG's expanding role in the market but also reflects its effectiveness in addressing rising operational costs, particularly labour costs, by lowering operational costs while increasing game efficiency and productivity. As the industry evolves, the importance of LMG is likely to continue growing, positioning it as a pivotal element in the future landscape of Macau's gaming sector.

The Group continues to offer a comprehensive casino floor solution, providing a full suite of gaming products, including LMG terminals and systems, slot machines, and ETG machines, alongside complementary technologies such as the Group's large-format animated display screen and interactive interface product series "GameView". This integrated approach enhances operational efficiency for casino operators and significantly boosts player engagement through immersive visuals, dynamic betting options and flexible game configurations. Building on the success of past investments, the Group is poised to expand its gaming offerings with an exciting array of new releases, including "Super Bull" and "Enter the Dragon". Additionally, the self-developed game "Mori Dice", a fresh take on the classic Sic Bo, is now available on Macau casino floors. "Mori Dice" features a unique three-stage dice rolling format that allows players to bet on each roll individually. This innovative gameplay is expected to receive a strong positive reception from patrons, thanks to its engaging mechanics tailored to player preferences. The Group will continue to leverage artificial intelligence to accelerate game design and development, enhancing both creative output and operational efficiency.

In 2025, Macau is placing a strong emphasis on economic diversification to consolidate a multi-sector economy. The Group is pleased to announce the official launch of its new production line in Macau, inaugurated on 15 April 2025 with a grand ceremony attended by distinguished government officials, industry representatives, and members of the media. This facility is the only production line in Macau dedicated to manufacturing gaming equipment at present, enhancing the city's manufacturing capacity and reflecting the Group's unwavering commitment to advancing the physical technology sector. Now fully operational, the line is equipped to produce a wide range of gaming products. The facility allows the Group to better serve both local and regional markets, improving supply efficiency and enhancing customer support. Beyond serving the Macau market, machines produced at this facility have already been exported to international destinations, showcasing the global potential and competitiveness of "Made in Macau" gaming products.

Leveraging its end-to-end capabilities, from game design and gaming machine manufacturing to delivering engaging customer experiences, the Group is actively extending its industry reputation and expertise beyond Macau, into emerging gaming markets such as the Philippines, Sri Lanka, Malaysia, etc. By harnessing its proven expertise and innovative technologies, the Group aims to forge strategic partnerships, deploy tailored gaming products and systems, and contribute to the modernisation of casino operations across Asia and beyond. This expansion not only reinforces the Group's status as a leading gaming solutions provider but also aligns with its long-term vision of sustainable and diversified growth in emerging gaming markets.

On 9 June 2025, the Group received notification that its provision of casino management services to Casino Kam Pek Paradise in Macau would not be renewed or extended upon the expiry of the related service agreement between the Group and SJM Resorts on 31 December 2025. The Group has been providing its professional management services to Casino Kam Pek Paradise since 2007, for nearly 18 years. The success of Casino Kam Pek Paradise has contributed to employment stability and economic development in Macau over the years. Thanks to the Group's promotional efforts and invaluable experience in the mass market segment, revenue from Casino Kam Pek Paradise continued to thrive in the first half of 2025, with gross gaming revenue generated in the casino reaching HK\$698.9 million for the six months ended 30 June 2025, representing an increase of 7.2% as compared with HK\$651.7 million for the same period in 2024. Based on the Board's preliminary assessment by reference to information currently available, the Board expects to report a material reduction in the reported revenue and profit attributable to the Shareholders after the expiry of the service agreement between the Group and SJM Resorts. However, building on its established expertise and operational

experience, the Group remains committed to actively pursuing new opportunities both in Macau and across international markets. Leveraging its proven track record in casino management and electronic gaming systems, the Group aims to enhance strategic partnerships and expand its footprint in jurisdictions with promising growth potential.

Looking ahead, the Group acknowledges the ongoing volatility and unpredictability of global economic conditions. In response to these challenges, the Group remains committed to a flexible yet prudent approach to business development and allocation of resources in high-growth sectors. The Group's strategic expansion reflects the Group's long-term vision to diversify revenue streams, strengthen its international footprint, and capitalise on evolving gaming market dynamics.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK7.5 cents (six months ended 30 June 2024: HK5.0 cents) per Share for the six months ended 30 June 2025, amounting to HK\$78.9 million (six months ended 30 June 2024: HK\$52.6 million) calculated on the basis of 1,052,185,315 Shares in issue as at the date of this interim results announcement. The interim dividend is expected to be payable on Wednesday, 15 October 2025 to the Shareholders whose names appear on the Company's register of members on Friday, 19 September 2025, the record date for determining the entitlement to the interim dividend. The register of members of the Company will be closed from Wednesday, 17 September 2025 to Friday, 19 September 2025 (both days inclusive), and during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all Share transfer documents accompanied by the relevant share certificates must be lodged for registration with Tricor Investor Services Limited, the Company's Hong Kong Branch Share Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 16 September 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity needs primarily comprise working capital, including research and development expenditure, capital expenditure, and repayment of bank borrowings, other borrowings and loans from a Shareholder. The Group has generally funded its operations from internal resources, bank borrowings, other borrowings, loans from a Shareholder, and/or equity financing.

The Group has adopted a prudent financial management approach towards its financial and treasury policies. During the six months ended 30 June 2025, the Group was on track with this approach to maintain a healthy liquidity position. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group may utilise the balance of cash for appropriate investment opportunities in accordance with the Group's strategic direction and development.

As at 30 June 2025, the consolidated net assets of the Group amounted to HK\$590.5 million, representing an increase of HK\$50.4 million or 9.3% from HK\$540.1 million as at 31 December 2024. The increase in consolidated net assets of the Group was mainly due to the Group's profit of HK\$177.8 million for the six months ended 30 June 2025, as reduced by the payment of final dividend for the year ended 31 December 2024 to the Shareholders of HK\$115.7 million on 25 June 2025 and the dividend paid to non-controlling interests of HK\$8.3 million during the six months ended 30 June 2025.

Pledged Bank Deposit, and Bank Balances and Cash

As at 30 June 2025, the Group held a pledged bank deposit of HK\$49.8 million (31 December 2024: HK\$48.1 million), and bank balances and cash of HK\$417.8 million (31 December 2024: HK\$389.2 million).

The Group's pledged bank deposit of HK\$49.8 million as at 30 June 2025 (31 December 2024: HK\$48.1 million) was fixed deposit denominated in HK\$, the Group's functional currency, and placed at a Macau bank with an original maturity of 12 months.

Included in the bank balances and cash of HK\$417.8 million (31 December 2024: HK\$389.2 million) as at 30 June 2025 were fixed deposits of HK\$146.2 million (31 December 2024: HK\$172.2 million) denominated in HK\$, MOP and US\$ and placed at banks in Macau with original maturities ranging from 3 to 12 months (31 December 2024: 2 to 12 months). The Group's bank balances and cash were mainly denominated in HK\$, MOP and US\$. Given that MOP is pegged to HK\$ and HK\$ is linked to US\$, the Group considers the exposure to exchange rate risk normal for its bank deposits and cash denominated in MOP and US\$.

Loans from a Shareholder

Pursuant to two deeds of loan dated 18 January 2023 entered into between the Group and Dr. Chun, Dr. Chun agreed to provide term loan facilities totalling HK\$70.0 million for a 3-year period to the Group. The loans are conducted on normal commercial terms and are unsecured, carry interest at 12.5% per annum and are repayable in monthly instalments. The loans have been fully drawn down by the Group on inception. As at 30 June 2025, the total outstanding loan principal under these deeds of loan was HK\$14.2 million (31 December 2024: HK\$25.6 million).

Borrowings and Gearing Ratio

As at 30 June 2025, the Group had total outstanding indebtedness of HK\$126.1 million (31 December 2024: HK\$156.7 million) comprising:

- (i) secured and unguaranteed bank borrowings of HK\$110.2 million (31 December 2024: HK\$115.6 million) (*note 1*);
- (ii) unsecured and unguaranteed loans from a Shareholder of HK\$14.2 million (31 December 2024: HK\$25.6 million) (*note 2*);
- (iii) unsecured and unguaranteed other borrowings of HK\$0.2 million (31 December 2024: HK\$10.5 million) (*note 3*); and
- (iv) unsecured and unguaranteed amounts due to Directors of HK\$1.5 million (31 December 2024: HK\$5.0 million) (*note 4*).

Notes:

- (1) The bank borrowings carried interest at prevailing market rates and were on a floating rate basis.
- (2) The loans from a Shareholder carried interest at a fixed rate of 12.5% per annum.
- (3) The other borrowings were interest-free.
- (4) The amounts due to Directors were interest-free.

The maturity profile of the total outstanding indebtedness of HK\$126.1 million as at 30 June 2025 spread over a period of more than five years, with HK\$26.7 million repayable on demand or within one year, HK\$20.0 million in the second year, HK\$34.1 million in the third to fifth year, and HK\$45.3 million over five years. The Group's total outstanding indebtedness as at 30 June 2025 was mainly denominated in MOP and HK\$. Given that MOP is pegged to HK\$, the Group considers the exposure to exchange rate risk normal for its indebtedness denominated in MOP.

The Group's gearing ratio (expressed as a percentage of consolidated total borrowings over consolidated net assets of the Group) as at 30 June 2025 was 21.4% (31 December 2024: 29.0%). The decrease in the Group's gearing ratio was mainly due to the decrease in consolidated total borrowings of the Group of HK\$30.6 million, which in turn was mainly due to the assignment of other borrowings to the purchaser upon the Group's disposal of the entire equity interests in subsidiaries engaging in the innovative and renewable energy solutions business in Mainland China, and the repayment of bank borrowings and loans from a Shareholder, and the increase in consolidated net assets of the Group of HK\$50.4 million during the six months ended 30 June 2025.

During the six months ended 30 June 2025, the Group did not employ any financial instruments for hedging purposes.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments in respect of acquisition of property, plant and equipment which are contracted for but not provided for in the unaudited condensed consolidated financial statements of HK\$0.8 million (31 December 2024: HK\$7.8 million). The capital commitments will be funded by internal resources of the Group.

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's income and expenses, bank deposits and borrowings are denominated in HK\$ (the Group's functional currency), MOP, RMB and US\$. HK\$ are linked to US\$ and the exchange rate between these two currencies has remained relatively stable over the past several years. MOP is pegged to HK\$, and in many cases, the two currencies are used interchangeably in Macau. Due to the stable exchange rates between HK\$ and US\$ and between HK\$ and MOP, the Group does not consider any specific hedge for the fluctuation of US\$ or MOP against HK\$ necessary. The Group has net exchange exposure to RMB as it maintains certain bank deposits and other borrowings denominated in RMB during the six months ended 30 June 2025. The Group manages its foreign currency risk of RMB against HK\$ by closely monitoring the movement of the exchange rate and may consider specific hedge for significant foreign exchange exposure should additional need arise.

CHARGES ON GROUP ASSETS

As at 30 June 2025, the Group had charges on its leasehold land and buildings with a total carrying amount of HK\$181.4 million (31 December 2024: HK\$185.1 million) and bank fixed deposits of HK\$49.8 million (31 December 2024: HK\$48.1 million), details of which are as follows:

- (i) leasehold land and buildings with carrying amount of HK\$105.0 million (31 December 2024: HK\$107.2 million) to secure a bank borrowing offered by a bank to the Group;
- (ii) leasehold land and buildings with carrying amount of HK\$76.4 million (31 December 2024: HK\$77.9 million) to secure bank borrowings offered by a bank to the Group; and
- (iii) bank fixed deposits totalling HK\$49.8 million (31 December 2024: HK\$48.1 million) to secure for a guarantee issued by a bank in favour of SJM Resorts in the amount of HK\$45.7 million for the period from 1 April 2020 to 31 December 2026 for the Group's fulfilment of all its obligations, including the reimbursement by the Group to SJM Resorts of the employees' compensation and benefits for those gaming operation employees employed by SJM Resorts who work for the casino under the Group's management in Macau, as stipulated under the service agreements (and all related supplemental agreements) entered into between the Group and SJM Resorts for the provision of casino management services by the Group to SJM Resorts.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

Save as disclosed elsewhere in this interim results announcement, there were no material acquisitions or disposals (including material acquisitions and disposals of subsidiaries, associates and joint ventures), or significant investments of the Group during the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2025 and the date of this interim results announcement, save as disclosed under the sub-section headed “Capital Commitments” above, the Group had no other plans for material investments or capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 760 employees, including approximately 400 gaming operation employees who were employed by SJM Resorts to work for Casino Kam Pek Paradise under the Group’s management. Remunerations of these gaming operation employees were paid by SJM Resorts and the Group reimbursed SJM Resorts in full for their salaries and other benefits.

Total staff costs, including Directors’ emoluments, for the six months ended 30 June 2025 amounted to HK\$132.1 million (six months ended 30 June 2024: HK\$115.3 million), including HK\$68.6 million (six months ended 30 June 2024: HK\$60.4 million) for gaming operation employees employed by SJM Resorts for Casino Kam Pek Paradise.

The terms of employment of employees conform to normal commercial practice. The remuneration policy for the employees of the Group is principally set up by the Board and the management of the Company on the basis of the relevant employees’ qualifications, competence, work performance, industry experience, relevant market trend and the Group’s operating results, etc. Discretionary bonuses are granted to employees based on merit and in accordance with industry practice. Other benefits including share options, share awards, retirement benefits, subsidised medical care, pension funds and training programmes are offered to eligible employees of the Group.

ISSUE FOR CASH OF EQUITY SECURITIES

During the six months ended 30 June 2025, the Company did not issue for cash any equity securities (including shares, debentures, and securities convertible into equity securities) or sell any treasury shares for cash.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

Neither the Company nor any of its subsidiaries had purchased, sold, redeemed or cancelled any of the Company’s listed securities (including treasury shares) during the six months ended 30 June 2025.

UPDATE ON DIRECTORS’ INFORMATION

Biographical details of each of the Directors are set out in the Annual Report 2024.

With effect from 1 January 2025, the monthly remuneration payable to Mr. Shan Shiyong, alias Sin Sai Yung, the executive Director, has been revised from HK\$0.2 million to HK\$0.5 million.

On 27 March 2025, Mr. Zhang Jianjun tendered his resignation as an executive Director and a Co-chairman of the Board, and Dr. Chun was re-designated from a Co-chairman of the Board to the Chairman of the Board. Further details of the resignation and re-designation of Directors are set out in the Company’s announcement dated 27 March 2025.

Save as disclosed, the Company is not aware of any changes in the Directors’ information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE

Compliance with the CG Code

In the opinion of the Board, the Company has complied with the code provisions of the CG Code throughout the six months ended 30 June 2025, except for the following deviation:

Code Provision C.2.1

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

From 1 January 2025 to 26 March 2025, Dr. Chun and Mr. Zhang Jianjun were Co-chairmen of the Board and were responsible for the management of the Board and ensuring that all major and appropriate issues were discussed by the Board in a timely and constructive manner. On 27 March 2025, Mr. Zhang Jianjun tendered his resignation as an executive Director and a Co-chairman of the Board, and Dr. Chun was re-designated from a Co-chairman of the Board to the Chairman of the Board. Dr. Chun also served as the Managing Director of the Company throughout the six months ended 30 June 2025 and up to the date of this interim results announcement.

Dr. Chun takes care of the day-to-day management of the Group's business and implements the Group's policies, strategic plans and business goals formulated by the Board. In the opinion of the Board, the roles of the Managing Director and the chief executive officer are the same. The Board also considers that the present structure (Dr. Chun is both the Chairman of the Board (a Co-chairman of the Board up to 26 March 2025) and the Managing Director of the Company) provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution, while the balance of power and authority for the present arrangement has been and is adequately ensured to protect the interests of the Company and the Shareholders by the current Board, which also comprises another executive Director with diversified background and experience, and a sufficient number of independent non-executive Directors that can scrutinise important decisions with their independent judgment and monitor the power exercised by the Chairman of the Board and the Managing Director of the Company. Hence, the Board believes that it is in the best interest of the Shareholders that Dr. Chun will continue to assume the roles of the Chairman of the Board and the Managing Director of the Company. The Company will review the current structure as and when it becomes appropriate in the future.

Compliance with the Model Code

The Company has adopted the Model Code as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the requirements set out in the Model Code during the six months ended 30 June 2025.

REVIEW OF INTERIM REPORT 2025 AND UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Interim Report 2025, including the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2025, has been reviewed by the audit committee of the Board. The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2025 have also been reviewed by Deloitte Touche Tohmatsu, the Company's independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this interim results announcement, there is no important event after 30 June 2025 up to the date of this interim results announcement which is required to be disclosed.

DEFINITIONS

The following expressions shall, unless the content otherwise states, have the following meanings:

“Adjusted EBITDA”	the Group’s profit for the period before interest income, finance costs, taxation, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets, gain on disposal/deregistration of subsidiaries, loss on disposal/write-off of property, plant and equipment, reversal of impairment loss on amount due from a joint venture and costs incurred or associated with corporate exercises or potential projects, where applicable
“Annual Report 2024”	the annual report of the Company for the year ended 31 December 2024 dated 27 March 2025
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company”	Paradise Entertainment Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Dr. Chun”	Dr. Jay Chun, the controlling Shareholder, the Chairman of the Board, an executive Director and the Managing Director of the Company
“ETG”	electronic table game
“GGR”	gross gaming revenue, being total net win generated by all casino gaming activities combined, calculated before deduction of commissions and other expenses, if any
“Group”	the Company and its subsidiaries
“HKAS(s)”	Hong Kong Accounting Standard(s)
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s)
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interim Report 2025”	the interim report of the Company for the six months ended 30 June 2025 which is expected to be despatched to the Shareholders by the end of September 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LMG”	live multi game
“Macau”	the Macao Special Administrative Region of the PRC

“Mainland China”	the mainland of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MOP”	Macau Pataca, the lawful currency of Macau
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SJM Resorts”	SJM Resorts, Limited, one of the concessionaires for operation of casinos in Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the United States dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board
Paradise Entertainment Limited
Chan Kin Man
Company Secretary

Hong Kong, 27 August 2025

As at the date of this announcement, the executive directors of the Company are Dr. Jay Chun (Chairman and Managing Director, also alternate director to Mr. Shan Shiyong, alias, Sin Sai Yung) and Mr. Shan Shiyong, alias, Sin Sai Yung, and the independent non-executive directors of the Company are Mr. Li John Zongyang, Ms. Tang Kiu Sam Alice and Dr. Liu Ka Ying Rebecca.