PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 1180)

INTERIM REPORT 2026

* *For identification purposes only*

CONTENTS

CORPORATE INFORMATION

Place of Incorporation
Bermuda

Board of Directors
Executive Directors
Dr. Jay CHUN, Chairman and Managing Director
(also alternate Director to Mr. SHAN Shiyong, alias, SIN Sai Yung)
Mr. SHAN Shiyong, alias, SIN Sai Yung

Independent Non-executive Directors
Ms. TANG Kiu Sam Alice
Dr. LIU Ka Ying Rebecca
Mr. HO King Fung Eric *(appointed on 12 June 2026)*
Mr. LI John Zongyang *(resigned on 27 August 2026)*

Audit Committee
Dr. LIU Ka Ying Rebecca
(redesignated as Chairman on 27 August 2026)
Ms. TANG Kiu Sam Alice
Mr. HO King Fung Eric *(appointed on 12 June 2026)*
Mr. LI John Zongyang *(resigned on 27 August 2026)*

Remuneration Committee
Mr. HO King Fung Eric
(appointed as Chairman on 27 August 2026)
Dr. Jay CHUN
Ms. TANG Kiu Sam Alice
Mr. LI John Zongyang *(resigned on 27 August 2026)*

Nomination Committee
Dr. Jay CHUN *(Chairman)*
Ms. TANG Kiu Sam Alice
Dr. LIU Ka Ying Rebecca
(appointed on 27 August 2026)
Mr. LI John Zongyang *(resigned on 27 August 2026)*

Authorised Representatives
Dr. Jay CHUN
Mr. CHAN Kin Man

Company Secretary
Mr. CHAN Kin Man

Registered Office
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

Head Office and Principal Place of Business
Unit C, 19th Floor, Entertainment Building
30 Queen's Road Central
Hong Kong

Bermuda Principal Share Registrar
Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

Hong Kong Branch Share Registrar
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Hong Kong Legal Advisors
Jingtian & Gongcheng LLP
Suite 3203–3209, 32/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Independent Auditor
Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

Principal Bankers
Bank of China Limited, Macau Branch
Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Macau) Limited
Industrial and Commercial Bank of China (Asia) Limited
CMB Wing Lung Bank Limited
Luso International Banking Limited
Tai Fung Bank Limited
Hang Seng Bank Limited
Dah Sing Bank, Limited

Listing Information
Place of Listing
Main Board of the Stock Exchange

Stock Code
1180

Board Lot Size
4,000 Shares

Investor Relations
Tel: (852) 2620 5303
Fax: (852) 2620 6000
Email: paradise.ir@hk1180.com

Website
www.hk1180.com

Corporate Communications
This interim report (both English and Chinese versions) is now available on the websites of the Stock Exchange and the Company at "www.hkexnews.hk" and "www.hk1180.com", respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

Overview of Results

During the six months ended 30 June 2026, the Group is principally engaged in the development, sale and leasing of electronic gaming equipment and systems and the provision of professional advisory and other services in the gaming industry.

During the six months ended 30 June 2025, the Group was also engaged in the provision of casino management services in Macau. On 9 June 2025, the Group was advised by SJM Resorts that the service agreement entered into between the Group and SJM Resorts for the provision of casino management services by the Group to SJM Resorts at Casino Kam Pek Paradise in Macau would not be renewed or extended upon its original expiry date of 31 December 2025. The Group was further advised by SJM Resorts in November 2025 that the business operations of Casino Kam Pek Paradise would cease on 2 December 2025. Consequently, the Group ceased to provide casino management services to SJM Resorts at Casino Kam Pek Paradise with effect from 2 December 2025 and hence discontinued its provision of casino management services business in Macau.

Following the cessation of the provision of casino management services at Casino Kam Pek Paradise, leveraging its esteemed reputation and extensive experience in the realm of casino management, the Group has successfully partnered with a gaming concessionaire in Macau since 2 December 2025, offering professional advisory and other services to a casino in Macau operated by the concessionaire.

Continuing Operations

Total reported revenue of the Group for the six months ended 30 June 2026 from continuing operations was HK$41.3 million, representing a decrease of 67.1% over that of HK$125.4 million for the six months ended 30 June 2025.

An analysis of reported revenue by nature is as follows:

	Six months ended 30 June	
	2026 HK$ million	2025 HK$ million
Sale/leasing of electronic gaming equipment and systems:		
In Macau*	**30.3**	125.0
Overseas	**2.0**	0.4
	32.3	125.4
Provision of professional advisory and other services	**9.0**	—
Total reported revenue	**41.3**	125.4

* Leasing revenue in Macau for the six months ended 30 June 2025 did not include the intercompany revenue derived from the LMG terminals, and slot machines and ETG machines deployed at Casino Kam Pek Paradise amounting to HK$96.7 million and HK$0.9 million, respectively, which was included in the reported revenue of the Group's discontinued operation, details of which are set out in the sub-section headed "Discontinued Operation" of this Business and Financial Review section.

The Group recorded a loss of HK$82.6 million for the six months ended 30 June 2026 from continuing operations, as compared with a profit of HK$29.0 million for the six months ended 30 June 2025.

Adjusted EBITDA, being a non-HKFRS Accounting Standards measure, is the Group's profit or loss 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 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 2026 from continuing operations was a loss of HK$74.4 million, as compared with a profit of HK$41.3 million for the six months ended 30 June 2025.

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 of the Company 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 HKFRS Accounting Standards 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 HKFRS Accounting Standards. As a result, Adjusted EBITDA as presented by the Group in this interim report may not be directly comparable to other similarly titled measures presented by other companies.

The following table reconciles (loss) profit for the period from continuing operations to Adjusted EBITDA from continuing operations. The Group considers that excluding the below items from (loss) 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	
	2026 HK$ million	2025 HK$ million
(Loss) profit for the period from continuing operations	**(82.6)**	29.0
Adjustments for:		
Interest income[1]	**(3.3)**	(2.4)
Finance costs[2]	**1.5**	3.0
Taxation[3]	**0.4**	5.0
Depreciation of property, plant and equipment[4]	**5.3**	5.1
Depreciation of right-of-use assets[4]	**4.3**	2.4
Gain on disposal of subsidiaries[5]	**–**	(1.0)
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 from continuing operations	**(74.4)**	41.3

Notes:

(1) Interest income is excluded from (loss) 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 (loss) 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 (loss) 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 (loss) 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 (loss) 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 gain on disposal of subsidiaries, loss on disposal/write-off of property, plant and equipment and reversal of impairment loss on amount due from a joint venture for the six months ended 30 June 2026 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 2026 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 from continuing operations by nature is as follows:

	Six months ended 30 June	
	2026 **HK$ million**	2025 HK$ million
Electronic gaming equipment and systems:		
Sale/leasing of electronic gaming equipment and systems	**(25.3)**	70.4
Research and development and other costs	**(28.7)**	(21.6)
	(54.0)	48.8
Professional advisory and other services	**(6.1)**	—
Other businesses	**0.1**	1.3
Corporate and other expenses	**(14.4)**	(8.8)
Adjusted EBITDA from continuing operations	**(74.4)**	41.3

Adjusted EBITDA from the electronic gaming equipment and systems segment for the six months ended 30 June 2026 was a loss of HK$54.0 million, as compared with a profit of HK$48.8 million for the six months ended 30 June 2025. The turnaround from profit to loss was mainly due to the decrease in revenue from the sale of LMG terminals in Macau and the increase in research and development and other costs of the business segment for the six months ended 30 June 2026 when compared with that for the six months ended 30 June 2025.

Development, Sale and Leasing of Electronic Gaming Equipment and Systems

Revenue from the sale/leasing of electronic gaming equipment and systems of the Group for the six months ended 30 June 2026 was HK$32.3 million, representing a decrease of 74.2% over that of HK$125.4 million for the six months ended 30 June 2025.

Sale/Leasing of Electronic Gaming Equipment and Systems in Macau

For the six months ended 30 June 2026, revenue from the sale/leasing of electronic gaming equipment and systems in Macau amounted to HK$30.3 million, representing a decrease of 75.8% over that of HK$125.0 million for the six months ended 30 June 2025. Revenue for the six months ended 30 June 2026 comprised revenue of:

(i) HK$3.1 million (six months ended 30 June 2025: HK$77.0 million) derived from the sale of gaming machines in Macau;

(ii) HK$8.3 million (six months ended 30 June 2025: HK$25.1 million) derived mainly from the sale of other gaming equipment and systems in Macau;

(iii) HK$18.9 million (six months ended 30 June 2025: HK$21.6 million) from the provision of upgrading services to LMG terminals and other services in Macau; and

(iv) No revenue was derived from leasing of electronic gaming equipment and systems in Macau for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$1.3 million).

The decrease in the Group's revenue from the sale/leasing of electronic gaming equipment and systems for the six months ended 30 June 2026 when compared with that for the six months ended 30 June 2025 was mainly due to the decrease in the sale of LMG terminals and systems in Macau. The Group's next-generation LMG platform, "Black Coral", is scheduled to launch in the market in the second half of 2026 or early 2027. The Group believes that customers might have opted to postpone their purchases in anticipation of the new version of LMG, leading to reduced sales of the current LMG platform during the six months ended 30 June 2026.

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

For the six months ended 30 June 2026, revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets amounted to HK$2.0 million (six months ended 30 June 2025: HK$0.4 million) which represented mainly the sale/leasing of gaming machines and systems in the Asian markets other than Macau.

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 Vietnam, the Philippines, Singapore, Malaysia and the Sri Lanka markets, as well as the North American markets.

Provision of Professional Advisory and Other Services

Since 2 December 2025, the Group has successfully partnered with a gaming concessionaire in Macau offering professional advisory and other services to a casino in Macau operated by the concessionaire.

During the six months ended 30 June 2026, this business contributed a revenue of HK$9.0 million (six months ended 30 June 2025: not applicable) to the Group's reported revenue and incurred a loss of HK$6.1 million (six months ended 30 June 2025: not applicable) to the Group's Adjusted EBITDA.

Discontinued Operation

Provision of Casino Management Services at Casino Kam Pek Paradise in Macau

On 9 June 2025, the Group was advised by SJM Resorts that the service agreement entered into between the Group and SJM Resorts for the provision of casino management services by the Group to SJM Resorts at Casino Kam Pek Paradise in Macau would not be renewed or extended upon its original expiry date of 31 December 2025. The Group was further advised by SJM Resorts in November 2025 that the business operations of Casino Kam Pek Paradise would cease on 2 December 2025. Consequently, the Group ceased to provide casino management services to SJM Resorts at Casino Kam Pek Paradise with effect from 2 December 2025 and hence discontinued its provision of casino management services business in Macau. Further details regarding this cessation of casino management services were set out in the Company's announcements dated 9 June 2025 and 26 November 2025.

The following table sets out certain key financial and operational data of the discontinued operation of the Group for the six months ended 30 June 2025:

	HK$ million
Total gross gaming revenue of Casino Kam Pek Paradise	698.9
Reported revenue of the Group from the discontinued operation	382.6
Profit for the period from the discontinued operation	148.8

The following table reconciles profit for the period from the discontinued operation to Adjusted EBITDA from the discontinued operation for the six months ended 30 June 2025. The Group considered that excluding the below items from profit for the period to arrive at Adjusted EBITDA provided a more accurate representation of the Group's operating performance from the discontinued operation and allowed for better comparability with other industry participants, which may have different financing arrangements.

	HK$ million
Profit for the period from the discontinued operation	148.8
Adjustments for:	
Interest income[(1)]	(1.9)
Finance costs[(2)]	0.7
Taxation[(3)]	1.2
Depreciation of property, plant and equipment[(4)]	10.3
Depreciation of right-of-use assets[(4)]	5.3
Amortisation of intangible assets[(4)]	6.1
Adjusted EBITDA from the discontinued operation	170.5

Notes:

(1) Interest income is excluded from profit for the period from the discontinued operation to arrive at Adjusted EBITDA from the discontinued operation 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 from the discontinued operation to arrive at Adjusted EBITDA from the discontinued operation 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 from the discontinued operation to arrive at Adjusted EBITDA from the discontinued operation 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 from the discontinued operation to arrive at Adjusted EBITDA from the discontinued operation as they are non-cash expenses not directly related to the Group's operating cash flows.

For further financial information regarding the provision of casino management services by the Group at Casino Kam Pek Paradise in Macau for the six months ended 30 June 2025, please refer to the interim report of the Company for the six months ended 30 June 2025 dated 27 August 2025.

Financial information for the discontinued operation of the Group for the six months ended 30 June 2026 is not presented as the operation was discontinued since 2 December 2025 and hence such presentation is not applicable for the six months ended 30 June 2026.

Prospects

The Group continues to focus on its core strategy of prioritising mass market gaming offerings through dedicated investments in innovative technology and electronic gaming solutions. According to the data released by the Macau government, Macau's tourism sector demonstrated strong upward momentum during the first half of 2026, with total visitor arrivals reaching approximately 20.9 million, representing a robust 9.0% year-on-year increase as compared with that for the first six months of 2025, that was underpinned by national Greater Bay Area development initiatives, optimised multi-entry visa schemes, and regional infrastructure enhancements, such as the localised expansion of land checkpoint passenger capacities. This expanding mass-market cohort directly aligns with the Group's primary technological competencies as gaming concessionaires face ongoing structural shifts including escalating hospitality labour rates and floor operational costs creating an ideal climate for automated floor productivity. To capitalise on this momentum, the Group remains firmly on the right track in executing its content diversification plan, expanding its global game library with localised, high-volatility, and highly interactive game titles designed to drive player retention and support both new casino configurations and legacy hardware replacement cycles.

As the Group's signature product line and a primary driver of gaming floor automation, our LMG solutions continue to experience overwhelming market demand and broad popularity across core jurisdictions. Serving as an indispensable tool for maximising table utilisation, LMG systems allow a single live dealer to concurrently serve multiple players across scattered electronic terminals. Capitalising on this momentum, the Group officially unveiled its next-generation LMG platform, "Black Coral". Black Coral introduces a complete overhaul of both player-facing interfaces and backend floor-management software. This advanced system delivers a major operational upgrade, integrating real-time data analytics, customised multi-bet capabilities, and advanced data visualisation widgets that elevate player engagement and drive continuous terminal productivity. For casino operators, this advanced software suite delivers superior security protocols, automated payout precision, and real-time dealer performance metrics, granting floor managers absolute operational transparency over high-volume mass-market operations. The Group is actively advancing through final testing phases and expects to obtain full regulatory approval for the commercial launch of Black Coral to the market in the second half of 2026, paving the way for rapid layout expansions and immediate system retrofits across major gaming facilities.

Complementing our core mass-market strategy, the Group is aggressively executing its software content diversification plan, expanding its proprietary ETG and slot machine libraries with customised configurations built specifically for gaming floors. By integrating cutting-edge artificial intelligence into our design workflows, the Group has successfully shortened software asset development timelines, allowing us to rapidly supply the market with refreshed cabinet themes that sustain long-term player time-on-device and accelerate the buildup of our recurring-revenue gaming libraries.

To house these expanding software assets, the Group deploys specialised, ergonomic hardware designed to maximise gaming floor productivity. A primary strategic highlight of this segment is the newly debuted "High Tide" slot cabinet series, which integrates an interactive LED sub-screen configuration to display synchronised, engaging animations across grouped banks of machines, creating a highly visible and high-traffic attraction. This series is heavily complemented by the resilient "Speedwave" slant-top cabinet, featuring a highly modular topper configuration. This modularity gives operators the unique operational advantage of being able to pivot efficiently between virtual gaming and ETG software configurations through the flexible replacement of toppers, thereby minimising floor downtime, reducing capital reinvestment cycles, and allowing for agile yield-management adjustments based on real-time traffic shifts.

Driven by this commitment to hardware and configuration innovation, the "Speedwave" cabinet series is systematically paired with the Group's advanced multi-game platform, House of Play. By deploying flagship platform frameworks that integrate multi-game versatility directly with our ergonomic cabinet architectures, the Group provides casino operators with highly flexible, localised floor solutions that significantly heighten player immersion, optimise space utilisation, and capture diverse patron demographics. To further enhance these physical setups, the Group stacks its cabinet lines with the market-dominant "GameView" animated display arrays, which serve as highly visible intelligent terminal accessories that elevate overall player engagement on casino floors.

Beyond traditional floor configurations, the Group's forward-looking innovation pipeline drives multi-dimensional customer engagement through virtual entertainment architectures and decentralised systems. This framework is further extended by our pipeline development of "Nebula", a next-generation ecosystem designed to connect players, casino operators, and game developers into a dynamic network that fosters collaboration and content diversity. In addition to Nebula, the Group is actively researching other emerging digital technologies, including blockchain applications and immersive system architectures. These initiatives aim to integrate decentralised frameworks with advanced product innovation, ensuring that future capital investment is aligned with long term growth opportunities and evolving customer expectations.

In parallel, the Group's advanced engineering team is pursuing strategic artificial intelligence initiatives focused on enhancing trust, transparency, and verification within emerging digital ecosystems. While these projects remain in early development, they demonstrate the Group's determination to extend its technological capabilities into new fields that complement its core gaming expertise. Importantly, these initiatives are designed not only to strengthen the integrity of digital platforms but also to create scalable solutions that can be applied across multiple industries. By investing early in such innovation, the Group aims to position itself to capture diversified growth opportunities, build new revenue streams, and reinforce its reputation as a forward looking technology leader. These explorations underpin the Group's commitment to cultivating non traditional growth drivers and securing sophisticated technological assets that generate sustainable, long-term value beyond conventional gaming boundaries.

Crucially, the global commercialisation of this integrated hardware and software ecosystem relies heavily on our ongoing geographic diversification strategy. In a landmark regulatory breakthrough, in June 2026, the Group was officially granted Approved Manufacturer status by the Gambling Regulatory Authority of Singapore. With Singapore being one of Asia's most strictly monitored and premier integrated resort hubs, this milestone status validates the Group's regulatory compliance and technical engineering on the world stage. This approval opens up immediate pathways for direct commercial sales and system placements to Singapore casino operators. Concurrently, the Group is actively utilising its established showroom and regional base in Manila, the Philippines, as a commercial springboard to scale its electronic gaming machine footprint across high-potential Southeast Asian hubs including Vietnam, Cambodia, and Malaysia. Beyond Asia, the Group is systematically accelerating its strategic initiative to re-enter major gaming jurisdictions across North America. Backed by the robust technical compliance frameworks established previously, the Group is actively advancing through product localisation, technical certification processes, and product testing aimed at deploying customised electronic gaming products into targeted North American markets via established local distributors possessing the requisite regulatory licenses. This proactive and collaborative strategic distribution framework positions the Group to directly capture the immense replacement-hardware and system-upgrading demand currently driving the North American gaming sector.

Building upon its extensive track record of specialised operational expertise accumulated within Macau's highly competitive mass-market management sector, the Group continues to monetise its intellectual capital via its professional consulting model. The specialised gaming advisory and technical services partnership established with a reputable Macau gaming concessionaire in December 2025 has yielded stable performance throughout the first half of 2026. This transition successfully validates the Group's strategic asset-light corporate pivot, preserving the prestige of the Group's brand identity while allowing the Group to deploy its seasoned management methodologies to optimise gaming floor productivity and layout efficiency for our prominent local partners.

Looking ahead, the Group acknowledges the complex macroeconomic realities and persistent structural uncertainties facing the global economy. In response, the Group will maintain a flexible, highly disciplined approach to capital expenditure, resource allocation, and operational optimisation. The management of the Company remains firmly confident that the Group's expanding game libraries, breakthrough regulatory approvals, proactive market initiatives, and market-dominant LMG technology will create resilient, compounding, and sustainable long-term value for our Shareholders and global business partners.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026.

In respect of the six months ended 30 June 2025, an interim dividend of HK7.5 cents per Share, amounting to HK$78.9 million in aggregate, was declared and paid.

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 borrowing and loans from a Shareholder. The Group has generally funded its operations from internal resources, bank borrowings, other borrowing, 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 2026, 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 2026, the consolidated net assets of the Group amounted to HK$366.3 million, representing a decrease of HK$108.8 million or 22.9% from HK$475.1 million as at 31 December 2025. The decrease was mainly due to the Group's loss of HK$82.6 million for the six months ended 30 June 2026 and the payment of final dividend for the year ended 31 December 2025 to the Shareholders of HK$26.3 million on 25 June 2026.

Pledged Bank Deposits, and Bank Balances and Cash

As at 30 June 2026, the Group held pledged bank deposits of HK$53.4 million (31 December 2025: HK$50.9 million), and bank balances and cash of HK$235.0 million (31 December 2025: HK$378.1 million).

The Group's pledged bank deposits of HK$53.4 million (31 December 2025: HK$50.9 million) as at 30 June 2026 comprised fixed deposits totalling HK$51.1 million (31 December 2025: HK$49.8 million) denominated in HK$, the Group's functional currency, and placed at a Macau bank with an original maturity of 3 months (31 December 2025: 12 months), and HK$2.3 million (31 December 2025: HK$1.1 million) denominated in MOP, and placed at a Macau bank with original maturities ranging from 3 to 12 months (31 December 2025: 3 months).

Included in the bank balances and cash of HK$235.0 million (31 December 2025: HK$378.1 million) as at 30 June 2026 were fixed deposits of HK$115.1 million (31 December 2025: HK$173.6 million) denominated in HK$, MOP and US$ and placed at banks in Macau with an original maturity of 3 months (31 December 2025: 3 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 were conducted on normal commercial terms and were unsecured, carried interest at 12.5% per annum and were repayable in monthly instalments. The loans had been fully drawn down by the Group on inception. As at 31 December 2025, the total outstanding loan principal under these deeds of loan was HK$2.1 million. The loans were fully settled in January 2026.

Borrowings and Gearing Ratio

As at 30 June 2026, the Group had total outstanding indebtedness of HK$100.6 million (31 December 2025: HK$110.8 million) comprising:

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Secured and unguaranteed bank borrowings[(1)]	**99.0**	104.7
Unsecured and unguaranteed loans from a Shareholder[(2)]	**—**	2.1
Unsecured and unguaranteed other borrowing[(3)]	**0.2**	0.2
Unsecured and unguaranteed amounts due to Directors[(4)]	**1.4**	3.8
Total outstanding indebtedness	**100.6**	110.8

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 borrowing was interest-free.

(4) The amounts due to Directors were interest-free.

The maturity profile of the total outstanding indebtedness of HK$100.6 million as at 30 June 2026 spreads over a period of more than five years, with HK$21.5 million repayable on demand or within one year, HK$11.2 million in the second year, HK$35.1 million in the third to fifth year, and HK$32.8 million over five years. The Group's total outstanding indebtedness as at 30 June 2026 was mainly denominated in MOP and HK$. 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 2026 was 27.5% (31 December 2025: 23.3%). The increase in the Group's gearing ratio was mainly due to the net effect of the decrease in consolidated net assets of the Group of HK$108.8 million during the six months ended 30 June 2026, and the decrease in the consolidated total borrowings of the Group of HK$10.2 million, which in turn was mainly due to the repayment of bank borrowings of HK$5.7 million, during the six months ended 30 June 2026.

During the six months ended 30 June 2026, the Group did not employ any financial instruments for hedging purposes.

Capital Commitments

As at 30 June 2026, 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$0.6 million (31 December 2025: HK$0.5 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 had exchange exposure to RMB as it maintained certain bank deposits in RMB during the six months ended 30 June 2026. 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's Assets

As at 30 June 2026, the Group had charges on its leasehold land and buildings with total carrying amount of HK$174.0 million (31 December 2025: HK$177.7 million) and bank fixed deposits of HK$53.4 million (31 December 2025: HK$50.9 million), details of which are as follows:

(i) leasehold land and buildings with carrying amount of HK$100.8 million (31 December 2025: HK$102.9 million) to secure a bank borrowing offered by a bank to the Group;

(ii) leasehold land and buildings with carrying amount of HK$73.2 million (31 December 2025: HK$74.8 million) to secure bank borrowings offered by a bank to the Group;

(iii) bank fixed deposits totalling HK$51.1 million (31 December 2025: HK$49.8 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. The bank guarantee and the underlying pledge of the bank deposits will be released upon the finalisation and full settlement of the net balance due by the Group to SJM Resorts arising from such casino management services; and

(iv) bank fixed deposits of HK$2.3 million (31 December 2025: HK$1.1 million) to secure for certain general banking facilities offered by a bank to the Group.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

Material Acquisitions, Disposals and Significant Investments

Save as disclosed elsewhere in this interim report, 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 2026.

Future Plans for Material Investments or Capital Assets

As at 30 June 2026 and the date of this interim report, 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 2026, the Group had approximately 330 (31 December 2025: 350) employees.

Total staff costs, including Directors' emoluments, for the six months ended 30 June 2026 amounted to HK$53.5 million (six months ended 30 June 2025: HK$132.1 million, including HK$68.6 million for gaming operation employees who were employed by SJM Resorts for Casino Kam Pek Paradise and whose salaries and other benefits were reimbursed by the Group to SJM Resorts in full).

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.

Directors' and Chief Executives' Interests in Securities

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Name of company/ associated corporation	Capacity/nature of interests	Number of Shares[1]	Approximate aggregate percentage of interests[4]
Dr. Chun	The Company	Beneficial owner	57,796,160	5.50%
	The Company	Interest of controlled corporation	630,836,720[2]	59.95%
			688,632,880	65.45%
Mr. Shan Shiyong, alias, Sin Sai Yung	The Company	Interest of controlled corporation	26,097,580[3]	2.48%

Notes:

(1) All interests in the Shares stated above represent long positions.

(2) These Shares were held by August Profit Investments Limited, a company wholly-owned by Dr. Chun.

(3) These Shares were held by Best Top Offshore Limited, a company wholly-owned by Mr. Shan Shiyong, alias, Sin Sai Yung, an executive Director.

(4) The percentage represents the number of Shares interested divided by the total number of issued Shares as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors and the chief executives of the Company was interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholder's Interests in Shares

As at 30 June 2026, according to the register of interests kept by the Company under section 336 of the SFO, and so far as was known to the Directors or chief executives of the Company, the following person or corporation, other than Directors or chief executives of the Company, had an interest or short position in the Shares and underlying Shares of the Company, which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of the Company:

Name of substantial Shareholder	Number of Shares[1]	Approximate percentage of interests[3]
August Profit Investments Limited[2]	630,836,720	59.95%

Notes:

(1) All interests in Shares stated above represent long positions.

(2) August Profit Investments Limited is a company wholly-owned by Dr. Chun.

(3) The percentage represents the number of Shares interested divided by the total number of issued Shares as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Company had not been notified of any person or corporation (other than the Directors or chief executives of the Company) who was interested or had a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of the Company.

Share Option Scheme

The Company adopted the Share Option Scheme on 27 May 2025 for the purposes of enabling the Group to (a) recognise and acknowledge the contributions that the eligible participants have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the eligible participants, and attract, retain and motivate the eligible participants to continue to contribute to the growth and development of the Group; (b) provide the eligible participants with direct economic benefits in order to maintain a long term relationship between the Group and the eligible participants; and (c) align the interest of the eligible participants with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

Eligible participants of the Share Option Scheme include, (i) any Director (including executive, non-executive and independent non-executive Directors) or an employee (whether full time or part time) of any member of the Group (the "Employee Participants"); (ii) the director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company (the "Related Entity Participants"); and (iii) person(s) (including corporate entities) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, where the continuity and frequency of their services are akin to those of employees of the Group (provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category) (the "Service Providers"), provided that the Board shall have absolute discretion to determine whether or not one falls within any of the above categories.

The maximum number of Shares issued and to be issued (including any treasury Shares transferred) upon exercise of options to any one individual under the Share Option Scheme and any other share schemes of the Company (including the Share Award Scheme) in any 12-month period must not exceed 1% of the issued Shares (excluding treasury Shares, if any) as at the date of grant. The exercise period is set by the Board and notified to each grantee, but must not exceed 10 years from the date of grant. The vesting period for the options shall be at least twelve months, but the Board may at its discretion grant a shorter vesting period to an Employee Participant in limited cases.

To accept options, the grantee shall return the signed offer letter with a remittance of HK$1.00 (or such other nominal sum) within 28 days as consideration for the grant. To exercise options, the grantee shall give written notice to the Company accompanied by full payment of the exercise price. The exercise price is at least the higher of: (a) the closing price of Shares on the grant date; (b) the average closing price of Shares for the 5 business days immediately preceding the grant date; and (c) the nominal value of a Share.

The Share Option Scheme will be valid and effective for a period of ten years from the date of adoption of the Share Option Scheme (i.e., 27 May 2025). Accordingly, the remaining life of the Share Option Scheme is approximately nine years.

No options were granted, exercised, cancelled or lapsed under the Share Option Scheme and no equity-settled employees' benefit (including Directors' emoluments) was recognised during the six months ended 30 June 2026. Accordingly, there was no Share that may be issued in respect of options granted during the six months ended 30 June 2026.

There was no share option outstanding under the Share Option Scheme as at 1 January 2026 and 30 June 2026, and during the six months ended 30 June 2026.

As at the beginning and the end of the six months ended 30 June 2026 and the date of this interim report, (i) the total number of options and awards available for grant under the Share Option Scheme and any other share schemes of the Company (including the Share Award Scheme) was 105,218,531, representing rights to subscribe for 105,218,531 Shares that may be issued pursuant to the Share Option Scheme and any other share schemes of the Company (including the Share Award Scheme), being 10% of the total number of Shares in issue (excluding treasury Shares, if any) as at the date of adoption of the Share Option Scheme (i.e., 27 May 2025) and as at the date of this interim report; and (ii) the total number of options and awards available for grant to the Service Providers under the Share Option Scheme and any other share schemes of the Company (including the Share Award Scheme) was 10,521,853, representing rights to subscribe for 10,521,853 Shares that may be issued to the Service Providers pursuant to the Share Option Scheme and any other share schemes of the Company (including the Share Award Scheme), being 1% of the total number of Shares in issue (excluding treasury Shares, if any) as at the date of adoption of the Share Option Scheme (i.e., 27 May 2025) and as at the date of this interim report. Further details of the Share Option Scheme are set out in the Company's circular dated 30 April 2025.

Share Award Scheme

The Company adopted the Share Award Scheme on 27 May 2025 for the purposes of enabling the Group to (a) recognise and acknowledge the contributions that the eligible participants have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the eligible participants, and attract, retain and motivate the eligible participants to continue to contribute to the growth and development of the Group; (b) provide the eligible participants with direct economic benefits in order to maintain a long term relationship between the Group and the eligible participants; and (c) align the interest of the eligible participants with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

Eligible participants of the Share Award Scheme include, (i) the Employee Participants, (ii) the Related Entity Participants; and (iii) the Service Providers, provided that the Board shall have absolute discretion to determine whether or not one falls within any of the above categories.

The maximum number of Shares granted or to be granted to any one individual under the Share Award Scheme and any other share schemes of the Company (including the Share Option Scheme) in any 12-month period must not exceed 1% of the issued Shares (excluding treasury Shares, if any) as at the date of grant. The vesting period for the awards shall be at least twelve months, but the Board may at its discretion grant a shorter vesting period to an Employee Participant in limited cases.

To accept awards, the grantee shall return the signed offer letter with a remittance of the grant price (or, if there is no grant price, a sum of HK$1.00 or such other nominal sum) within 28 days as consideration for the grant. The grant price (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the purpose of the awards and the characteristics and profile of the selected participant.

The Share Award Scheme will be valid and effective for a period of ten years from the date of adoption of the Share Award Scheme (i.e., 27 May 2025). Accordingly, the remaining life of the Share Award Scheme is approximately nine years.

No awards were granted, vested, cancelled or lapsed under the Share Award Scheme and no equity-settled employees' benefit (including Directors' emoluments) was recognised during the six months ended 30 June 2026. Accordingly, there is no Share that may be issued in respect of awards granted during the six months ended 30 June 2026.

There was no award outstanding under the Share Award Scheme as at 1 January 2026 and 30 June 2026, and during the six months ended 30 June 2026.

The Company appointed a trustee (the "Trustee") in connection with the Share Award Scheme to assist with the administration and vesting of awards under the Share Award Scheme in June 2025 and trust deed was executed in such connection. No Shares were purchased by the Trustee under the Share Award Scheme since the adoption of the Share Award Scheme, i.e., 27 May 2025, up to 30 June 2026.

As at the beginning and the end of the six months ended 30 June 2026 and the date of this interim report, (i) the total number of awards and options available for grant under the Share Award Scheme and any other share schemes of the Company (including the Share Option Scheme) was 105,218,531, with the underlying 105,218,531 Shares representing 10% of the total number of Shares in issue (excluding treasury Shares, if any) as at the date of adoption of the Share Award Scheme (i.e., 27 May 2025) and as at the date of this interim report; and (ii) the total number of awards and options available for grant to the Service Providers under the Share Award Scheme and any other share schemes of the Company (including the Share Option Scheme) was 10,521,853, with the underlying 10,521,853 Shares representing 1% of the total number of Shares in issue (excluding treasury Shares, if any) as at the date of adoption of the Share Award Scheme (i.e., 27 May 2025) and as at the date of this interim report. Further details of the Share Award Scheme are set out in the Company's circular dated 30 April 2025.

The Company did not grant any option or award under the Share Option Scheme or the Share Award Scheme during the six months ended 30 June 2026, and there is no Share that may be issued from the grant of any option or award.

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 2026.

Issue of Equity Securities for Cash

For the six months ended 30 June 2026, the Company did not issue any securities (including Shares, debentures, and securities convertible into equity securities) or sell any treasury Shares for cash.

Update on Directors' Information

Biographical details of each of the Directors are set out in the Annual Report 2025.

On 12 June 2026, Mr. Ho King Fung Eric was appointed as an independent non-executive Director and a member of the Audit Committee. Further details of the appointment are set out in the Company's announcement dated 12 June 2026.

On 25 June 2026, Dr. Liu Ka Ying Rebecca was appointed as a director of Tatung System Technologies Inc. (大同世界科技股份有限公司) (stock code: 8099), a company whose shares are traded on the Taipei Exchange.

On 27 August 2026, Mr. Li John Zongyang tendered his resignation as an independent non-executive Director, the chairman of each of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee. On the same date, Dr. Liu Ka Ying Rebecca was redesignated as the chairman of the Audit Committee and appointed as a member of the Nomination Committee, and Mr. Ho King Fung Eric was appointed as the chairman of the Remuneration Committee. Further details of the resignation, the redesignation and the appointment are set out in the Company's announcement dated 27 August 2026.

Save as disclosed in this interim report, 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 2026, 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.

During the six months ended 30 June 2026 and up to the date of this interim report, Dr. Chun is the Chairman of the Board and the Managing Director of the Company. 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 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 judgement 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 2026.

Review of Interim Report 2026 and Unaudited Condensed Consolidated Financial Statements for the six months ended 30 June 2026

This Interim Report 2026, including the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2026, has been reviewed by the Audit Committee. The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2026 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 Hong Kong Institute of Certified Public Accountants.

Events After the Reporting Period

Save as disclosed elsewhere in this interim report, there is no important event after 30 June 2026 up to the date of this interim report which is required to be disclosed.

By Order of the Board
Paradise Entertainment Limited

Dr. Jay CHUN
Chairman and Managing Director

27 August 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF PARADISE ENTERTAINMENT LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Paradise Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 20 to 42, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited and restated)
Continuing operations			
Revenue	3	**41,281**	125,367
Cost of sales and services		**(6,643)**	(28,108)
Gross profit		**34,638**	97,259
Other income, gains and losses		**10,496**	16,937
Marketing, selling and distribution costs		**(4,075)**	(1,310)
Operating and administrative expenses		**(121,752)**	(75,870)
Finance costs	5	**(1,517)**	(3,021)
Share of result of an associate		**—**	5
(Loss) profit before taxation	6	**(82,210)**	34,000
Taxation	7	**(357)**	(5,000)
(Loss) profit for the period from continuing operations		**(82,567)**	29,000
Discontinued operation			
Profit for the period from a discontinued operation	9	**—**	148,781
(Loss) profit for the period		**(82,567)**	177,781
(Loss) profit for the period attributable to owners of the Company:			
— From continuing operations		**(71,751)**	23,678
— From a discontinued operation		**—**	148,781
		(71,751)	172,459
(Loss) profit for the period attributable to non-controlling interests:			
— From continuing operations		**(10,816)**	5,322
		(82,567)	177,781
		HK cents (unaudited)	HK cents (unaudited)
Basic (loss) earnings per share	10		
— From continuing and discontinued operations		**(6.8)**	16.4
— From continuing operations		**(6.8)**	2.3

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited and restated)
(Loss) profit for the period	**(82,567)**	177,781
Other comprehensive income (expense) for the period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**79**	(3,332)
Reclassification of cumulative translation reserve upon disposal of foreign operations	**—**	47
	79	(3,285)
Total comprehensive (expense) income for the period	**(82,488)**	174,496
Total comprehensive (expense) income for the period attributable to:		
— Owners of the Company	**(71,733)**	169,736
— Non-controlling interests	**(10,755)**	4,760
	(82,488)	174,496
Total comprehensive (expense) income for the period attributable to owners of the Company:		
— From continuing operations	**(71,733)**	20,955
— From a discontinued operation	**—**	148,781
	(71,733)	169,736
Total comprehensive (expense) income for the period attributable to non-controlling interests:		
— From continuing operations	**(10,755)**	4,760
	(82,488)	174,496

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	11	**188,696**	188,808
Right-of-use assets		**11,134**	12,898
Intangible assets		**—**	—
Interests in an associate		**15**	15
Deferred tax assets		**70**	439
Other receivables and deposits		**14,255**	3,031
Pledged bank deposits		**—**	49,771
		214,170	254,962
Current assets			
Inventories		**32,267**	29,447
Trade and other receivables	12	**46,909**	53,474
Amount due from a related company	13	**2,256**	2,256
Pledged bank deposits		**53,353**	1,116
Bank balances and cash	14	**234,990**	378,122
		369,775	464,415
Current liabilities			
Trade and other payables	15	**87,312**	101,070
Amounts due to directors	16	**1,449**	3,827
Taxation payable		**9,190**	9,190
Bank borrowings — due within one year	17	**20,040**	11,281
Other borrowing — due within one year	18	**46**	46
Lease liabilities		**6,673**	7,886
Contract liabilities		**8,770**	9,834
Loans from a shareholder	19	**—**	2,078
		133,480	145,212
Net current assets		**236,295**	319,203
Total assets less current liabilities		**450,465**	574,165
Non-current liabilities			
Bank borrowings — due after one year	17	**79,004**	93,399
Other borrowing — due after one year	18	**139**	162
Lease liabilities		**5,035**	5,524
		84,178	99,085
Net assets		**366,287**	475,080

	Note	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Capital and reserves			
Share capital	20	**1,052**	1,052
Reserves		**348,185**	446,223
Equity attributable to owners of the Company		**349,237**	447,275
Non-controlling interests		**17,050**	27,805
Total equity		**366,287**	475,080

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company					Non-controlling interests	Total
	Share capital	Contributed surplus	Translation reserve	Accumulated losses	Subtotal		
	HK$'000	HK$'000 (note)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2026 (audited)	**1,052**	**773,241**	**19,604**	**(346,622)**	**447,275**	**27,805**	**475,080**
Loss for the period	**–**	**–**	**–**	**(71,751)**	**(71,751)**	**(10,816)**	**(82,567)**
Other comprehensive income for the period	**–**	**–**	**18**	**–**	**18**	**61**	**79**
Total comprehensive income (expense) for the period	**–**	**–**	**18**	**(71,751)**	**(71,733)**	**(10,755)**	**(82,488)**
Dividend paid (note 8)	**–**	**(26,305)**	**–**	**–**	**(26,305)**	**–**	**(26,305)**
At 30 June 2026 (unaudited)	**1,052**	**746,936**	**19,622**	**(418,373)**	**349,237**	**17,050**	**366,287**
At 1 January 2025 (audited)	1,052	967,895	20,832	(488,161)	501,618	38,433	540,051
Profit for the period	–	–	–	172,459	172,459	5,322	177,781
Other comprehensive expense for the period	–	–	(2,723)	–	(2,723)	(562)	(3,285)
Total comprehensive (expense) income for the period	–	–	(2,723)	172,459	169,736	4,760	174,496
Dividend paid (note 8)	–	(115,740)	–	–	(115,740)	–	(115,740)
Dividend paid to non-controlling interests (note 21)	–	–	–	–	–	(8,280)	(8,280)
At 30 June 2025 (unaudited)	1,052	852,155	18,109	(315,702)	555,614	34,913	590,527

Note: The contributed surplus represents the aggregate of: (i) the difference between the nominal amount of the share capital issued by the Company and the aggregate of the nominal amount of the issued share capital and the share premium of LifeTec (Holdings) Limited, the subsidiary which was acquired by the Company pursuant to the group reorganisation in 1996; (ii) the effects of the capital reduction, the share premium cancellation and the elimination to accumulated losses took place in 1999 and 2013; (iii) the effect of the reduction of share premium took place in 2017; and (iv) the effect of dividends paid to the ordinary shareholders of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Operating cash flows before movements in working capital	**(74,425)**	208,091
Increase in inventories and others	**(2,819)**	(2,884)
Increase in trade and other receivables	**(3,701)**	(14,461)
Decrease in contract liabilities	**(1,064)**	(572)
Decrease in trade and other payables	**(13,736)**	(4,047)
Cash (used in) from operations	**(95,745)**	186,127
Income tax paid	**–**	–
Net cash (used in) from operating activities	**(95,745)**	186,127
Investing activities		
Placement of pledged bank deposits	**(2,466)**	(1,637)
Payments for rental and other deposits	**–**	(10)
Purchases of property, plant and equipment	**(5,172)**	(7,256)
Deposits paid for acquisition of property, plant and equipment	**(19)**	(249)
Interest received	**2,236**	3,547
Refund of rental deposits	**131**	–
Proceeds from disposal of property, plant and equipment	**1**	1,239
Repayment from a joint venture	**–**	411
Investment in an associate	**–**	(10)
Net cash used in investing activities	**(5,289)**	(3,965)
Financing activities		
Repayment of loans from a shareholder	**(2,078)**	(11,381)
Net cash outflows from disposal of subsidiaries	**–**	(987)
Repayment to directors	**(2,378)**	(3,600)
Interest paid	**(1,539)**	(3,826)
Final dividend paid	**(26,305)**	(115,740)
Dividend paid to non-controlling interests	**–**	(4,034)
Repayment of lease liabilities	**(4,087)**	(8,992)
Repayment of bank borrowings	**(5,636)**	(5,418)
Repayment of other borrowings	**(23)**	(187)
Net cash used in financing activities	**(42,046)**	(154,165)
Net (decrease) increase in cash and cash equivalents	**(143,080)**	27,997
Effect of foreign exchange rate changes	**(52)**	583
Cash and cash equivalents at 1 January	**378,122**	389,181
Cash and cash equivalents at 30 June, representing bank balances and cash	**234,990**	417,761

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of this interim report.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company, and have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (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 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

The application of the amendments to HKFRS Accounting Standards 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

Continuing operations

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited and restated)
Gaming systems:		
— Macau		
Sale of electronic gaming equipment and systems, recognised at a point in time	**30,285**	123,744
Leasing of electronic gaming equipment and systems — variable operating lease payments	**—**	1,276
	30,285	125,020
— Overseas		
Sale of electronic gaming equipment and systems, recognised at a point in time	**1,274**	185
Leasing of electronic gaming equipment and systems — variable operating lease payments	**722**	162
	1,996	347
	32,281	125,367
Advisory services:		
Provision of professional advisory and other services, recognised over time	**9,000**	—
	41,281	125,367
Analysis of revenue:		
Recognised over time	**9,000**	—
Recognised at a point in time	**31,559**	123,929
Revenue recognition for revenue from contracts with customers	**40,559**	123,929
Leasing income — variable operating lease payments	**722**	1,438
	41,281	125,367

4. Segment Information

The executive directors of the Company have been identified as the chief operating decision makers (the "CODM"). The CODM review the business with the following reportable and operating segments:

Gaming systems	— Development, sale and leasing of electronic gaming equipment and systems and royalty income
Advisory services	— Provision of professional advisory and other services

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.

A reportable and operating segment regarding the provision of casino management services in Macau was discontinued during the year ended 31 December 2025. The segment information reported in this note does not include any amount for the discontinued operation, which is described in more details in note 9.

Continuing operations

Segment revenue and results

Information regarding the above segments is reported below:

For the six months ended 30 June 2026 (unaudited)

	Gaming systems HK$'000	Advisory services HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment revenue	**32,281**	**9,000**		**41,281**
Segment results	**(55,455)**	**(6,164)**		**(61,619)**
Unallocated corporate income				**8,845**
Unallocated corporate expenses				**(27,919)**
Finance costs				**(1,517)**
Loss before taxation				**(82,210)**
Taxation				**(357)**
Loss for the period				**(82,567)**
Other information				
Capital expenditure	**4,471**	**15**	**48**	**4,534**
Depreciation of property, plant and equipment	**5,109**	**—**	**200**	**5,309**
Depreciation of right-of-use assets	**1,181**	**—**	**3,138**	**4,319**
Gain on disposal of property, plant and equipment	**(1)**	**—**	**—**	**(1)**

4. Segment Information (Continued)

Continuing operations (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2025 (unaudited and restated)

	Gaming systems HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment revenue	125,367		125,367
Segment results	48,509		48,509
Unallocated corporate income			10,417
Unallocated corporate expenses			(21,910)
Finance costs			(3,021)
Share of result of an associate			5
Profit before taxation			34,000
Taxation			(5,000)
Profit for the period			29,000
Other information			
Capital expenditure	8,520	26	8,546
Depreciation of property, plant and equipment	4,390	677	5,067
Depreciation of right-of-use assets	1,049	1,307	2,356
Loss on disposal/write-off of property, plant and equipment	—	668	668
Gain on disposal of subsidiaries	—	(965)	(965)

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.

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

	Six months ended 30 June	
	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited and restated)
Macau	**39,285**	125,020
Others	**1,996**	347
	41,281	125,367

4. Segment Information (Continued)

Continuing operations (Continued)

Geographical information (Continued)

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

Information about major customers

During the six months ended 30 June 2026, revenue derived from three (six months ended 30 June 2025: four) customers, which individually contributed over 10% of the Group's revenue from continuing operations, is as follows:

	Six months ended 30 June	
	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited and restated)
Customer A	**16,167**	20,109
Customer B	**10,684**	17,645
Customer C	**9,315**	23,607
Customer D	**N/A**	55,684

Note: Other than the revenue derived from advisory services segment of HK$9,000,000 included in the revenue from Customer A for the six months ended 30 June 2026, all revenue as shown in the above table represented revenue derived from gaming systems segment.

5. Finance Costs

Continuing operations

	Six months ended 30 June	
	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited and restated)
Interest on:		
— bank borrowings	**1,252**	1,526
— loans from a shareholder	**12**	1,249
— lease liabilities	**253**	246
	1,517	3,021

6. (Loss) Profit before Taxation

Continuing operations

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited and restated)
(Loss) profit before taxation has been arrived at after charging:		
Staff costs (including directors' emoluments)		
— Salaries and other benefits	**50,753**	32,561
— Retirement benefit scheme contributions	**2,725**	1,731
Total staff costs	**53,478**	34,292
Cost of inventories recognised as expenses (included in cost of sales and services)	**5,041**	26,288
Cost of inventories recognised as expenses (included in operating and administrative expenses)	**5,510**	7,555
Depreciation of property, plant and equipment	**5,309**	5,067
Depreciation of right-of-use assets	**4,319**	2,356
Short-term lease rentals in respect of rented premises	**2,221**	7
Research and development expenditure (note) (included in operating and administrative expenses)	**31,272**	22,111
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)	**3,298**	2,394
Gain on disposal of subsidiaries (included in other income, gains and losses)	**—**	965
Gain on disposal of property, plant and equipment (included in other income, gains and losses)	**1**	—
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 2026 of HK$31,272,000 (six months ended 30 June 2025: HK$22,111,000) mainly includes staff costs of HK$22,334,000 (six months ended 30 June 2025: HK$14,880,000), depreciation of property, plant and equipment of HK$195,000 (six months ended 30 June 2025: HK$123,000) and depreciation of right-of-use assets of HK$1,063,000 (six months ended 30 June 2025: HK$1,005,000) which are also included in the respective total amounts disclosed separately above.

7. Taxation

Continuing operations

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited and restated)
Current taxation charge:		
— Macau Complementary Tax	**–**	5,000
Deferred tax charge	**357**	–
	357	5,000

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.

Under the Law of the People's Republic of China (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 Chinese Mainland is 25%.

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	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividend for the ordinary shareholders of the Company recognised as distribution during the period:		
Final dividend for the year ended 31 December 2025 of HK2.5 cents (six months ended 30 June 2025: final dividend for the year ended 31 December 2024 of HK11.0 cents) per ordinary share declared and paid	**26,305**	115,740

The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2026.

In respect of the six months ended 30 June 2025, in August 2025, the directors of the Company declared an interim dividend of HK7.5 cents per ordinary share amounting to HK$78,914,000 in aggregate. The dividend was paid to the owners of the Company in October 2025.

9. Discontinued Operation

On 9 June 2025, the Group was advised by SJM Resorts that the service agreement entered into between the Group and SJM Resorts, Limited ("SJM Resorts") for the Group's provision of casino management services at Casino Kam Pek Paradise in Macau would not be renewed or extended upon its original expiry date of 31 December 2025. The Group ceased to provide casino management services to SJM Resorts at Casino Kam Pek Paradise with effect from 2 December 2025.

Profit for the six months ended 30 June 2025 from the discontinued operation of provision of casino management services business is set out below. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to present the operation of provision of casino management services business as a discontinued operation.

	Six months ended 30 June 2025 HK$'000 (unaudited)
Profit for the period from the provision of casino management services	148,781

The results of the provision of casino management services operation which have been included in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 were as follows:

	Six months ended 30 June 2025 HK$'000 (unaudited)
Revenue	382,577
Cost of sales and services	(151,191)
Gross profit	231,386
Other income, gains and losses	5,839
Marketing, selling and distribution costs	(57,537)
Operating and administrative expenses	(22,919)
Amortisation of intangible assets	(6,068)
Finance costs	(732)
Profit before taxation	149,969
Taxation (note)	(1,188)
Profit for the period	148,781

9. Discontinued Operation (Continued)

	Six months ended 30 June 2025 HK$'000 (unaudited)
Profit for the period from a discontinued operation has been arrived at after charging:	
Staff costs (including directors' emoluments)	
— Salaries and other benefits	29,129
— Retirement benefit scheme contributions	76
Total staff costs	29,205
Amortisation of intangible assets	6,068
Depreciation of property, plant and equipment	10,283
Depreciation of right-of-use assets	5,292
Commission expenses for casino management services (included in operating and administrative expenses)	16,278
and after crediting:	
Bank interest income (included in other income, gains and losses)	1,851

	Six months ended 30 June 2025 HK$'000 (unaudited)
Amount included in the measurement of assets of a discontinued operation:	
Capital expenditure	11,222

During the six months ended 30 June 2025, casino management services operation contributed HK$178,223,000 to the Group's net operating cash flows, paid HK$57,457,000 in respect of investing activities and paid HK$10,205,000 in respect of financing activities.

Note:

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.

9. Discontinued Operation (Continued)

Note: (Continued)

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 Macau Pataca ("MOP") 388,000 (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 on the same basis as SJM Resorts and the amount was charged to the condensed consolidated statement of profit or loss.

10. (Loss) Earnings Per Share

Continuing operations

The calculation of basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
(Loss) profit		
(Loss) profit for the period attributable to owners of the Company for the purposes of basic (loss) earnings per share	**(71,751)**	172,459
Less: profit for the period from a discontinued operation	**–**	(148,781)
(Loss) profit for the purposes of calculating basic (loss) earnings per share from continuing operations	**(71,751)**	23,678

	Six months ended 30 June	
	2026	2025
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	**1,052,185**	1,052,185

Discontinued operation

For the six months ended 30 June 2025, basic earnings per share for a discontinued operation is HK14.1 cents per share, based on the profit for the period attributable to owners of the Company from a discontinued operation of HK$148,781,000 and the denominator used is the same as that detailed above for basic (loss) earnings per share.

For the six months ended 30 June 2026 and 30 June 2025, no diluted (loss) earnings per share were presented as there were no dilutive potential ordinary shares.

11. Property, Plant and Equipment

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Property, plant and equipment		
Carrying values		
Leasehold land and buildings	**174,020**	177,721
Leasehold improvements	**2,591**	2,966
Plant and machinery	**9,615**	5,855
Furniture, fixtures and equipment	**2,181**	1,919
Motor vehicles	**289**	347
	188,696	188,808

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of HK$5,172,000 (six months ended 30 June 2025: HK$16,562,000).

12. Trade and Other Receivables

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Trade receivables, net (note)	**8,150**	17,278
Deposits paid	**17,994**	11,468
Deposit paid to SJM Resorts for the Group's provision of casino management services	**12,114**	12,114
Other receivables	**5,476**	6,384
Prepayments	**3,175**	6,230
	46,909	53,474

Note:

At the end of the reporting period, trade receivables comprise amounts receivable from a gaming operator for the Group's provision of professional advisory and other services, and customers for the Group's sale and leasing of electronic gaming equipment and systems. No interest is charged on the trade receivables.

As at 30 June 2026, trade receivables of HK$8,150,000 (31 December 2025: HK$17,278,000) comprised receivables from contracts with customers and lease receivables of HK$8,133,000 (31 December 2025: HK$17,266,000) and HK$17,000 (31 December 2025: HK$12,000), 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 2026, included in the Group's trade receivable balances were receivables with an aggregate carrying amount of HK$4,399,000 (31 December 2025: HK$16,824,000) which are not past due. The directors of the Company 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.

12. Trade and Other Receivables (Continued)

Note: (Continued)

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

As at 30 June 2026, included in the Group's trade receivables balance were receivables with aggregate carrying amount of HK$3,751,000 (31 December 2025: HK$454,000) which are past due as at the reporting date. Out of the past due balances at 30 June 2026, HK$3,593,000 (31 December 2025: HK$81,000) 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 2026, 54% (31 December 2025: 89%) 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 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Age:		
0–30 days	**4,399**	16,824
31–60 days	**158**	284
61–90 days	**–**	76
91–180 days	**74**	19
181–365 days	**3,516**	28
Over 365 days	**3**	47
	8,150	17,278

13. Amount Due From a Related Company

The amount due from a related company is trade in nature, unsecured and interest-free. The related company is a company wholly-owned by the brother-in-law of Dr. Jay Chun, an executive director of the Company.

The Group normally allows a credit period with an average of 30 days to the related company.

As at 30 June 2026, the amount due from a related company of HK$2,256,000 (31 December 2025: HK$2,256,000) was aged over 365 days (31 December 2025: over 365 days) based on invoice date. The balance was not credit-impaired at the end of the reporting period.

14. Bank Balances and Cash

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Short-term deposits	**–**	78,037
Cash and cash equivalents	**234,990**	300,085
	234,990	378,122

15. Trade and Other Payables

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Trade payables	**51,253**	51,068
Accrued staff costs	**7,953**	12,860
Accrued promotional expenses	**14,148**	20,148
Deposits received	**670**	700
Other sundry payables	**9,477**	10,915
Other accrued expenses	**3,811**	5,379
	87,312	101,070

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

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Age:		
0–30 days	**94**	45,322
31–60 days	**–**	4,494
61–90 days	**1,021**	300
91–365 days	**49,868**	694
Over 365 days	**270**	258
	51,253	51,068

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

16. Amounts Due to Directors

The amounts due to directors are unsecured, interest-free and repayable on demand.

17. Bank Borrowings

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Bank borrowings		
Secured bank mortgage loans (note)	**99,044**	104,680
The bank borrowings are repayable as follows*:		
Within one year	**20,040**	11,281
Within a period of more than one year but not exceeding two years	**11,119**	19,922
Within a period of more than two years but not exceeding five years	**35,017**	34,596
More than five years	**32,868**	38,881
	99,044	104,680
Less: Amounts due within 12 months shown under current liabilities	**(20,040)**	(11,281)
Amounts due after 12 months shown under non-current liabilities	**79,004**	93,399

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Note:

At 30 June 2026, the secured bank mortgage loans carried interest at the Lending Prime Rate ("Prime Rate") as quoted by the lending banks from time to time minus 2% to 2.85% (31 December 2025: Prime Rate minus 2% to 2.85%) per annum. The effective interest rate of the bank borrowings as at 30 June 2026 ranged from 2.40% to 3.25% (31 December 2025: 2.40% to 3.25%) per annum.

At 30 June 2026, the bank borrowings were secured by mortgages over the Group's leasehold land and buildings with an aggregate carrying amount of HK$174,020,000 (31 December 2025: HK$177,721,000). The bank borrowings are denominated in MOP and HK$.

18. Other Borrowing

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Unsecured other borrowing	**185**	208
The other borrowing is repayable as follows*:		
On demand or within one year	**46**	46
Within a period of more than one year but not exceeding two years	**46**	46
Within a period of more than two years but not exceeding five years	**93**	116
	185	208
Less: Amounts due within 12 months shown under current liabilities	**(46)**	(46)
Amounts due after 12 months shown under non-current liabilities	**139**	162

* The amounts due are based on scheduled repayment dates set out in the loan agreement.

As at 30 June 2026 and 31 December 2025, the unsecured other borrowing was interest-free.

19. Loans from a Shareholder

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Loans from a shareholder of the Company under the Loan Facilities (note)	**–**	2,078
The loans from a shareholder of the Company are repayable as follows*:		
Within one year	**–**	2,078
	–	2,078
Less: Amounts due within 12 months shown under current liabilities	**–**	(2,078)
Amounts due after 12 months shown under non-current liabilities	**–**	–

* The amounts due are based on scheduled repayment dates set out in the deeds of loans.

19. Loans from a Shareholder (Continued)

Note:

On 18 January 2023, the Group entered into two deeds of loan with Dr. Jay Chun pursuant to which Dr. Jay Chun agreed to provide term loan facilities (the "Loan Facilities") with an aggregate amount of HK$70,000,000 for a 3-year period to the Group. The loans are unsecured, carry interest at 12.5% per annum and are repayable in monthly instalments. The loans had been fully drawn down by the Group on inception of the Loan Facilities.

The outstanding amounts under the Loan Facilities as at 31 December 2025 were denominated in HK$.

20. Share Capital

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.001 each		
Authorised:		
At 31 December 2024 (audited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	1,000,000,000	1,000,000
Issued and fully paid:		
At 31 December 2024 (audited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	1,052,185	1,052

21. Major Non-cash Transactions

During the six months ended 30 June 2026, the Group entered into new lease contracts for the use of certain leased properties. On the lease commencement, the Group recognised right-of-use assets of HK$2,522,000 (six months ended 30 June 2025: HK$3,481,000) and lease liabilities of HK$2,522,000 (six months ended 30 June 2025: HK$3,481,000) during the six months ended 30 June 2026.

During the six months ended 30 June 2025, an interim dividend was declared by a non-wholly owned subsidiary of the Company. The non-controlling shareholder of the subsidiary assigned certain portion of its dividend entitled amounting to HK$8,280,000 to the borrower of the loan due to the Group (as included in other receivables of the Group) for full settlement of the outstanding loan principal and interest payable to the Group. There was no such transaction during the six months ended 30 June 2026.

22. Capital Commitments

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Capital expenditure in respect of property, plant and equipment contracted for but not provided for in the condensed consolidated financial statements	**567**	486

23. Fair Value Measurements of Financial Instruments

The directors of the Company consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their corresponding fair values.

24. Related Party Transactions

Except for disclosures made elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions during the reporting period with related parties:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Staff costs (note i)	**2,034**	2,034
Interest on loans from a shareholder (note ii)	**12**	1,249
Marketing and promotion fee (note iii)	**179**	238
Storage fee (note iii)	**361**	361

Notes:

(i) The related party is the spouse of Dr. Jay Chun, an executive director of the Company. The transactions were charged at pre-determined amounts agreed between the parties involved.

(ii) The transaction was charged at pre-determined rate of loans advanced by Dr. Jay Chun, an executive director of the Company, to the Group.

(iii) The related parties are companies controlled by Dr. Jay Chun, an executive director of the Company. The transactions were charged at predetermined amounts agreed between the parties involved.

(iv) Key management personnel compensation represents the amounts paid to the directors of the Company, details of which are set out in note 6 (continuing operations) and note 9 (discontinued operation).

Transactions described in notes (i), (ii), (iii) and (iv) above constituted fully exempt connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

25. Event After the Reporting Period

Other than as disclosed elsewhere in the condensed consolidated financial statements, there is no other event after the reporting period 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 or loss 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 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 2025"	the annual report of the Company for the year ended 31 December 2025 dated 26 March 2026
"Audit Committee"	the audit committee of the Board
"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
"Group"	the Company and its subsidiaries
"HKFRS(s)"	Hong Kong Financial Reporting Standard(s)
"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 2026"	this interim report of the Company for the six months ended 30 June 2026 which is expected to be despatched to the Shareholders (where applicable) and published on the websites of the Stock Exchange and the Company by the end of September 2026
"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
"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
"Nomination Committee"	the nomination committee of the Board

"PRC"	the People's Republic of China
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of HK$0.001 each in the share capital of the Company
"Share Award Scheme"	the share award scheme of the Company adopted by the Company on 27 May 2025
"Share Option Scheme"	the share option scheme of the Company adopted by the Company on 27 May 2025
"Shareholder(s)"	holder(s) of the Shares
"SJM Resorts"	SJM Resorts, Limited, one of the concessionaires for operation of casinos in Macau
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	the United States dollars, the lawful currency of the United States of America
"%"	per cent