



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

TGE's profit surged by 9.9 times, with total assets at US\$1.8bn and net assets at US\$932m

The Generation Essentials Group ("TGE" or the "Group" or the "Company")

Interim Results 2026

Key Highlights:

- **Revenue from contracts with customers grew by 35.8% to US\$30.8 million**
- **Hospitality arm's revenue surged by 59.8% following strategic acquisitions**
- **Net profit improved significantly to US\$22.8 million**
- **EPS increased by 366.7% to US\$0.56/share**
- **Total Assets amounted to US\$1.8 billion (US\$37.2/share)**
- **Net asset value amounted to US\$932.5 million (US\$19.2/share)**

The Generation Essentials Group ("TGE", the "Company", or "we", NYSE: TGE; LSE: TGE), jointly established by AMTD Group, AMTD IDEA Group (NYSE: AMTD; SGX: HKB) and AMTD Digital Inc. (NYSE: HKD), is focusing on global strategies and developments in multi-media, entertainment, and cultural events worldwide as well as hospitality and VIP services, announces its unaudited financial results for the six months ended June 30, 2026 ("1H 2026").

Highlights and Key Developments

- During the first half of 2026, the Company significantly scaled its global hospitality footprint through the successful acquisition and integration of four premier hotel properties located in key international markets: New York, Perth, Kuala Lumpur, and London. Driven by these strategic acquisitions and strong operational execution, revenue from our hotel operations, hospitality, and VIP services segment surged by 59.8% compared to the same period last year. This served as a primary driver for our 35.8% growth in revenue from contracts with customers, which reached US\$30.8 million.
- Building upon the successful launch and rapid popularity of our inaugural L'Officiel Coffee in Omotesando, Japan, the Company continued the strategic rollout of its IP extended businesses by opening our second L'Officiel Coffee and Bar in Macao SAR in May 2026. This new venue further leverages AMTD L'Officiel's intellectual properties, offering our signature specialty coffees and beautifully crafted sweets—including L'Officiel magazine cakes and seasonal fruit taste mousse cakes - while expanding our vibrant social and cultural footprint into a key Asian entertainment and tourism hub.

Feridun Hamdullahpur, Director, commented:

"This was an outstanding growth year for TGE, with several strategic long-term acquisitions and investments worldwide being concluded. With the addition of the new hotels and the new L'Officiel Coffee & Bar, TGE is expanding its global presence. The Board of Directors congratulates the Management Team on their exceptional accomplishments."



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

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About The Generation Essentials Group

The Generation Essentials Group (NYSE: TGE; LSE: TGE), jointly established by AMTD Group, AMTD IDEA Group (NYSE: AMTD; SGX: HKB) and AMTD Digital Inc. (NYSE: HKD), is headquartered in France and focuses on global strategies and developments in multi-media, entertainment, and cultural affairs worldwide as well as hospitality and VIP services. TGE comprises L'Officiel, The Art Newspaper, movie and entertainment projects. Collectively, TGE is a diversified portfolio of media and entertainment businesses, and a global portfolio of premium properties. Also, TGE is a special purpose acquisition company (SPAC) sponsor manager, with its first SPAC successfully raised and priced on December 18, 2025.

Forward-Looking Statements

This interim report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as "may," "might," "will," "would," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "likely to," "potential," "continue," or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in the "Principal Risks and Uncertainties" section of this interim report, as well as in our most recent Annual Report on Form 20-F. You should read thoroughly this interim report and the documents that we refer to in this interim report with the understanding that our actual future results may be materially different from and worse than what we expect. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this interim report relate only to events or information as of the date on which the statements are made in this interim report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

Business Review and Important Events During the Six Months Ended June 30, 2026

Overview

During the six months ended 30 June 2026, the Group accelerated the execution of its global diversification strategy, marked by disciplined capital deployment across our core operating segments. The period was characterised by significant asset acquisitions in the premium hospitality sector, alongside the strategic expansion of our media, lifestyle, and entertainment intellectual property. These initiatives have materially enhanced the Group's global asset base and further integrated our cross-sector ecosystem.

Hospitality and Real Estate Portfolio Expansion

A primary focus of 1H 2026 was the geographic diversification and scaling of our hospitality portfolio. The Group successfully completed a series of strategic acquisitions in key international gateway cities, deploying capital into prime, yield-generating assets:

- **Australia:** The Group completed the acquisition of The Ritz-Carlton Perth for a total consideration A\$100 million. This landmark transaction secures a premium, 205-room yield-generating asset in a high-growth market, firmly anchoring our luxury hospitality presence in the broader Asia-Pacific region.
- **North America:** The Group established a strategic presence in a high-barrier-to-entry market via the acquisition of the 151-room New York Tribeca Hotel for US\$69 million. This asset diversifies our geographic revenue streams and provides a strong foothold in the resilient US luxury hospitality sector.
- **Southeast Asia:** The Group successfully acquired the 129-room Upper View Regalia Hotel in Malaysia for US\$38 million. This strategic addition strengthens our operational presence and positions the Group to capture growing tourism and hospitality demand within the ASEAN market.
- **United Kingdom:** The Group started to build the European portfolio with the US\$30 million acquisition of the Dao by Dorsett Hornsey Hotel in London, which comprises 68 serviced apartments and hotel rooms.

Media, Lifestyle, and Brand Synergies

The Group continued to leverage the global L'Officiel brand to drive organic growth and cross-sector synergies, with a specific focus on the Asian market:

- **Publishing Network Expansion:** Management finalised the operational groundwork for the 2026 launches of L'Officiel Taiwan and L'Officiel Singapore ShiZhuang (the Chinese version of L'Officiel Singapore). This regional expansion broadens our digital and print media footprint, positioning the Group to capture increased market share within Asia's luxury advertising and consumer segments.
- **Experiential F&B:** Demonstrating the successful convergence of our media IP and hospitality operations, the Group completed the interior fit-out of the world's second L'Officiel Coffee and Bar in Macau. This physical extension of the brand is designed to diversify revenue streams and deepen consumer engagement in a premier regional tourism hub.

Summary

The operational milestones achieved in 1H 2026 reflect the Group's commitment to building a resilient, diversified portfolio. The integration of these newly acquired physical assets, combined with the ongoing expansion of our digital and cultural IP, strongly positions the Group for sustained long-term value creation.

**THE GENERATION ESSENTIALS GROUP – INTERIM REPORT****Executive Overview**

The six months ended June 30, 2026, marked a transformative period for The Generation Essentials Group, defined by a rapid and strategic expansion of our global footprint. Our primary focus during this interim period was the significant scaling of our hospitality portfolio, highlighted by the successful acquisition and integration of four premier hotel properties across key international markets: New York, Perth, Kuala Lumpur, and London. Alongside this major hotel expansion, we further enriched our lifestyle and VIP offerings by proudly launching our second L'Officiel Coffee and Bar, located in Macao SAR, building upon the momentum of our inaugural launch in Japan. These major operational milestones directly translated into robust growth in our core businesses. Revenue from contracts with customers grew by 35.8% to US\$30.8 million, driven largely by a 59.8% surge in our hotel operations, hospitality, and VIP services segment.

Revenue

Our revenue decreased from US\$87.4 million in the six months ended June 30, 2025 to US\$65.9 million in the six months ended June 30, 2026.

Segment Revenue

Our revenue for the six months ended June 30, 2026 amounted to US\$65.9 million, a change from US\$87.4 million recorded for the comparable period in 2025. The change was primarily attributable to: -

- Media advertising and marketing services income increased from US\$10.0 million in the comparable period in 2025 to US\$10.5 million for the six months ended June 30, 2026. Geographically, our media operations remain strong in Europe (US\$4.6 million) and the Americas (US\$3.3 million), while Southeast Asia saw steady growth to US\$2.3 million.

- Hotel operations, hospitality and VIP services income increased from US\$12.7 million in the comparable period in 2025 to US\$20.2 million for the six months ended June 30, 2026, representing a 59.8% growth. This increase was primarily driven by the expansion of our asset portfolio, including the newly acquired hotels in New York, Perth, Kuala Lumpur, and London. While Southeast Asia remains our largest market (US\$11.6 million), we successfully recognized new revenue streams from the Americas (US\$3.4 million) and Australia (US\$2.2 million) following recent acquisitions.

- Dividend income and gain related to disposed financial assets at fair value through profit or loss was US\$10.1 million for the six months ended June 30, 2026, compared to US\$8.6 million for the comparable period in 2025.

- Net fair value changes on financial assets at fair value through profit or loss was US\$25.0 million for the six months ended June 30, 2026, compared to US\$56.2 million for the comparable period in 2025. The decrease was mainly attributable to lower unrealized gains on our investment portfolio in 2026 compared to the significant gains recorded in 2025.

Cost of production and cost of hotel operation

Cost of production and cost of hotel operation increased from US\$9.5 million for the comparable period in 2025 to US\$13.8 million in the six months ended June 30, 2026, mainly due to the additional costs recognized from our hotels in line with the increase in revenue generated from our expanded hotel operations and recent acquisitions.

**THE GENERATION ESSENTIALS GROUP – INTERIM REPORT*****Other income***

Other income increased from US\$7 thousand for the comparable period in 2025 to US\$2.1 million for the current period, mainly due to additional stock lending income from the ultimate holding company.

Share-based payments

During the six months ended June 30, 2025, the Company recognized a one-off share-based payment expense of US\$58.9 million resulting from the completion of the business combination with Black Spade Acquisition II Co, as the fair value of consideration transferred was higher than the net identifiable assets acquired. There was no such expense recognized for the six months ended June 30, 2026.

Fair value change on financial liabilities at FVTPL

The Company has outstanding warrants recognized as financial liabilities at FVTPL, with changes in fair value recognized in profit or loss. In the current period, the Company recognized a US\$71 thousand fair value gain on the warrants, compared to a US\$5.2 million fair value gain for the comparable period in 2025.

Other operating expenses

Other operating expenses for the six months ended June 30, 2026 increased by 22.9% as compared to the comparable period in 2025 to US\$12.8 million, primarily attributable to an increase in our hotels' depreciation charges and additional operating costs recognized from our hotels in line with the expansion of our hotel operations.

Staff costs

Staff costs for the six months ended June 30, 2026 increased slightly to US\$6.1 million, compared to US\$5.7 million for the comparable period in 2025.

Finance costs

Finance costs for the six months ended June 30, 2026 increased by 59.1% compared to the comparable period in 2025 to US\$7.3 million, primarily due to increased interest on bank borrowings related to the acquisition of subsidiaries and new mortgage loans, as well as the effective interest on redeemable shares classified as financial liabilities.

Income tax expense

Income tax expense for the six months ended June 30, 2026 increased to US\$5.1 million compared to US\$1.5 million for the comparable period in 2025, primarily driven by US\$3.4 million in Singapore Corporate Income Tax recognized during the current period.

Profit for the year

The Company recorded a profit of US\$22.8 million in the six months ended June 30, 2026, compared to a profit of US\$2.1 million for the comparable period in 2025. The 2025 GAAP profit was heavily impacted by the one-off share-based payments expense of US\$58.9 million recognized resulting from the completion of the business combination.

**THE GENERATION ESSENTIALS GROUP – INTERIM REPORT****Financial Position and Balance Sheet Analysis**

The Group's financial position expanded significantly during the six months ended June 30, 2026, reflecting the successful execution of our strategic acquisitions in the hospitality sector. Total assets increased by 23.3% to US\$1.8 billion as of June 30, 2026, compared to US\$1.5 billion as of December 31, 2025. Total liabilities increased to US\$872.4 million from US\$625.0 million, while total equity strengthened to US\$932.5 million from US\$839.1 million.

Key fluctuations in our balance sheet items include:

- **Property, Plant and Equipment:** Property, plant and equipment surged by US\$384.0 million, from US\$596.1 million as of December 31, 2025 to US\$980.1 million as of June 30, 2026. This increase was the primary driver of our asset growth and is directly attributable to the acquisitions of the four premier hotel properties in New York, Perth, Kuala Lumpur, and London, alongside an US\$8.5 million surplus on the revaluation of existing properties.
- **Derivative Financial Instruments:** Derivative financial assets decreased from US\$177.5 million to US\$149.6 million. This reduction was primarily due to a US\$28.2 million fair value loss recognized on the Price Protection Agreement related to our investments in AMTD Digital Inc. shares.
- **Borrowings:** Total borrowings increased from US\$259.1 million to US\$310.2 million. This increase reflects the assumption of debt related to our newly acquired subsidiaries and the securing of a new US\$9.5 million 30-year mortgage loan to support our real estate expansion.
- **Amount Due to Ultimate Holding Company:** This non-current liability increased significantly from US\$132.5 million to US\$218.5 million. The increase reflects strategic internal financing and financial support provided by the ultimate holding company to facilitate the completion of our major hotel acquisitions during the period.
- **Total Equity and Non-Controlling Interests:** Total equity grew by US\$93.4 million to US\$932.5 million. This was driven by the net profit generated during the period and an increase in non-controlling interests (from US\$110.2 million to US\$178.5 million), which relate to the acquisitions of the hotels which are non-wholly owned by the Group.

Liquidity and Capital Resources

As of June 30, 2026, our total assets stood at US\$1.8 billion, a significant increase from US\$1.5 billion as of December 31, 2025. This growth was primarily due to the aforementioned additions to property, plant, and equipment. Our cash and bank balances decreased to US\$10.0 million from US\$17.7 million at the end of 2025. Net cash from operating activities was US\$0.3 million, while net cash used in financing activities was US\$8.4 million. To support our expansion, total borrowings increased to US\$310.2 million (up from US\$259.1 million at the end of 2025). This includes a new US\$9.5 million 30-year mortgage loan secured by a property, bearing a fixed interest rate of 6.125% for the first five years. Despite the increase in leverage, our balance sheet remains robust, with total equity increasing to US\$932.5 million, up from US\$839.1 million at the end of 2025, supported by comprehensive income generated during the period.

Going Concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these condensed consolidated financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing this interim financial information.

Dividend

The Board of Directors has resolved not to declare the payment of an interim dividend for the six months ended June 30, 2026 (1H 2025: Nil). The Board continues to prioritize the deployment of capital toward the Group's strategic global expansion.

THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

**THE GENERATION ESSENTIALS GROUP
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026**

	Notes	Six months ended June 30,	
		2026	2025
		US\$'000	US\$'000
		(unaudited)	(unaudited)
REVENUE			
Media advertising and marketing services income	3	10,513	9,976
Hotel operation, hospitality and VIP services income	3	20,245	12,668
Dividend income and gain related to disposed financial assets at fair value through profit or loss (“FVTPL”)	3	10,116	8,612
Net fair value changes on financial assets at FVTPL	3	24,990	56,173
		<u>65,864</u>	<u>87,429</u>
Cost of production and cost of hotel operation		(13,782)	(9,466)
Other income		2,080	7
Share-based payments	5	-	(58,878)
Fair value change on financial liabilities at FVTPL		71	5,221
Other operating expenses	6	(12,766)	(10,388)
Staff costs	7	(6,149)	(5,674)
Finance costs	8	(7,343)	(4,614)
PROFIT BEFORE TAX		<u>27,975</u>	<u>3,637</u>
Income tax expense	9	(5,127)	(1,544)
PROFIT FOR THE PERIOD		<u><u>22,848</u></u>	<u><u>2,093</u></u>
OTHER COMPREHENSIVE INCOME (EXPENSES)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		52	11,246
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation from functional currency to presentation currency		(6,481)	(8,871)
Surplus on revaluation of properties		<u>8,549</u>	<u>7,312</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,120</u>	<u>9,687</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>24,968</u></u>	<u><u>11,780</u></u>
Profit (loss) for the period attributable to:			
Owners of the Company		26,992	5,383
Non-controlling interests		<u>(4,144)</u>	<u>(3,290)</u>
Total comprehensive income (loss) for the period attributable to:		<u><u>22,848</u></u>	<u><u>2,093</u></u>
Owners of the Company		25,143	5,281
Non-controlling interests		<u>(175)</u>	<u>6,499</u>
		<u><u>24,968</u></u>	<u><u>11,780</u></u>
Earnings per share (US\$ per share)	10		
Class A ordinary shares:			
Basic		0.56	0.12
Diluted		<u>0.56</u>	<u>0.12</u>
Class B ordinary shares:			
Basic		0.56	0.12
Diluted		<u>0.56</u>	<u>0.12</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

THE GENERATION ESSENTIALS GROUP
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2026

		As of	
	Notes	June 30, 2026	December 31, 2025
		US\$'000 (unaudited)	US\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	980,088	596,137
Intangible assets		118,191	119,099
Deposits		-	77,225
Financial assets at FVTPL	12	511,945	459,145
Total non-current assets		<u>1,610,224</u>	<u>1,251,606</u>
Current assets			
Accounts receivable	13	7,400	7,112
Prepayments, deposits and other receivables	14	19,630	2,209
Financial assets at FVTPL	12	7,978	8,039
Derivative financial instruments	15	149,594	177,450
Cash and bank balances		9,989	17,660
Total current assets		<u>194,591</u>	<u>212,470</u>
Total assets		<u>1,804,815</u>	<u>1,464,076</u>
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable		3,396	1,533
Other payables and accruals	16	48,379	6,114
Contract liabilities		554	592
Tax payable		4,108	2,242
Borrowings	17	2,211	50,232
Financial liabilities at FVTPL	18	2,411	2,430
Lease liabilities		189	246
Amounts due to subsidiaries' non-controlling shareholders		76,422	64,081
Total current liabilities		<u>137,670</u>	<u>127,470</u>
Non-current liabilities			
Deferred underwriting commission		6,000	6,000
Provisions		4,422	2,407
Borrowings	17	307,965	208,910
Lease liabilities		12	27
Deferred tax liabilities		52,566	5,645
Financial liabilities at FVTPL	18	2,665	2,665
Redeemable shares classified as financial liabilities		142,530	139,322
Amount due to ultimate holding company		218,530	132,541
Total non-current liabilities		<u>734,690</u>	<u>497,517</u>
Total liabilities		<u>872,360</u>	<u>624,987</u>



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

THE GENERATION ESSENTIALS GROUP
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2026

	Notes	As of	
		June 30, 2026	December 31, 2025
		US\$'000 (unaudited)	US\$'000 (audited)
CAPITAL AND RESERVES			
Share capital	19	—*	—*
Reserves		753,995	728,852
Equity attributable to owners of the Company		753,995	728,852
Non-controlling interests		178,460	110,237
Total equity		932,455	839,089
Total liabilities and equity		1,804,815	1,464,076

* The amount is less than US\$1,000.

The accompanying notes are an integral part of the condensed consolidated financial statements.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

THE GENERATION ESSENTIALS GROUP
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF JUNE 30, 2026

	Share capital US\$'000 (note)	Share premium US\$'000	Preferred shares US\$'000	Capital reserve US\$'000	Revaluation reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	Total equity attributable to owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
As of January 1, 2026 (audited)	-	322,008	100,000	(3,153)	103,428	2,778	203,791	728,852	110,237	839,089
Profit (loss) for the period	-	-	-	-	-	-	26,992	26,992	(4,144)	22,848
Exchange differences arising from translation	-	-	-	-	-	(6,446)	-	(6,446)	17	(6,429)
Surplus on revaluation in properties	-	-	-	-	4,597	-	-	4,597	3,952	8,549
Total comprehensive income (expenses) for the period	-	-	-	-	4,597	(6,446)	26,992	25,143	(175)	24,968
Acquisition of subsidiaries (note 21)	-	-	-	-	-	-	-	-	68,398	68,398
As of June 30, 2026 (unaudited)	-	322,008	100,000	(3,153)	108,025	(3,668)	230,783	753,995	178,460	932,455
As of January 1, 2025 (audited)	-	261,889	100,000	(3,153)	95,678	(682)	211,545	665,277	103,853	769,130
Profit (loss) for the period	-	-	-	-	-	-	5,383	5,383	(3,290)	2,093
Exchange differences arising from translation	-	-	-	-	-	(3,860)	-	(3,860)	6,235	2,375
Surplus on revaluation in properties	-	-	-	-	3,758	-	-	3,758	3,554	7,312
Total comprehensive income (expenses) for the period	-	-	-	-	3,758	(3,860)	5,383	5,281	6,499	11,780
Issue of shares upon the completion of business combination	-	60,041	-	-	-	-	-	60,041	-	60,041
As of June 30, 2025 (unaudited)	-	321,930	100,000	(3,153)	99,436	(4,542)	216,928	730,599	110,352	840,951

Note: The amount is less than US\$1,000.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

THE GENERATION ESSENTIALS GROUP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit before tax	27,975	3,637
Adjustments for:		
Interest income	(2)	(5)
Dividend income	(10,116)	(8,612)
Net fair value changes on financial assets at FVTPL	(24,990)	(56,173)
Finance costs	7,343	4,614
Depreciation	8,818	7,599
Amortization	4	4
Fair value gain on financial liabilities at FVTPL	(71)	(5,221)
Share-based payments	-	58,878
Operating cash flows before changes in working capital	8,961	4,721
Decrease (increase) in accounts receivable	687	(850)
(Increase) decrease in prepayments, deposits and other receivables	(4,751)	849
Increase in accounts payable	818	2,375
Decrease in other payables and accruals	(2,416)	(128)
(Decrease) increase in contract liabilities	(38)	3
Increase in provisions	309	397
Cash from operations	3,570	7,367
Profits tax paid	(3,261)	-
Bank interest received	2	5
Net cash from operating activities	311	7,372
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,921)	(784)
Additions to financial assets at FVTPL	(2,626)	-
Investment return from financial assets at FVTPL	1,118	-
Net cash inflow from the acquisitions of subsidiaries	4,009	-
Net cash from (used in) investing activities	580	(784)
FINANCING ACTIVITIES		
Proceeds upon issue of shares	-	12,872
Interests paid	(4,266)	(4,839)
Repayment of lease liabilities	(124)	(64)
Bank borrowings repayment	9,500	-
New bank borrowing raised	(11,932)	-
Net transfer with amount due to ultimate holding company	(1,606)	(21,059)
Net cash used in financing activities	(8,428)	(13,090)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,537)	(6,502)
Cash and cash equivalents at the beginning of the period	17,660	19,978
Effect of foreign exchange rate change, net	(134)	(917)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,989	12,559
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,989	12,559

The accompanying notes are an integral part of the condensed consolidated financial statements.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

**THE GENERATION ESSENTIALS GROUP
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026**

1. CORPORATE INFORMATION

The Generation Essentials Group (the “Company”) is a limited liability company incorporated in the Cayman Islands. The Group is involved in the provision of media and entertainment services, hotel operation, hospitality and VIP services and strategic investments.

The Company is listed on the New York Stock Exchange on June 5, 2025 through a business combination with Black Spade Acquisition II Co (“Black Spade II”), a blank check company incorporated for the purpose of effecting a business combination.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting”, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended December 31, 2025. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

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

Other than change in accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2025.

Application of amendments to IFRS Standards

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

Amendments to IFRS 9 and IFRS 7

Amendments to IFRS 9 and IFRS 7

Amendments to the Classification and Measurement of
Financial Instruments

Contracts Referencing Nature-dependent Electricity

The application of the amendments to IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



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3. REVENUE

The following tables present disaggregated revenue information:

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers		
<i>Media advertising and marketing services</i>		
Advertising services income	6,949	6,476
Licensing, subscription and marketing services income	3,564	3,500
	<u>10,513</u>	<u>9,976</u>
<i>Hotel operations, hospitality and VIP services</i>		
Hotel operation, hospitality and VIP services income	20,245	12,668
Subtotal revenue from contracts with customers	<u>30,758</u>	<u>22,644</u>
Revenue from other sources		
<i>Strategic investment</i>		
Net fair value changes on financial assets at FVTPL	24,990	56,173
Dividend income and gain related to disposed financial assets at FVTPL	10,116	8,612
Total	<u><u>65,864</u></u>	<u><u>87,429</u></u>
Revenue from contracts with customers and timing of revenue recognition		
Services transferred		
- at a point in time	6,949	6,476
- over time	23,809	16,168
Total	<u><u>30,758</u></u>	<u><u>22,644</u></u>



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4. OPERATING SEGMENT INFORMATION

Segment information is presented based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

The Group now operates its businesses in three operating segments: media and entertainment segment, hotel operations, hospitality and VIP services segment and strategic investment segment.

Management closely monitors the performance of the Group's operating segments separately to support informed decisions on resource allocation and performance evaluation. Segment performance is evaluated based on reportable segment result, which is a measure of profit (loss) before tax from operations. The profit (loss) before tax from operations is measured after allocation of attributable costs of specialized staff and direct operating costs consistently with the Group's profit (loss) before tax from operations. Other income, gain from a bargain purchase, finance costs, share-based payment expenses and corporate expenses such as staff costs not directly attributable to segments, short-term leases and administrative expenses are excluded from such measurement.

Segment assets exclude prepayments, deposits and other receivables, investments held in trust accounts and cash and bank balances, as these assets are managed on a group basis.

Segment liabilities exclude tax payable, borrowings, redeemable shares classified as financial liabilities, financial liabilities at FVTPL, amount due to ultimate holding company, lease liabilities and deferred tax liabilities as these liabilities are managed on a group basis.

Segment revenue and results

The following tables present information by segment:

For the six months ended June 30, 2026 (unaudited)

	Media and entertainment	Hotel operation, hospitality and VIP services	Strategic investment	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue				
Revenue				
- from contract with customers	10,513	20,245	—	30,758
- other	—	—	35,106	35,106
	<u>10,513</u>	<u>20,245</u>	<u>35,106</u>	<u>65,864</u>
Segment results				
	<u>1,820</u>	<u>(1,740)</u>	<u>35,106</u>	<u>35,186</u>
Other income				2,080
Fair value change on financial liabilities at FVTPL				71
Finance costs				(7,343)
Corporate and other unallocated expenses				(2,019)
Profit before tax				<u>27,975</u>



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4. OPERATING SEGMENT INFORMATION - continued

Segment revenue and results - continued**For the six months ended June 30, 2025 (unaudited)**

	Media and entertainment US\$'000	Hotel operation, hospitality and VIP services US\$'000	Strategic investment US\$'000	Total US\$'000
Segment revenue				
Revenue				
- from contract with customers	9,976	12,668	—	22,644
- other	—	—	64,785	64,785
	<u>9,976</u>	<u>12,668</u>	<u>64,785</u>	<u>87,429</u>
Segment results	<u>1,137</u>	<u>(2,289)</u>	<u>64,785</u>	<u>63,633</u>
Other income				7
Share-based payments				(58,878)
Fair value change on financial liabilities at FVTPL				5,221
Finance costs				(4,614)
Corporate and other unallocated expenses				(1,732)
Profit before tax				<u>3,637</u>
Segment assets and liabilities				
	As of	As of		
	June 30,	December		
	2026	31,		
	US\$'000	2025		
	(unaudited)	(audited)		
Segment assets				
Media and entertainment	122,697	126,874		
Hotel operation, hospitality and VIP services	977,982	595,474		
Strategic investments	516,972	494,524		
Total segment assets	<u>1,617,651</u>	<u>1,216,872</u>		
Unallocated corporate assets	187,164	247,204		
Total assets	<u>1,804,815</u>	<u>1,464,076</u>		
Segment liabilities				
Media and entertainment	2,899	1,866		
Hotel operation, hospitality and VIP services	92,094	70,519		
Total segment liabilities	<u>94,993</u>	<u>72,385</u>		
Unallocated corporate liabilities	777,367	552,602		
Total liabilities	<u>872,360</u>	<u>624,987</u>		



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4. OPERATING SEGMENT INFORMATION - continued

Geographical information

The following table sets forth the Group's revenue from contract with customers by geographical areas based on the location of the operations:

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Media and entertainment		
- China (including Hong Kong)	387	111
- Europe	4,557	4,317
- America	3,276	3,690
- Southeast Asia	2,293	1,858
	<u>10,513</u>	<u>9,976</u>
Hotel operation, hospitality and VIP services		
- China (including Hong Kong)	2,861	2,929
- Europe	188	-
- America	3,410	-
- Australia	2,219	-
- Southeast Asia	11,567	9,739
	<u>20,245</u>	<u>12,668</u>
Total	<u><u>30,758</u></u>	<u><u>22,644</u></u>

5. SHARE-BASED PAYMENTS

In June 2025, the Company consummated a business combination with Black Spade Acquisition II Co ("Black Spade II"), a publicly traded SPAC, resulting in the Company becoming a publicly listed entity. This business combination does not fall within the scope of IFRS 3 *Business Combinations* because Black Spade II does not meet the definition of a business. Consequently, the transaction is accounted for as a capital reorganization and a share-based payment transaction within the scope of IFRS 2 *Share-based Payment*.

Under this method of accounting, the Company is identified as the accounting acquirer. Accordingly, the consolidated financial statements represent a continuation of the Company, and the net assets of the Company are stated at their pre-transaction historical carrying amounts, with no goodwill or other intangible assets recognized.

Any excess of the fair value of the equity instruments deemed to have been issued by the Company to Black Spade II shareholders over the fair value of Black Spade II's identifiable net assets acquired represents compensation for the service of a stock exchange listing. This excess is not recognized as an asset and is expensed immediately upon consummation of the transaction.

The Company issued 6,004,126 Class A shares to Black Spade II shareholders and assumed 16,220,000 warrants (consisting of 5,100,000 public warrants and 11,120,000 sponsor warrants). The total deemed consideration was measured at approximately US\$71,879,000, representing the fair values of the shares of US\$60,119,000 and fair values of warrants of US\$11,760,000 based on their respective closing market prices on the date of consummation. The excess of this consideration over the fair value of Black Spade II's identifiable net assets acquired of approximately US\$12,977,000 resulted in share-based payment expenses of US\$58,902,000, which was recognized in the consolidated statement of profit or loss for the six months ended June 30, 2026.



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6. OTHER OPERATING EXPENSES

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Advertising and promotion expenses	1,061	350
Amortization	4	4
Bank charges	57	61
Depreciation	8,818	7,599
Donation	128	1
IT related costs	518	302
Legal and professional fee	1,583	600
Premises costs	197	167
Travelling expenses	90	73
Others	310	1,231
Total	<u>12,766</u>	<u>10,388</u>

7. STAFF COSTS

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Salaries and bonus	5,564	5,127
Pension scheme contributions (defined contribution schemes) and others	585	547
Total	<u>6,149</u>	<u>5,674</u>

8. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Interests on borrowings	4,128	4,607
Interests on lease liabilities	7	7
Effective interest on redeemable shares classified as financial liabilities	3,208	-
Total	<u>7,343</u>	<u>4,614</u>



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9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Singapore Corporate Income Tax	3,379	-
Other jurisdictions	736	684
Withholding tax on dividend income	1,012	860
Total income tax expenses	<u>5,127</u>	<u>1,544</u>

10. EARNINGS PER SHARE

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

	Six months ended June 30,	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Earnings figures are calculated as follows:		
Profit for the period attributable to Class A ordinary shares	24,605	2,988
Profit for the period attributable to Class B ordinary shares	<u>2,387</u>	<u>2,395</u>
<u>Number of shares</u>	'000	'000
Weighted average number of Class A ordinary shares outstanding	44,175	24,067
Weighted average number of Class B ordinary shares outstanding	<u>4,286</u>	<u>19,286</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the share subdivision and reclassification and re-designation of shares on June 3, 2025.

The computation of diluted earnings per share does not assume the exercise of the Company's warrants because the exercise price of those warrants was higher than the average market price for shares for the six months ended June 30, 2026 and 2025.



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11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2026, the Group completed the acquisition of a hotel building located in New York City, United States, for a total consideration of US\$69,000,000. The transaction was accounted for as an asset acquisition as it did not meet the definition of a business under IFRS 3. Upon completion of the acquisition, the property commenced operations under the name “AMTD IDEA Tribeca Hotel”. Also, the Group completed the acquisition of several subsidiaries as disclosed in note 21, resulting in the aggregate addition of hotel buildings and related properties recognized at a provisional fair value of US\$326,689,000. These assets and its associated operational results are reported within the Group’s “hotel operation, hospitality and VIP services” segment.

As of June 30, 2026, the Group’s properties are stated at valuation of US\$976,357,000 which is a Level 3 fair value measurement. There was no transfer into or out of level 3 during the period. During the six months ended June 30, 2026, the Group has recognized the revaluation gain of US\$8,549,000 to the other comprehensive income.

There has been no change to the valuation techniques during the period. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

12. FINANCIAL ASSETS AT FVTPL

	As of June 30, 2026 US\$'000 (unaudited)	As of December 31, 2025 US\$'000 (audited)
Listed equity shares and stock loans	355,647	304,136
Unlisted equity shares	893	898
Movie income right investments	10,838	12,040
Investments held in the Trust Account (note)	152,545	150,110
Total	<u>519,923</u>	<u>467,184</u>
Shown as:		
- current assets	7,978	8,039
- non-current assets	511,945	459,145
	<u>519,923</u>	<u>467,184</u>

Note: During the year ended December 31, 2025, TGE Value Creative Solutions Corp (“TGE SPAC”), the subsidiary of the Company, consummated the initial public offering of 15,000,000 units (the “Units”), at US\$10.00 per Unit, generating gross proceeds of US\$150 million. Each Unit consists of one Class A ordinary share, and one-half of one redeemable warrant. Following the closing of the initial public offering, an amount of US\$150 million from the net proceeds of the sale of the Units and the sale of the private placement warrants was placed in the trust account (the “Trust Account”) located in the United States. The funds held in the Trust Account are restricted and can only be used to pay redeeming shareholders, consummate an initial business combination, or distribute to public shareholders in the event of liquidation. As of June 30, 2026, the investments held in the Trust Account, amounting to approximately US\$152,545,000, were invested in money market funds.

In October 2025, the Group entered into a stock lending agreement with a subsidiary of the ultimate holding company, pursuant to which the Group lent certain listed equity shares to the subsidiary of the ultimate holding company, bearing interest at 2% per annum computed based on market value of the listed equity shares. Upon the maturity of the stock lending agreement, the subsidiary of the ultimate holding company is obligated to return all borrowed listed equity shares to the Group.

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13. ACCOUNTS RECEIVABLE

	As of June 30, 2026 US\$'000 (unaudited)	As of December 31, 2025 US\$'000 (audited)
Receivable from media and entertainment services	5,892	5,977
Receivable from hotel operations, hospitality and VIP services	1,508	1,135
Total	<u>7,400</u>	<u>7,112</u>

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As of June 30, 2026 US\$'000 (unaudited)	As of December 31, 2025 US\$'000 (audited)
Prepayments	2,298	402
Deposits	3,090	980
Other receivables	4,643	1,328
Dividend income receivable	10,100	-
Less: impairment losses provided under ECL model	(501)	(501)
Total	<u>19,630</u>	<u>2,209</u>

15. DERIVATIVE FINANCIAL INSTRUMENTS

AMTD Group Inc. and the Company entered into an agreement over the share price of AMTD Digital Inc., pursuant to which the Group is entitled to recover from AMTD Group Inc. if the share price of AMTD Digital Inc. is lower than that at the time the Group invested in the shares of AMTD Digital Inc. (the “Price Protection Agreement”). The purpose of the Price Protection Agreement is to provide a financial safety net for the Group by ensuring to receive a minimum value for its investments in shares of AMTD Digital Inc. The Price Protection Agreement was accounted for as a derivative financial asset and the net fair value loss recognized in profit or loss was approximately US\$28,194,000 for the six ended June 30, 2026 (six months ended June 30, 2025: fair value gain of US\$103,208,000).



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16. OTHER PAYABLES AND ACCRUALS

	As of June 30, 2026 US\$'000 (unaudited)	As of December 31, 2025 US\$'000 (audited)
Payroll and related expenses payable	1,962	749
Other tax payables	1,364	989
Other refundable deposits received	2,294	-
Payable for acquisition of subsidiaries	38,939	-
Interest expense payable	365	496
Accruals and other payables	3,455	3,880
Total	<u>48,379</u>	<u>6,114</u>

17. BORROWINGS

	As of June 30, 2026 US\$'000 (unaudited)	As of December 31, 2025 US\$'000 (audited)
Secured bank borrowings:		
- denominated in Hong Kong dollars ("HK\$")	37,871	50,046
- denominated in Singapore dollars	167,138	168,248
- denominated in US\$	50,135	40,835
- denominated in Australian dollars ("AUD")	55,026	-
Unsecured bank borrowings:		
- denominated in Great Britain Pound ("GBP")	6	13
	<u>310,176</u>	<u>259,142</u>
Shown as:		
- current liabilities	2,211	50,232
- non-current liabilities	307,965	208,910
	<u>310,176</u>	<u>259,142</u>

On March 10, 2026, the Company entered a new \$9.5 million mortgage loan, secured by a property with the carrying amount of US\$23 million as of June 30, 2026. The loan has a 30-year term, bearing an fixed interest rate of 6.125% per annum for the first five years before transitioning to a variable rate.

Except for bank borrowings of US\$10,650,000 and US\$9,481,000 as of June 30, 2026 carrying at fixed-rate of 5.0% and 6.125% per annum, respectively, other bank borrowings carry variable interest rate with a weighted average contractual interest rate of 4.04% p.a. as of June 30, 2026.

As of June 30, 2026, the Group had bank borrowings of approximately US\$280,170,000 secured by the Group's properties, which had carrying amounts of approximately US\$884,153,000. US\$167,138,000 of borrowings as of June 30, 2026 are guaranteed by the Company and the holding company of the non-controlling shareholder of the Group's subsidiaries based on the percentage of shareholding. Also, a borrowing of US\$30,000,000 as of June 30, 2026 is secured by the assets of the Company and a wholly owned subsidiary of the Company which are located in the United States and guaranteed by AMTD IDEA Group.



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18. FINANCIAL LIABILITIES AT FVTPL

The Group's financial liabilities at FVTPL consist of warrants issued by the Company and TGE SPAC.

During the six months ended June 30, 2026, there were no changes to the terms or the number of outstanding warrants. As of June 30, 2026, the outstanding warrants comprised:

- 16,220,000 warrants issued by the Company (exercisable at US\$11.50 per share).
- 9,264,706 warrants issued by TGE SPAC (exercisable at US\$11.50 per share), which excludes 5,300,000 warrants held by a wholly-owned subsidiary that are eliminated upon consolidation.

As of June 30, 2026, the total fair value of the warrant liabilities was US\$5,076,000 (December 31, 2025: US\$5,095,000).

19. SHARE CAPITAL

The movement of share capital is as follows:

	Voting Class A ordinary shares		Voting Class B ordinary shares		Non-voting redeemable preferred shares		Total	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
Authorized								
As of January 1, 2026 (audited) and June 30, 2026 (unaudited)	1,791,048,851,869	47	72,816,437,663	2	23,949,023,814	1	1,887,814,313,346	50
Issued and fully paid								
As of January 1, 2026 (audited) and June 30, 2026 (unaudited)	44,175,159	-*	4,285,911	-*	6,343,056	-*	54,804,126	-*

* The amount is less than US\$1,000.

20. RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in these condensed consolidation financial statements, the Group had the following transactions with related parties during the period:

	Six months ended June 30,	
	2026 US\$'000 (unaudited)	2025 US\$'000 (audited)
Marketing services income	2,727	2,737
Stock-borrowing received from the ultimate holding company	2,073	-



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21. ACQUISITION OF SUBSIDIARIES

During the six months ended June 30, 2026, the Group completed the following acquisitions. These acquisitions are in line with the Group's ongoing strategy to expand its footprint in key hospitality markets, diversify its asset portfolio, and increase recurring revenue streams. By integrating these properties, the Group expects to achieve operational synergies and leverage its existing hospitality management expertise to drive long-term profitability.

(i) Acquisition of The Ritz Carlton, Perth

On May 29, 2026, the Group completed the acquisition of a 50% equity interest and 50% of the outstanding shareholder loans in FEC Hotel Operations Perth EQ Pty Ltd and Perth FEC Pty Ltd (collectively, the "Perth Hotel Group"), which own and operate The Ritz-Carlton, Perth.

The Group has assessed that it has obtained control over the Perth Hotel Group and has accordingly consolidated its financial results, recognizing the remaining 50% as a non-controlling interest.

Consideration transferred

The total consideration for the acquisition was US\$71,565,000 (equivalent to AUD100,000,000). The settlement and allocation of the consideration are detailed below:

	US\$'000
Cash paid at completion	42,939
Deferred consideration	28,626
Total consideration	<u>71,565</u>

The deferred consideration is payable in four equal semi-annual instalments, with the final instalment due on December 31, 2027. As at June 30, 2026, the outstanding balance is recognized as a financial liability within "Accruals and other payables" in the consolidated statement of financial position.

Allocation of consideration:

	US\$'000
Acquisition of 50% equity interests in Perth Hotel Group	58,857
Assignment of shareholder loan	12,708
Total consideration	<u>71,565</u>

Provisional fair value of identifiable assets and liabilities acquired

	US\$'000
Cash and cash balances	3,685
Accounts receivable	919
Prepayments, deposits and other receivables	2,013
Property, plant and equipment	233,817
Accounts payable	(554)
Other payables and accruals	(4,491)
Borrowings	(57,252)
Amounts due to shareholders	(25,417)
Provisions	(1,706)
Deferred tax liabilities	(33,300)
Total identifiable net assets at fair value	<u>117,714</u>
Non-controlling interests (50%)	(58,857)
Net assets acquired	<u>58,857</u>



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21. ACQUISITION OF SUBSIDIARIES - continued

(i) Acquisition of The Ritz Carlton, Perth - continued

The receivables acquired (which principally comprised trade receivables and other receivables) with a fair value of US\$2,449,000 at the date of acquisition had gross contractual amounts of US\$2,449,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to US\$2,449,000.

The initial accounting for the property, plant and equipment acquired in the above business combination with fair value of US\$233,817,000 have been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred tax liabilities and goodwill may be adjusted accordingly.

Non-controlling interests

Non-controlling interests in Perth Hotel Group are measured by reference to the proportionate share of recognized amounts of net identifiable assets of Perth Hotel Group at the date of acquisition.

Net cash inflow on acquisition of Perth Hotel Group

	US\$'000
Cash and cash equivalents balances acquired	3,685

As of December 31, 2025, the Group paid AUD60,000,000 deposits for the acquisition.

(ii) Acquisition of Upper View Regalia Hotel, Kuala Lumpur

On May 29, 2026, the Group completed the acquisition of a 100% equity interest and outstanding shareholder loans in Magic Star International Limited and its subsidiaries (collectively, the "Kuala Lumpur Hotel Group"), which own 80% effective interests in Upper View Regalia Hotel, Kuala Lumpur.

Consideration transferred

The total consideration for the acquisition was US\$38,290,000 (equivalent to HK\$300,000,000). The settlement and allocation of the consideration are detailed below:

	US\$'000
Cash paid at completion	31,908
Deferred consideration	6,382
Total consideration	38,290

The deferred consideration of HK\$24 million is payable by settled by the issuance of shares within 60 days after the data of completion and HK\$26 million is payable by the issuance of shares on the later of 90 days post-completion or upon the completion of specific hotel renovations. As at June 30, 2026, the outstanding balance is recognized as a financial liability within "Accruals and other payables" in the consolidated statement of financial position.



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21. ACQUISITION OF SUBSIDIARIES - continued

(ii) Acquisition of Upper View Regalia Hotel, Kuala Lumpur - continued

Allocation of consideration:

	US\$'000
Acquisition of 100% equity interests in Kuala Lumpur Hotel Group	38,163
Assignment of shareholder loan	127
Total consideration	<u>38,290</u>

Provisional fair value of identifiable assets and liabilities acquired

	US\$'000
Cash and cash balances	177
Accounts receivable	76
Prepayments, deposits and other receivables	257
Property, plant and equipment	58,728
Accounts payable	(270)
Other payables and accruals	(44)
Amounts due to shareholders	(127)
Deferred tax liabilities	(11,093)
Total identifiable net assets at fair value	47,704
Non-controlling interests (20%)	(9,541)
Net assets acquired	<u>38,163</u>

The receivables acquired (which principally comprised trade receivables and other receivables) with a fair value of US\$321,000 at the date of acquisition had gross contractual amounts of US\$321,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to US\$321,000.

The initial accounting for the property, plant and equipment acquired in the above business combination with fair value of US\$58,728,000 have been determined on a provisional basis,.... awaiting the completion of professional valuations. The amounts of deferred tax liabilities and goodwill may be adjusted accordingly.

Non-controlling interests

Non-controlling interests in Kuala Lumpur Hotel Group are measured by reference to the proportionate share of recognized amounts of net identifiable assets of Kuala Lumpur Hotel Group at the date of acquisition.

Net cash inflow on acquisition of Kuala Lumpur Hotel Group

	US\$'000
Cash and cash equivalents balances acquired	<u>177</u>

As of December 31, 2025, the Group paid HK\$230,000,000 deposits for the acquisition. During the six months ended June 30, 2026, the ultimate holding company paid additional HK\$20,000,000 upon the completion of the acquisition.



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THE GENERATION ESSENTIALS GROUP
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FOR THE SIX MONTHS ENDED JUNE 30, 2026

21. ACQUISITION OF SUBSIDIARIES - continued

(iii) Acquisition of Dao by Dorsett Hornsey, London

On June 2, 2026, the Group completed the acquisition of a 100% equity interest and the outstanding shareholder loans in Quality Hornsey PropCo Limited and its subsidiary (collectively, the "Hornsey Hotel Group"), which own and currently operate as "AMTD Dao by Dorsett Hornsey" hotel.

Consideration transferred

The total consideration for the acquisition was US\$30,424,000 (equivalent to GBP 22,656,000). The settlement and allocation of the consideration are detailed below:

	US\$'000
Cash paid at completion	25,408
Deferred consideration	4,996
Total consideration	<u>30,424</u>

The deferred consideration is payable within 45 days after the date of completion. As at June 30, 2026, the outstanding balance is recognized as a financial liability within "Accruals and other payables" in the consolidated statement of financial position.

Allocation of consideration:

	US\$'000
Acquisition of 100% equity interests in Hornsey Hotel Group	8,647
Assignment of shareholder loan	21,777
Total consideration	<u>30,424</u>

Provisional fair value of identifiable assets and liabilities acquired

	US\$'000
Cash and cash balances	147
Accounts receivable	34
Prepayments, deposits and other receivables	301
Property, plant and equipment	34,144
Accounts payable	(233)
Other payables and accruals	(319)
Amounts due to shareholders	(21,777)
Deferred tax liabilities	(3,670)
Net assets acquired	<u>8,627</u>

The receivables acquired (which principally comprised trade receivables and other receivables) with a fair value of US\$111,000 at the date of acquisition had gross contractual amounts of US\$111,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to US\$111,000.

The initial accounting for the property, plant and equipment acquired in the above business combination with fair value of US\$34,144,000 have been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred tax liabilities and goodwill may be adjusted accordingly.



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THE GENERATION ESSENTIALS GROUP
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

21. ACQUISITION OF SUBSIDIARIES - continued

(iii) Acquisition of Dao by Dorsett Hornsey, London - continued

Net cash inflow on acquisition of Hornsey Hotel Group

	US\$'000
Cash and cash equivalents balances acquired	<u>147</u>

As of December 31, 2025, the intermediate holding company paid GBP2 million (equivalent to US\$2,685,000) deposits for the acquisition. During the six months ended June 30, 2026, the ultimate holding company paid additional US\$22,723,000 upon the completion of the acquisition.

22. SUBSEQUENT EVENTS

The Group has evaluated events and transactions occurring after the reporting period ended June 30, 2026, up to the date these condensed consolidated financial statements were authorized for issuance. There have been no significant events subsequent to the end of the reporting period that require adjustment to or disclosure in these condensed consolidated financial statements.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's risk register identifies key risks including any emerging risks, and monitors progress in managing and mitigating these risks. Each risk identified is subject to an assessment incorporating likelihood of occurrence and potential impact on the Group. The Group's risk register is subject to review by the Audit Committee and Board.

The principal risks and uncertainties faced by the Group are reported annually within the Annual Report and Financial Statements for the year ended December 31, 2025, published on April 29, 2026.

Strategic & external risk	Technological, Cyber & Data risk	Financial risk	Operational & Regulatory risk
- Macroeconomic & geopolitical conditions - Competition across media, entertainment & hospitality - Brand & reputation - Strategic investments & SPACs	- Cybersecurity & data privacy - IT & cloud infrastructure - Technology upgrades	- Investment fair value fluctuations - Liquidity & capital requirements - Exchange rate fluctuations	- Acquisitions & integration - Intellectual property protection - Third-party reliance - Regulatory compliance - Talent & key personnel

As part of the review, certain risks were noted to be at an increased level:

- **Macroeconomic and Geopolitical Conditions:** This has been assessed as increased, reflecting the rapidly evolving macroeconomic environment. Changes in inflation, interest rates, and geopolitical tensions may result in shifts in luxury advertising budgets, discretionary consumer spending in our hospitality and entertainment segments, and fluctuations in the broader market.
- **Acquisitions and integration:** The risk profile here has increased due to our aggressive expansion in the hospitality sector during 1H 2026, including the acquisition of AMTD IDEA Tribeca Hotel in New York, The Ritz Charlton, Perth, Upper View Regalia Hotel in Kuala Lumpur and AMTD Dao by Dorsett Hornsey Hotel. The rapid expansion of our portfolio requires significant management attention and heightens the risks associated with integrating new properties, aligning corporate cultures, and managing capital expenditures.

The other risks included have not materially changed from those reported within the annual report. The principal risks and uncertainties which are applicable for the second half of the year are summarised below.

- **Strategic Investments and SPAC Initiatives**
A meaningful portion of our revenue derives from strategic investments in public and private companies (such as regional banks and AMTD Digital Inc.). These investments are subject to fair value fluctuations, liquidity constraints, and concentration risks. Additionally, our SPAC initiatives (e.g., TGE Value Creative Solutions Corp) carry risks that we may fail to identify suitable targets or realize anticipated synergies.
- **Brand, Reputation, and Intellectual Property**
Our brands, including L'Officiel and The Art Newspaper, are our most critical assets. We face risks related to the protection of our intellectual property, including potential claims of infringement and the unauthorized use of our content. Furthermore, we operate a L'Officiel AMTD composite brand and must navigate complexities regarding the historic L'Officiel brand held by third parties to prevent brand dilution or legal disputes.
- **Competition Across Media, Entertainment, and Hospitality**
We operate in highly competitive markets across all segments. Our success depends on our ability to anticipate trends, respond to evolving customer preferences, and deliver compelling content and services while transitioning our media business from a franchise model to a direct ownership model in key geographies.



THE GENERATION ESSENTIALS GROUP – INTERIM REPORT

- **Cybersecurity, Data Privacy, and IT Infrastructure**

We rely heavily on IT systems and third-party cloud hosting. We are exposed to evolving cybersecurity threats and must comply with complex data privacy regulations across our global footprint. Furthermore, as we implement necessary technology upgrades across our newly acquired hospitality assets and digital media platforms, we face execution risks; any significant network disruption, integration failure, or data breach could result in operational downtime and regulatory fines.

- **Liquidity, Capital Requirements, and Exchange Rates**

Our ongoing acquisitions require substantial capital. We face financial risks related to maintaining sufficient liquidity to fund these capital requirements. Additionally, our expanded presence in diverse markets (transacting in USD, AUD, MYR, and GBP) significantly increases our exposure to exchange rate fluctuations and cross-border capital flow regulations, which can impact our reported financial results and the cost of global operations.

- **Third-Party Reliance**

We depend on various third parties across our segments. This includes franchisees, printing, and distribution partners for our publications; lead producers for our co-produced motion pictures; and third-party managers for our hotel properties. Any disruption in these relationships could adversely affect our operations.

- **Regulatory Compliance and Multi-Jurisdictional Tax Risks**

Our rapidly expanding global footprint—now spanning key markets such as the US, Australia, Malaysia, and the UK—exposes us to diverse and frequently changing legal, tax, and regulatory frameworks. This includes local employment laws, consumer protection, ESG reporting obligations, and complex cross-border tax compliance. Navigating these varied jurisdictions requires specialized local knowledge; failure to comply with local regulations or tax codes could subject the Group to business constraints, financial penalties, and increased compliance costs.

- **Talent and Key Personnel**

Our success relies on our ability to attract, develop, and retain highly skilled talent, including editorial staff, creative directors, and key management personnel. The competitive labour market and evolving workforce expectations may increase our employee-related costs and challenge our retention efforts.



**THE GENERATION ESSENTIALS GROUP – INTERIM REPORT
RESPONSIBILITY STATEMENT**

Each of the Directors of The Generation Essentials Group confirms that, to the best of each person's knowledge and belief:

1. The condensed set of Group financial statements has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting';
2. The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
3. The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Furthermore, in accordance with DTR 4.2.9R, the Directors confirm that this condensed consolidated interim financial information for the six months ended June 30, 2026, has not been audited or reviewed by the Company's independent auditors.

By order of the Board

Feridun Hamdullahpur
Director
September 30, 2026

Samuel Chau
Chief Financial Officer
September 30, 2026