



# Palasino Holdings Limited 百樂皇宮控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2536



## 2024-25

INTERIM REPORT 中期報告

# Contents

<b>2</b>	Corporate Information
<b>3</b>	Interim Results 2024/25
<b>4</b>	Management Discussion and Analysis
<b>14</b>	Non-HKFRS Financial Measures
<b>16</b>	Other Information
<b>24</b>	Report on Review of Condensed Consolidated Financial Statements
<b>25</b>	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
<b>26</b>	Condensed Consolidated Statement of Financial Position
<b>28</b>	Condensed Consolidated Statement of Changes in Equity
<b>29</b>	Condensed Consolidated Statement of Cash Flows
<b>30</b>	Notes to the Condensed Consolidated Financial Statements

# Corporate Information

As at 26 November 2024

## BOARD OF DIRECTORS

### Executive Director

Pavel MARŠÍK (Chief Executive Officer)

### Non-Executive Directors

Tan Sri Dato' David CHIU (Chairman)

Cheong Thard HOONG

Mengbi LI (appointed on 1 July 2024)

### Independent Non-Executive Directors

Ngai Wing LIU

Kam Choi Rox LAM

Sin Kiu NG

Jie JIAO (appointed on 1 July 2024)

## AUDIT COMMITTEE

Ngai Wing LIU (Chairman)

Kam Choi Rox LAM

Sin Kiu NG

Jie JIAO (appointed on 1 July 2024)

## NOMINATION COMMITTEE

Tan Sri Dato' David CHIU (Chairman)

Ngai Wing LIU

Kam Choi Rox LAM

Sin Kiu NG

## REMUNERATION COMMITTEE

Ngai Wing LIU (Chairman)

Cheong Thard HOONG

Kam Choi Rox LAM

## EXECUTIVE COMMITTEE

Pavel MARŠÍK (Chairman)

Kwok Tai LAW

## CHIEF FINANCIAL OFFICER

Kwok Tai LAW

## COMPANY SECRETARY

Kwok Tai LAW

## AUTHORISED REPRESENTATIVES

Cheong Thard HOONG

Kwok Tai LAW

## LEGAL ADVISORS

Reed Smith Richards Butler LLP

Conyers Dill & Pearman

Becker a Poliakoff, s.r.o., advokátní kancelář

Kraft Rechtsanwälts GmbH

avocado rechtsanwälte

WH Partners

Justyna Zyga ECO Legal Kancelaria

Radcy Prawnego

## COMPLIANCE ADVISER

Altus Capital Limited

## AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

## PRINCIPAL BANKERS

Allgemeine Sparkasse Oberösterreich

Bankaktiengesellschaft

Erste Bank der oesterreichischen Sparkassen AG

Kreissparkasse Köln

Sparkasse Langen-Seligenstadt

Sparkasse Münden

Ceská spořitelna, a.s.

Finductive Ltd.

Raiffeisenbank a.s

Bank Julius Baer & Co. Ltd.

Industrial and Commercial Bank of China (Asia) Limited

Komerční banka

## PLACE OF INCORPORATION

Cayman Islands

## REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## PRINCIPAL OFFICE

16/F, Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

17/F., Far East Finance Centre,

16 Harcourt Road,

Hong Kong

## LISTING INFORMATION

Ordinary Shares (Code: 2536)

The Stock Exchange of Hong Kong Limited

## WEBSITE

<http://www.palasinoholdings.com>

# Interim Results 2024/25

## INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Palasino Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2024 ("1H FY2025"). These unaudited consolidated financial statements have been reviewed by the Company's audit committee (the "Audit Committee") prior to recommending them to the Board for approval.

Financial year ended or ending 31 March is referred to as "FY" throughout this report.

The Group's revenue increased from approximately HK\$278 million for the six months ended 30 September 2023 ("1H FY2024") to approximately HK\$282 million for 1H FY2025. It is mainly due to the increase in the gaming revenue from slot machine operations during the current interim period. The Group's net profit and profit attributable to the owners of the Company were both approximately HK\$16 million for 1H FY2025 (1H FY2024: HK\$17 million and HK\$15 million, respectively).

## INTERIM DIVIDENDS

The Directors did not recommend the payment of an interim dividend in respect of 1H FY2025 (1H FY2024: Nil).

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately HK\$4 million or 1% from approximately HK\$278 million for 1H FY2024 to approximately HK\$282 million for 1H FY2025. This was mainly attributable to the increase in the number of slot machines and slot attendance.

A breakdown of the Group's revenue is set out below.

	1H FY2025 HK\$'000	1H FY2024 HK\$'000	% Change
Gaming revenue	196,118	194,279	1%
Hotel, catering and related services revenue	85,544	84,008	2%
Leasing revenue	431	–	N/A
	282,093	278,287	1%
Gaming tax	(71,727)	(67,351)	6%
<b>Total Net Revenue</b>	<b>210,366</b>	<b>210,936</b>	<b>0%</b>

Gaming revenue is generated from the three casinos in the Czech Republic, which mainly offer slot machines and table games. For 1H FY2025, gaming revenue amounted to approximately HK\$196 million (1H FY2024: HK\$194 million), representing 70% (1H FY2024: 70%) of total revenue for the same period. The increase in gaming revenue by approximately HK\$2 million or 1% was mainly driven by the increase in revenue from the slot machine operations.

Please refer to below for further details on the results of the Group's gaming operations.

Hotel, catering and related services revenue is generated primarily from (i) Hotel Savannah in the Czech Republic, (ii) Hotel Columbus, Hotel Auefeld, Hotel Kranichhöhe in Germany, and (iii) Hotel Donauwelle in Austria. For 1H FY2025, revenue from hotel, catering and related services amounted to approximately HK\$86 million (1H FY2024: HK\$84 million), representing 30% (1H FY2024: 30%) of total revenue. The increase of approximately HK\$2 million or 2% comes from both the hotel operation and catering operation.

Please refer to below for further details on the operating results of hotels, catering and related services.

Leasing revenue comes from the existing tenants of the Mikulov property which the Group acquired in February 2024 for conversion into a casino.

### Gaming tax

For 1H FY2025, the gaming tax under the relevant Czech laws was calculated based on 35% and 30% of the gross gaming revenue ("GGR") of slot machines and table games, respectively. The gaming tax for 1H FY2025 amounted to approximately HK\$72 million (1H FY2024: HK\$67 million), representing 34% (1H FY2024: 32%) of the gross gaming revenue. The increase in gaming tax by approximately HK\$5 million or 7% from approximately HK\$67 million for 1H FY2024 to approximately HK\$72 million for 1H FY2025 is consistent with (i) the growth of GGR; and (ii) the increase in the gaming tax rate under the relevant Czech laws for table games from 23% to 30% since 1 January 2024.

## Management Discussion and Analysis

The below table summarises the selected results of the Group's casino operation:

	1H FY2025 HK\$'000	1H FY2024 HK\$'000
Gaming revenue from:		
– slot machine operations	157,974	155,896
– table gaming operations	38,144	38,383
	196,118	194,279
<b>Drop</b>		
Slot machine drop	3,150,962	3,171,291
Table games drop	182,996	197,709
Total	3,333,958	3,369,000
<b>Gross gaming revenue</b>		
Slot machine gross win	167,110	165,317
Table games gross win	43,123	43,896
Total	210,233	209,213
	HK\$	HK\$
Average slot win per machine per day <sup>(Note 1)</sup>	1,524	1,611
Average daily gross win per table <sup>(Note 1)</sup>	3,801	3,987
Slot machine hold percentage <sup>(Note 2)</sup>	5.3%	5.2%
Table hold percentage <sup>(Note 2)</sup>	23.6%	22.2%
Occupancy rates of slot machines		
– Overall <sup>(Note 3)</sup>	20.2%	20.8%
– Peak hours (8 p.m. to 12 a.m.) <sup>(Note 4)</sup>	67.3%	69.3%

Notes:

- Average slot win per machine per day = Slot machine gross win/[(opening number of machines + closing number of machines)/2]/number of open days

Average daily gross win per table = Table games gross win/[(opening number of tables + closing number of tables)/2]/number of open days
- A – slot machine drop  
B – table game drop  
C – slot machine gross win  
D – table game gross win  
Slot machine hold percentage = (C/A) x 100%  
Table games hold percentage = (D/B) x 100%
- Occupancy rate = (number of slot machines that are actively being used by players/total number of slot machines available) x 100%

A slot machine is regarded as actively being used by players when a player logs into the slot machine during a gaming session by inserting a player account card.
- Peak hours refer to 8 p.m. to 12 a.m. every Friday and Saturday.

## Management Discussion and Analysis

Revenue generated from slot machines operation amounted to approximately HK\$158 million (1H FY2024: HK\$156 million), representing 81% (1H FY2024: 80%) of total gaming revenue for 1H FY2025. The increase in revenue generated from slot machines operation of approximately HK\$2 million or 1% was mainly attributable to the increase in the number of slot machines to meet the demand for entertainment and social experiences, at peak times especially. The number of slot machines increased from 568 as at 30 September 2023 and 31 March 2024 to 630 as at 30 September 2024. While the gaming appetite and spending of patrons have shown a consistent upward trend, the instalment of the new machines occurred in the middle of the interim period. As a result, the full impact of the increase in slot machines on revenues from this operation was not fully reflected in 1H FY2025.

While there were slight decreases in the average slot win per machine per day and average daily gross win per table in 1H FY2025 when compared to 1H FY2024, there were slight increases in the slot machine hold percentage and table hold percentage. The increase in the number of slot machines also contributed to a slight decrease in occupancy rates, particularly during peak times. The Group's strategy is to offer varied and attractive slot products in each casino, allowing players to select and vary their game choices rather than having to wait for available machines. To this end, the Group provides slot machines from multiple suppliers, offering a wide selection of games and jackpots, including both progressive and individual operation jackpots.

The below table summaries the results of the Group's hotel operation:

	<b>1H FY2025</b> <b>HK\$'000</b>	1H FY2024 HK\$'000	% Change
Hotel, catering and related service revenue from:			
– hotel operations	<b>49,589</b>	48,379	3%
– catering operations	<b>35,955</b>	35,629	1%
	<b>85,544</b>	84,008	

## Management Discussion and Analysis

	1H FY2025	1H FY2024	% Change
<b>Average Daily Room Rate (HK\$)</b> <sup>[Note 1]</sup>			
<i>Hotel Columbus</i>	<b>613</b>	664	
<i>Hotel Auefeld</i>	<b>765</b>	730	
<i>Hotel Kranichhöhe</i>	<b>714</b>	717	
<i>Hotel Donauwelle</i>	<b>814</b>	745	
<i>Hotel Savannah</i>	<b>658</b>	659	
<b>Average of all hotels</b>	<b>731</b>	703	4%
<b>Average occupancy rate (%)</b> <sup>[Note 2]</sup>			
<i>Hotel Columbus</i>	<b>46</b>	40	
<i>Hotel Auefeld</i>	<b>60</b>	61	
<i>Hotel Kranichhöhe</i>	<b>59</b>	62	
<i>Hotel Donauwelle</i>	<b>63</b>	63	
<i>Hotel Savannah</i>	<b>64</b>	65	
<b>Average of all hotels</b>	<b>58</b>	58	0%
<b>Room Revenue (HK\$'000)</b> <sup>[Note 3]</sup>			
<i>Hotel Columbus</i>	<b>6,056</b>	5,670	
<i>Hotel Auefeld</i>	<b>7,864</b>	7,508	
<i>Hotel Kranichhöhe</i>	<b>8,220</b>	8,651	
<i>Hotel Donauwelle</i>	<b>16,428</b>	15,141	
<i>Hotel Savannah</i>	<b>6,116</b>	6,199	
<b>Average of all hotels</b>	<b>8,937</b>	8,634	4%
<b>RevPAR (HK\$)</b> <sup>[Note 4]</sup>			
<i>Hotel Columbus</i>	<b>283</b>	265	
<i>Hotel Auefeld</i>	<b>462</b>	441	
<i>Hotel Kranichhöhe</i>	<b>420</b>	442	
<i>Hotel Donauwelle</i>	<b>510</b>	470	
<i>Hotel Savannah</i>	<b>423</b>	429	
<b>Average of all hotels</b>	<b>420</b>	409	3%

## Notes:

1. Average daily room rate = room revenue/the number of rooms in use
2. Average occupancy rate = (the number of rooms in use/the number of available rooms) x 100%
3. Rate of hotel rooms paid by hotel guest
4. RevPAR = room revenue/the number of rooms available

There was an increase of approximately HK\$1 million or 3% in revenue from hotel operations and an increase of approximately HK\$0.3 million or 1% in revenue from catering operations. The increase in revenue from hotel operations was mainly due to the increase in average room rate from HK\$703 in 1H FY2024 to HK\$731 in 1H FY2025, representing a 4% increase.



## Management Discussion and Analysis

### Other income

Other income primarily consisted of (i) interest income; and (ii) reversal of provision of real estate transfer tax on reorganisation. For 1H FY2025, other income amounted to approximately HK\$7 million (1H FY2024: HK\$3 million). The increase of approximately HK\$4 million from the last interim period was mainly attributable to (i) the increase in bank interest income from the proceeds from IPO and over-allotment received by the Company in March and April 2024, respectively; and (ii) reversal of provision of real estate transfer tax on reorganisation in the last financial year.

### Other gains and losses

Other losses of approximately HK\$0.3 million for 1H FY2025 (1H FY2024: gain of HK\$8 million) primarily consisted of net foreign exchange loss. The Group recorded a net foreign exchange gain of approximately HK\$8 million for 1H FY2024 whereas a net exchange loss of approximately HK\$0.4 million was recorded for 1H FY2025. The reason is that the majority of the revenue of the Group is denominated in EUR while costs are largely denominated in EUR and CZK. The net foreign exchange gain for 1H FY2024 was primarily driven by the appreciation of EUR against CZK. During 1H FY2025, the exchange rate between EUR and CZK remained relatively stable, recording only a marginal depreciation over the period.

### Operating expenses

Total operating expenses decreased by approximately HK\$0.2 million or 0% from approximately HK\$195 million for 1H FY2024 to approximately HK\$195 million for 1H FY2025. This was mainly attributable to the decrease in one-off listing expenses, which was offset by the increase in other operating expenses as detailed below. A breakdown of the operating expenses is set out below.

	1H FY2025 HK\$'000	1H FY2024 HK\$'000	% Change
Employee benefits expenses	95,179	95,758	-1%
Other operating expenses	60,181	46,722	29%
Inventories consumed	13,078	14,520	-10%
Depreciation and amortisation	11,447	11,810	-3%
Listing expenses	1,949	14,452	-87%
Rental expenses of slot machines	11,224	9,934	13%
Finance costs	1,873	1,974	-5%
<b>Total operating expenses</b>	<b>194,931</b>	<b>195,170</b>	<b>0%</b>

Employee benefit expenses decreased slightly by approximately HK\$1 million or 1% from approximately HK\$96 million for 1H FY2024 to approximately HK\$95 million for 1H FY2025.

Other operating expenses increased by approximately HK\$13 million or 29% from approximately HK\$47 million for 1H FY2024 to approximately HK\$60 million for 1H FY2025. This was mainly attributable to the increase in (i) online gaming expenses of approximately HK\$4 million; (ii) utilities expense of approximately HK\$2 million, driven by higher energy unit price under the new contracts; and (iii) listing maintenance costs of approximately HK\$3 million.

Inventories consumed consisted primarily of the cost of food and beverage for the catering operations. For 1H FY2025, the cost of inventories consumed amounted to approximately HK\$13 million, compared to approximately HK\$15 million for 1H FY2024. This decrease of approximately HK\$2 million, or 13%, is mainly attributable to the implementation of effective cost control measures within the Group's food and beverage operations. This was achieved by optimizing the procurement strategy and streamlining the menu offerings of the Group.

## Management Discussion and Analysis

Depreciation and amortisation primarily consisted of (i) depreciation of property and equipment, (ii) depreciation of right-of-use assets; and (iii) amortisation of intangible assets. For 1H FY2025, depreciation and amortisation amounted to approximately HK\$11 million (1H FY2024: HK\$12 million).

Rental expenses of slot machines were incurred as some of the slot machines were leased. The increase of rental expenses of slot machines from approximately HK\$10 million in 1H FY2024 to approximately HK\$11 million in 1H FY2025 or approximately 10% was mainly attributable to the increase in the number of slot machines leased.

For 1H FY2024, listing expenses of approximately HK\$14 million were related to the professional fees and other costs in connection with the global offering. From cashflow perspective, Far East Consortium International Limited ("FEC"), a controlling shareholder of the Company, on a pro rata basis, shared 40% of the listing expenses in accordance with their sale share percentage under the global offering. For 1H FY2025, the Group recorded listing expenses of approximately HK\$2 million mainly relating to the ordinary shares issued under the exercise of the over-allotment option in April 2024. An amount of approximately HK\$1 million has been capitalised to the share premium account.

Finance costs of approximately of HK\$2 million primarily consisted of interests on bank loans and lease liabilities for 1H FY2025 (1H FY2024: HK\$2 million).

### Profit for the Period

As a result of the combined effect of the above factors, profit for the period decreased slightly by approximately HK\$1 million or 6% from approximately HK\$17 million for 1H FY2024 to approximately HK\$16 million for 1H FY2025.

## LIQUIDITY AND FINANCIAL RESOURCES

The equity attributable to owners of the Company as at 30 September 2024 increased to approximately HK\$550 million, representing an increase of 9% from approximately HK\$503 million as at 31 March 2024, while the Group's total assets increased to approximately HK\$763 million as at 30 September 2024 as compared to approximately HK\$739 million as at 31 March 2024.

The Company's total cash and bank balances including fixed deposits were approximately HK\$296 million as at 30 September 2024 compared to approximately HK\$305 million as at 31 March 2024 while total borrowings were approximately HK\$58 million as at 30 September 2024 as compared to approximately HK\$62 million as at 31 March 2024. The Group had a net positive cash position as at 30 September 2024 and 31 March 2024.

## Management Discussion and Analysis

The following table sets out the Group's bank and cash balances and bank and other borrowings as at 30 September 2024.

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Bank and other borrowings		
Due within 1 year	8,407	8,862
Due 1-2 years	8,473	8,187
Due 2-5 years	37,240	37,164
Due more than 5 years	4,112	7,323
<b>Total bank loans and other borrowings</b>	<b>58,232</b>	61,536
Bank and cash balances	296,336	305,122
<b>Liquidity position</b>	<b>296,336</b>	305,122
<b>Net cash</b>	<b>238,104</b>	243,586

### Bank and other borrowings denominated in:

	As at 30 September 2024	As at 31 March 2024
EUR	99%	99%
CZK	1%	1%
	<b>100%</b>	100%

As at 30 September 2024, the Group had a total of approximately HK\$58 million of bank and other borrowings, of which HK\$57.9 million were denominated in EUR and HK\$0.1 million were denominated in CZK, and 38% of the bank and other borrowings were with floating rates while the remaining had fixed rates.

On 15 April 2024, the Group placed a restricted bank deposit of approximately HK\$18 million and pledged certain land and buildings with a bank as the security in order to instruct a bank to issue a guarantee of approximately HK\$41 million as additional refundable gaming deposit in compliance with the requirement of New Czech Gambling Act. The restricted bank deposit is refundable upon the gaming licence being conclusively withdrawn or ceased and will not be realised within 12 months from the end of reporting period, therefore, the amount is classified as non-current assets. The restricted bank deposit carried fixed interest rate of 0.75% per annum as at 30 September 2024.

## FOREIGN EXCHANGE MANAGEMENT

The majority of revenue is denominated in EUR while costs are largely denominated in EUR and CZK. A foreign exchange loss of approximately HK\$0.4 million was recorded for 1H FY2025. The value of the EUR against the CZK fluctuates depending to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the CZK and the EUR or other currencies in the future. Foreign currency payments are received from our customers during daily operations, and there are borrowing and loan balances in different currencies. The fluctuation in exchange rates may significantly reduce revenue which is presented in HKD in the consolidated statements of profit or loss and other comprehensive income. As such, the results of operations are subject to fluctuations in currency exchange rates which may cause volatility and may make it difficult to compare the results of operations.

## Management Discussion and Analysis

The Group does not currently maintain a foreign currency hedging policy to hedge against exposure to currency risk. However, management of the Group manages foreign currency risk by maximizing share of costs denominated in EUR, closely monitoring the movement of foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

### CAPITAL EXPENDITURE

The Group's capital expenditure consisted of additions of property, equipment and intangible assets.

During 1H FY2025, the Group incurred capital expenditure of approximately HK\$16 million, including (i) the general renovation and maintenance of the hotels and casinos of approximately HK\$4 million; and (ii) the upgrade and replacement of property and equipment of approximately HK\$12 million. Such amounts of capital expenditure were funded by cash generated from operations and net proceeds from IPO as appropriate.

### CAPITAL COMMITMENTS

As at 30 September 2024, the Group had no capital commitments.

As at 31 March 2024, the Group had capital commitments of approximately HK\$6 million, which has been funded through cash and cash equivalents and the listing proceeds from the global offering during 1H FY2025.

The capital commitments were mainly capital expenditure for the acquisition of property and equipment contracted for but not provided in the consolidated financial statements. The capital commitments as at 31 March 2024 represented the amounts which have been committed to suppliers for the purchase of slot machines.

### CHARGES ON COMPANY ASSETS

As at 30 September 2024, the Group had approximately HK\$22 million and approximately HK\$209 million of bank deposits and property and equipment pledged as securities, respectively for bank loans entered into in Germany and Austria and bank guarantee entered into in the Czech Republic.

Apart from the above pledged assets, the Group also pledged the entire shareholding of Trans World Hotels Austria GmbH for bank borrowings as at 30 September 2024.

### GEARING RATIO

As at 30 September 2024, the Group had a gearing ratio of approximately 11% (as at 31 March 2024: approximately 12%). Gearing ratio is calculated based on the total bank and other borrowings divided by the total equity as at the end of each financial year/reporting period and multiplied by 100%. The decrease in the gearing ratio as at 30 September 2024 resulted primarily from the increase in total equity from approximately HK\$503 million as at 31 March 2024 to approximately HK\$550 million as at 30 September 2024, which was primarily attributable to the allotment and issuance of shares of the Company under the over-allotment option in the global offering in April 2024 and the total comprehensive income earned for 1H FY2025.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this interim report, during the six months ended 30 September 2024, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

### CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any contingent liabilities.

## Management Discussion and Analysis

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed 672 employees (as at 31 March 2024: 690) mainly in Czech Republic, Germany, Austria and Malta. Employee costs amounted to approximately HK\$95 million for 1H FY2025 (1H FY2024: HK\$96 million).

The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, and both internal and external training appropriate for various levels of staff roles and functions.

The Group has adopted a share option scheme on 4 March 2024 to provide incentive or reward to eligible participants for their contribution or potential contribution to the Group. No share option has been granted under the share option scheme as at the date of this interim report.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, during the six months ended 30 September 2024, the Group did not have any plans for material investments or capital assets which are legally binding.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

In line with the Group's sustainability governance framework, the ESG committee, reporting directly to the Board, has continued to steer the Group towards well-defined strategic objectives.

The Board has proactively established key performance indicators and other relevant measurements used to evaluate and address the Group's ESG-related risks in accordance with the European Sustainability Reporting Standards.

During 1H FY2025, the Group completed photovoltaic power plant projects and implemented other energy-saving projects; enhanced focus on Scope 3 emission, particularly through detailed analysis of other indirect greenhouse gas emissions, in particular a more detailed breakdown of external supply to better identify steps to reduce its carbon footprint.

In addition, the Group continues to implement responsible gaming practices and adhere to regulatory requirements governing casino operations.

### PROSPECTS AND OUTLOOK

The Group expects the macro-economic environment for FY2025/2026 to remain challenging. However, there are positive trends in reducing inflation and interest rates. Geo-political tensions, especially the continuation of the Ukraine-Russia war, are likely to impact the Group's development and financial results. Additionally, the increase in the gaming tax rate that took effect on 1 January 2024 will have full impact on the Group's profitability in the second half of FY2025.

Following initial steps taken in terms of interim measures to increase gaming floor size and number of slot machines, to solidify its market position, the Group will continue preparations for asset rejuvenation. This includes the overhaul of the gaming area facilities, back-of-house areas, guest rooms and other hospitality offerings at Palasino Savannah Resort and Palasino Wulowitz. These efforts aim to maintain and further consolidate the Group's market presence in the gaming industry in the Czech Republic and Central Europe. The number of slot machines will also continue to grow to further enhance the Group's gaming revenue stream.

The Group will continue with preparations for opening of its fourth casino in Mikulov, the Czech Republic in the first half of FY2026. The Group will seek new opportunities to further expand the Group's gaming business in the Czech Republic, Central Europe and other markets through acquisition of business or asset and/or by bidding for new gaming licence.

## Management Discussion and Analysis

### USE OF LISTING PROCEEDS

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 March 2024 (the "Listing Date"). Based on the offer price of HK\$2.60 per offer share, the net proceeds from the global offering received by the Company, after deduction of the underwriting commission and other expenses payable by the Company in connection with the global offering, were approximately HK\$194 million.

On 19 April 2024, the sole overall coordinator of the global offering (for itself and on behalf of the international underwriters) partially exercised the over-allotment option in respect of an aggregate of 10,990,000 shares, among which 6,594,000 shares were newly allotted and issued by the Company. The additional net proceeds of approximately HK\$15 million were received by the Company from the allotment and issue of such 6,594,000 shares, after deducting the commissions and other offering expenses payable by the Company in relation to the exercise of the over-allotment option.

As of 30 September 2024, the Company had utilised approximately HK\$12 million of the net proceeds in accordance with the intended use set out in the prospectus of the Company dated 18 March 2024 (the "Prospectus"), and there are currently no concrete plans to utilise the net proceeds otherwise than as stated in the Prospectus. The following table sets out a breakdown of the use of proceeds:

Major Categories		Planned allocation of net proceeds (HK\$ million)			Actual usage during 1H FY2025 (HK\$ million)	Unutilised net proceeds as at 30 September 2024 (HK\$ million)	Expected timeline for utilization of the remaining proceeds (HK\$ million)				
		From IPO	From Over-allotment Option	Total	Total	Total	For the year ending 31 March				
							2025	2026	2027	2028	Total
Maintain and further consolidate our market presence in the gaming industry in the Czech Republic through asset rejuvenation	60.0%	116.5	9.2	125.7	5.8	119.9	11.2	12.7	49.1	46.9	119.9
Continue to expand our gaming business in the Czech Republic, Central Europe or other markets through acquisition of business or asset and/or bidding for new gaming licence	30.0%	58.2	4.6	62.8	-	62.8	36.5	16.0	10.3	-	62.8
Additional working capital and other general corporate purposes	10.0%	19.4	1.5	20.9	5.9	15.0	3.5	5.8	5.7	-	15.0
	100.0%	194.1	15.3	209.4	11.7	197.7	51.2	34.5	65.1	46.9	197.7

As stated in the Prospectus, to the extent that the listing proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we shall hold such funds in short-term deposits with licenced banks and/or authorised financial institutions as defined under the SFO or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits. However, given the current anticipated decline in interest rates, the returns on short term deposits may diminish in the future. To optimise investment returns for the Group, the unutilised funds may be allocated towards other relatively low-risk investments. These could include structural deposits, such as dual currency investments, and fixed-income products. These strategies will enhance the investment flexibility, allowing the Group to adapt to the dynamic global economic landscape while increasing overall cash flow and investment returns. The Company will issue announcement in compliance with relevant Listing Rules requirements, as appropriate.

### SUBSEQUENT EVENT

No major subsequent event affecting the Group has occurred since the end of the reporting period (i.e. 30 September 2024) and up to the date of this report.

## Non-HKFRS Financial Measures

To supplement the consolidated financial statements, which are presented in accordance with HKFRS, adjusted earnings before interest income, finance costs, income tax and depreciation and amortisation ("Adjusted EBITDA") and adjusted net profit are presented as additional financial measures, which are unaudited and not required by, or presented in accordance with HKFRS. These financial measures are presented because they are used by the management to evaluate the financial performance by eliminating the impact of items that do not consider indicative of the business performance. It is also believed that these non-HKFRS measures provide additional information to investors in understanding and evaluating the consolidated results of operations in the same manner as they help the management compare financial results across accounting periods.

Adjusted net profit (non-HKFRS measure) is calculated as net profit (HKFRS measure) after elimination of listing expenses and real estate transfer tax on reorganisation as non-recurring items. Adjusted EBITDA (non-HKFRS measure) is defined by the Company as profit/loss for the period without considering depreciation and amortisation, income tax, finance costs and interest income.

The Group provides a reconciliation of Adjusted EBITDA (non-HKFRS measure) to adjusted net profit (non-HKFRS measure) and then to profit for the period, calculated and presented in accordance with HKFRS. The terms adjusted net profit and Adjusted EBITDA are not defined under HKFRS and should not be considered in isolation or construed as alternatives to loss/profit from operations or any other measure of performance or as an indicator of the operating performance or profitability of the Group.

The adjusted net profit and Adjusted EBITDA (non-HKFRS measure) of the Group may not be comparable to similarly titled measures of another company because they do not have a standardised meaning and all companies may not calculate adjusted net profit and Adjusted EBITDA in the same manner. The following table presents a reconciliation of Adjusted EBITDA (non-HKFRS measure) to adjusted net profit (non-HKFRS measure) and then to profit for each of the years indicated:

	1H FY2025 HK\$'000	1H FY2024 HK\$'000
<b>Profit for the period</b>	<b>15,693</b>	17,054
Add:		
Listing expenses	<b>1,949</b>	14,452
Less:		
Reversal of provision on the real estate transfer tax on reorganisation	<b>2,502</b>	–
<b>Adjusted net profit (non-HKFRS measure)</b>	<b>15,140</b>	31,506
Add:		
Depreciation and amortisation	<b>11,447</b>	11,810
Income tax	<b>6,173</b>	9,844
Finance costs	<b>1,873</b>	1,974
Less:		
Interest income from related parties	–	2,919
Bank interest income	<b>4,246</b>	12
<b>Adjusted EBITDA (non-HKFRS measure)</b>	<b>30,387</b>	52,203

## Non-HKFRS Financial Measures

The Group recorded Adjusted EBITDA (non-HKFRS measure) of approximately HK\$52 million and approximately HK\$30 million for 1H FY2024 and 1H FY2025, respectively.

There was an increase of approximately HK\$4 million in online gaming expenses from approximately HK\$8 million in 1H FY2024 to approximately HK\$12 million in 1H FY2025, while no revenue was generated from online gaming business for both 1H FY2025 and 1H FY2024. In addition, the Group recorded a non-operating net foreign exchange gain of approximately HK\$8 million for 1H FY2024 whereas a net exchange loss of approximately HK\$0.4 million was recorded for 1H FY2025 as explained in the section headed "Management Discussion and Analysis".

To demonstrate the operating performance of the Group's land based casinos and hotels and for illustrative purpose only, by excluding the online gaming revenue and expenses and foreign exchange gain or loss, the Adjusted EBITDA, a non-HKFRS measure, would amount to approximately HK\$43 million in 1H FY2025 and approximately HK\$52 million in 1H FY2024. The decrease of approximately HK\$9 million was due to the increase in (i) gaming tax by approximately HK\$4 million due to higher applicable tax rates; and (ii) listing maintenance costs amounted to HK\$3 million; and (iii) utilities expense of approximately HK\$2 million, driven by higher energy unit price under the new contracts.



## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange, were as follows:

#### A. THE COMPANY

##### A.1 Long position in the ordinary shares

Name of Director	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital <sup>(2)</sup>
Tan Sri Dato' David CHIU <sup>(3)</sup>	Interest of controlled corporations <sup>(1)</sup>	582,462,662	72.21%
Mr. Cheong Thard HOONG <sup>(3)</sup>	Beneficial owner	579	0.00%

Notes:

- These Shares include 581,318,000 Shares directly held by Ample Bonus Limited ("Ample Bonus") and 1,144,662 Shares held by Sumptuous Assets Limited. Ample Bonus is wholly-owned by Far East Consortium International Limited ("FEC"), of which Tan Sri Dato' David CHIU is a controlling shareholder. Sumptuous Assets Limited is a direct wholly-owned subsidiary of Far East Organization (International) Limited, which in turn is directly wholly-owned by Tan Sri Dato' David CHIU.
- The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 30 September 2024.
- Tan Sri Dato' David CHIU is a director of Ample Bonus and Sumptuous Assets Limited. Mr. Cheong Thard HOONG is a director of Ample Bonus.

## Other Information

## B. ASSOCIATED CORPORATIONS

## B.1 Long position in the ordinary shares

Name of Director	Name of associated corporation	Capacity	Number of ordinary share(s) interested	Approximate % of the relevant issued share capital
Tan Sri Dato' David CHIU	FEC	Interest of controlled corporations <sup>(1)</sup>	1,492,216,937	52.96%
		Beneficial owner <sup>(1)</sup>	27,563,478	0.98%
		Interest of spouse <sup>(1)</sup>	20,789,895	0.74%
	Ample Bonus	Interest of controlled corporation <sup>(1)</sup>	101	100%
	Sumptuous Assets Limited	Interest of controlled corporation <sup>(1)</sup>	1	100%
	Far East Organization (International) Limited	Beneficial owner <sup>(1)</sup>	1	100%
Mr. Cheong Thard HOONG	FEC	Beneficial owner <sup>(2)</sup>	13,283,692	0.47%
		Joint interest <sup>(2)</sup>	802	0.00%
	BC Investment Group Holdings Limited ("BC Invest") <sup>(3)</sup>	Beneficial owner	792,383	3.47%
Dr. Ngai Wing LIU	FEC	Beneficial owner	1,793	0.00%

## Notes:

- As at 30 September 2024, Tan Sri Dato' David CHIU was interested in an aggregate of 1,540,570,310 ordinary shares (approximately 54.68%) of FEC, of which (i) 27,563,478 ordinary shares (approximately 0.98%) were beneficially held by Tan Sri Dato' David CHIU; (ii) 20,789,895 ordinary shares (approximately 0.74%) were held by his spouse, Mrs. Nancy CHIU NG; (iii) 1,492,198,213 ordinary shares (approximately 52.96%) were held by Sumptuous Assets Limited (a direct wholly-owned subsidiary of Far East Organization (International) Limited, which in turn was directly wholly-owned by Tan Sri Dato' David CHIU; and (iv) 18,724 ordinary shares (approximately 0.001%) were held by Modest Secretarial Services Limited (which was directly wholly-owned by Tan Sri Dato' David CHIU).
- As at 30 September 2024, Mr. Cheong Thard HOONG was interested in an aggregate of 13,284,494 ordinary shares (0.47%) of FEC of which (i) 13,283,692 ordinary shares (0.47%) were beneficially held by Mr. Cheong Thard HOONG; and (ii) 802 ordinary shares (0.00%) were jointly held with his spouse, Ms. Pei Chun TENG.
- BC Invest is a company incorporated in the Cayman Islands with limited liability on 24 January 2019 (which FEC indirectly holds over 50% interest).

## Other Information

### B.2 Long position in the underlying shares of BC Invest – physically settled unlisted derivatives

Name of Director	Capacity	Number of underlying shares in respect of the purchase rights granted	Approximate % of BC Invest's issued share capital
Mr. Cheong Thard HOONG	Beneficial owner	457,502	2.00%

Note:

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company had or is deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

### B.3 Interest in debentures

Name of Director	Name of associated corporation	Capacity	Currency of debenture held	Amount of debenture held	Amount of debenture in same class in issue	Type of debenture
Tan Sri Dato' David CHIU	FEC Finance Limited	Interest of spouse <sup>(1)</sup>	USD	4,000,000	360,000,000	Freely transferable but not convertible into shares of the listed corporation and/or its associated corporation
		Beneficial owner	USD	5,000,000		

Note:

- As at 30 September 2024, Tan Sri Dato' David CHIU was deemed to have an interest in the initial 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of FEC, in the principal amount of USD9,000,000 of which USD5,000,000 was held by Tan Sri Dato' David CHIU and USD4,000,000 was held by his spouse, Mrs. Nancy CHIU NG.

## SHARE OPTION SCHEME

### Share Option Scheme

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to a resolution passed by the Shareholders on 4 March 2024 for a period of 10 years commencing on the Listing Date. As at 30 September 2024, the remaining life of the Share Option Scheme is approximately 10 years and no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

## Other Information

### Purpose

The purpose of the Share Option Scheme is to incentivise and reward participants who have contributed or may contribute to the Group and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and the Shareholders as a whole.

### Eligible participants

Those eligible to participate in the Share Option Scheme include:

- (i) any director or employee of any member of the Group (including persons who are granted options(s) under the Share Option Scheme as an inducement to enter into employment contracts with any member of the Group) and, for the avoidance of doubt, excludes any former employee unless such person qualifies as a participant in some other capacity; and
- (ii) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company,

who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

### Maximum number of shares available for issue

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any options or awards granted under any other share schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 80,000,000 shares, being 10% in nominal amount of the aggregate of shares in issue on the Listing Date, and representing approximately 10% of the total number of the issued share capital of the Company as at the date of this interim report. As of 1 April 2024 and 30 September 2024 respectively, 80,000,000 options were available for grant under the Share Option Scheme.

### Maximum entitlement of each participant

Where any further grant of options to a participant would result in the shares issued and to be issued in respect of all options and awards granted to such person under the Share Option Scheme and any other share scheme of the Company (excluding any options and awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by Shareholders in general meeting with such participant and his close associates (or associates if the participant is a connected person) abstaining from voting.

### Grant of option and option period

The Board shall be entitled, on and subject to the terms of the Share Option Scheme and the Listing Rules, at any time within 10 years after the Listing Date to make an offer (subject to such conditions as the Board may think fit) to any participant as the Board may at its absolute discretion select to take up an option pursuant to which such participant may, during the option period (i.e. in respect of any option, the period (which shall not exceed 10 years from the date of grant) to be determined and notified by the Board to the grantee at the time of making an offer), subject to earlier termination in accordance with the provisions of the Share Option Scheme), subscribe for such number of shares as the Board may determine at the relevant subscription price.

## Other Information

### Vesting period

Save for the circumstances prescribed in the paragraph below, every grantee must hold an option for at least 12 months before he can exercise such option.

A grantee may be subject to a vesting period shorter than 12 months as deemed appropriate at the discretion of the Board or (where the grantee is our director or a member of our senior management) the remuneration committee of the Company in any of the following circumstances:

- (i) grants of “make-whole” options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria. For example, this could be applicable where an employee or potential employee have exceptional skills or expertise and the performance target is to secure a specific particularly high value project or customer for the Group in less than 12 months;
- (iv) grants with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 or more months. This could be applicable where we have set quarterly or semi-annual performance targets and the options would be vested in batches upon satisfaction of each of those targets in a way that the options would be vested evenly over a period of 12 or more months instead of all being vested in one-go upon the expiry of a certain period; and
- (v) grants with a total vesting and holding period of more than 12 months (“holding period” refers to the period during which the grantee is restricted from disposing of shares that are issued upon the exercise of vested options).

### Acceptance

An offer shall be made to a participant by letter in such form as the Board may from time to time determine requiring the participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the participant concerned for a period of 5 business days from the date of grant provided that no such offer shall be open for acceptance after the expiry of the option period or after the Share Option Scheme has been terminated in accordance with the terms hereof or after the participant for whom the offer is made has ceased to be a participant.

No offer shall be made to, nor shall any offer be capable of acceptance by, any participant at a time when the participant would or might be prohibited from dealing in the shares by the Listing Rules or by any other applicable rules, regulations, or law.

An offer is deemed to be accepted when we receive from the grantee the offer letter signed by the grantee specifying the number of shares in respect of which the offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of option. To the extent that the offer is not accepted within 30 days from the date on which the letter containing the offer is delivered to that participant in the manner indicated in the paragraph above, it shall be deemed to have been irrevocably declined.

## Other Information

## Subscription price

The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;
- (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and
- (iii) the nominal value of the shares on the date of grant.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, so far as was known to the Directors and chief executive of the Company, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Company as recorded in the register at the Company required to be kept under Section 336 of the SFO were as follows:

Name of Substantial Shareholder	Capacity	Number of ordinary shares interested	Approximate percentage of the Company issued share capital <sup>(11)</sup>
Ample Bonus	Beneficial owner <sup>(1)</sup>	581,318,000	72.07%
FEC	Interest of controlled corporation <sup>(2)</sup>	581,318,000	72.07%
Sumptuous Assets Limited	Interest of controlled corporation and beneficial owner <sup>(3)</sup>	582,462,662	72.21%
Far East Organization (International) Limited	Interest of controlled corporation <sup>(4)</sup>	582,462,662	72.21%
Tan Sri Dato' David CHIU	Interest of controlled corporations <sup>(5)</sup>	582,462,662	72.21%
Mrs. Nancy CHIU NG	Interest of spouse <sup>(5)</sup>	582,462,662	72.21%
Dateplum Harvest Limited ("Dateplum")	Beneficial owner <sup>(6)</sup>	71,429,000	8.86%
Blossom Industrial Investment Limited	Interest of controlled corporation <sup>(7)</sup>	71,429,000	8.86%
Blossom Investment Consultant Limited	Interest of controlled corporation <sup>(8)</sup>	71,429,000	8.86%
Blossom International Investment Holdings Limited	Interest of controlled corporation and beneficial owner <sup>(9)</sup>	72,429,000	8.98%
Yang Fang	Interest of controlled corporation <sup>(10)</sup>	72,429,000	8.98%

## Other Information

### Notes:

1. Ample Bonus is a company incorporated in the British Virgin Islands (the "BVI").
2. Ample Bonus is wholly-owned by FEC. Under the SFO, FEC is deemed to be interested in the Shares held through Ample Bonus.
3. Sumptuous Assets Limited is a company incorporated in the BVI. As at 30 September 2024, Sumptuous Assets Limited was interested in 52.96% of the total number of issued shares of FEC. Under the SFO, Sumptuous Assets Limited is deemed to be interested in the Shares in which FEC is interested. Sumptuous Assets Limited is also the beneficial owner of 1,144,662 Shares.
4. Sumptuous Assets Limited is wholly-owned by Far East Organization (International) Limited, which is a company incorporated in the BVI. Under the SFO, Far East Organization (International) Limited is deemed to be interested in the Shares in which Sumptuous Assets Limited is interested.
5. Far East Organization (International) Limited is wholly-owned by Tan Sri Dato' David CHIU. Tan Sri Dato' David CHIU is deemed to be interested in the Shares in which Far East Organization (International) Limited is interested. Mrs. Nancy CHIU NG is the spouse of Tan Sri Dato' David CHIU. She is deemed to be interested in the Shares in which Tan Sri Dato' David CHIU is interested.
6. Dateplum is a company incorporated in the BVI.
7. Dateplum is wholly-owned by Blossom Industrial Investment Limited, which is a company incorporated in the BVI. Under the SFO, Blossom Industrial Investment Limited is deemed to be interested in the Shares held through Dateplum.
8. Blossom Industrial Investment Limited is wholly-owned by Blossom Investment Consultant Limited, which is a company incorporated in the BVI. Under the SFO, Blossom Investment Consultant Limited is deemed to be interested in the Shares in which Blossom Industrial Investment Limited is interested.
9. Blossom Investment Consultant Limited is wholly-owned by Blossom International Investment Holdings Limited, which is a company incorporated in the BVI. Under the SFO, Blossom International Investment Holdings Limited is deemed to be interested in the Shares in which Blossom Investment Consultant Limited is interested. Blossom International Investment Holdings Limited is also the beneficial owner of 1,000,000 Shares.
10. Blossom International Investment Holdings Limited is wholly-owned by Yang Fang. Under the SFO, Yang Fang is deemed to be interested in the Shares in which Blossom International Investment Holdings Limited is interested.
11. The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, no other persons were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognises the importance of maintaining good corporate governance practices. The Board sets policies and implements corporate governance practices appropriate to the conduct of the Group's business.

The Company has adopted the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "Corporate Governance Code" or the "CG Code") as the basis of the Company's corporate governance practices. The Company has complied with the principles and the applicable code provisions as set out in Part 2 of the Corporate Governance Code during the six months ended 30 September 2024.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices.

## Other Information

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all the Directors and all Directors have confirmed that they have complied with the Model Code during the six months ended 30 September 2024.

The Company has also adopted the written guidelines which is reproduced from Appendix C3 to the Listing Rules (the "Written Guidelines") for securities transactions by employees who are likely to be in possession of inside information of the Company and/or its securities. No incident of non-compliance of the Written Guidelines by the Group's employees has been noted by the Company.

The Company has been notifying Directors and relevant employees, if any, of the prohibitions on dealings in the securities of the Company according to the Model Code, whenever black-out periods arise. In addition, the Company requires Directors and relevant employees to copy their notifications of intended dealings to the Company Secretary as well as one designated Director for receiving such notifications.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares, if any) during the six months ended 30 September 2024 and up to the date of this report.

## AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's four independent non-executive directors, namely Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM, Ms. Sin Kiu NG and Ms Jie JIAO, has reviewed the accounting principles, standards and practices adopted by the Company, and discussed matters relating to auditing, risk management and internal control and financial reporting, including the review of the unaudited consolidated interim results of the Group for the six months ended 30 September 2024.

## DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed hereunder, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the six months ended 30 September 2024 and up to the date of this interim report. The changes of Directors' information are set out below:

### Directors

### Changes in Positions held with the Company

Mr. Mengbi LI

Appointed as a non-executive Director with effect from 1 July 2024.

Ms. Jie JIAO

Appointed as an independent non-executive Director and a member of the Audit Committee with effect from 1 July 2024.

By order of the Board of  
**Palasino Holdings Limited**  
**Kwok Tai LAW**  
*Company Secretary*

Hong Kong, 26 November 2024



# Report on Review of Condensed Consolidated Financial Statements

# Deloitte.

# 德勤

To the Members of Palasino Holdings Limited  
(incorporated in Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Palasino Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 25 to 48, which comprise the condensed consolidated statement of financial position as of 30 September 2024 and the related 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”) issued by the Hong Kong Institute of Certified Public Accountants. 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” (“HKSRE 2410”) issued by the Hong Kong Institute of Certified Public Accountants. 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  
26 November 2024

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

	NOTES	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Gaming revenue		196,118	194,279
Hotel, catering, leasing and related services revenue		85,975	84,008
Gaming, hotel, catering, leasing and related services revenues	4	282,093	278,287
Gaming tax		(71,727)	(67,351)
Other income	5(a)	6,771	2,946
Other gains and losses	5(b)	(340)	8,186
Inventories consumed		(13,078)	(14,520)
Depreciation and amortisation		(11,447)	(11,810)
Employee benefits expenses		(95,179)	(95,758)
Other operating expenses		(71,405)	(56,656)
Listing expenses		(1,949)	(14,452)
Finance costs	6	(1,873)	(1,974)
Profit before taxation	8	21,866	26,898
Income tax expense	7	(6,173)	(9,844)
<b>Profit for the period</b>		<b>15,693</b>	17,054
<b>Other comprehensive income (expense)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange difference arising from translation of functional currency to presentation currency		8,574	(19,085)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		510	(331)
<b>Total comprehensive income (expense) for the period</b>		<b>24,777</b>	(2,362)
<b>Profit for the period attributable to:</b>			
Owners of the Company		15,693	15,349
Non-controlling interests		–	1,705
		<b>15,693</b>	17,054
<b>Total comprehensive income (expense) for the period attributable to:</b>			
Owners of the Company		24,777	(2,126)
Non-controlling interests		–	(236)
		<b>24,777</b>	(2,362)
Earnings per share	9		
Basic (HK cents)		1.95	2.15
Diluted (HK cents)		1.95	N/A

# Condensed Consolidated Statement of Financial Position

As at 30 September 2024

	NOTES	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Investment properties	11	15,384	14,597
Property and equipment	12	359,910	347,137
Deposits for acquisition of equipment	14	1,699	2,965
Deposits for gaming licence	14	10,200	9,900
Intangible assets		2,350	2,855
Right-of-use assets	15	30,090	29,619
Pledged bank deposits	16	4,379	4,256
Restricted bank deposit	17	17,911	–
		441,923	411,329
<b>Current assets</b>			
Inventories		2,349	2,052
Trade receivables	13	9,173	10,188
Other receivables, deposits and prepayments	14	13,407	10,012
Cash and cash equivalents		296,336	305,122
		321,265	327,374
<b>Current liabilities</b>			
Trade payables	18	8,076	6,125
Other payables	19	70,729	88,734
Income tax payable		–	4,614
Contract liabilities	20	2,153	2,159
Lease liabilities		1,633	1,558
Bank and other borrowings	21	8,407	8,862
		90,998	112,052
<b>Net current assets</b>		230,267	215,322
<b>Total assets less current liabilities</b>		672,190	626,651

## Condensed Consolidated Statement of Financial Position

As at 30 September 2024

	NOTES	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Bank and other borrowings	21	49,825	52,674
Lease liabilities		64,549	63,353
Other payables	19	1,500	1,843
Deferred tax liabilities		6,107	5,927
		121,981	123,797
<b>Net assets</b>		550,209	502,854
<b>Capital and reserves</b>			
Share capital	22	8,066	8,000
Reserves		542,143	494,854
Total Equity		550,209	502,854

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Foreign exchange reserve HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000 (note 1)	Retained profits HK\$'000	Subtotal HK\$'000	
At 1 April 2023 (Audited)	37,000	-	(57,570)	(38,776)	-	(77,981)	486,313	348,986	387,762
Profit for the period	-	-	-	-	-	-	15,349	15,349	17,054
Exchange difference arising from translation of functional currency to presentation currency	-	-	(17,177)	-	-	-	-	(17,177)	(1,908)
Exchange differences arising from translation of foreign operations	-	-	(298)	-	-	-	-	(298)	(331)
Total comprehensive (expense) income for the period	-	-	(17,475)	-	-	-	15,349	(2,126)	(2,362)
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	(84,207)	(84,207)	(9,356)
Deemed contribution from shareholder (note 2)	-	-	-	-	5,203	-	-	5,203	5,781
At 30 September 2023 (Audited)	37,000	-	(75,045)	(38,776)	5,203	(77,981)	417,455	267,856	297,618
At 1 April 2024 (Audited)	8,000	205,756	(79,181)	(10,799)	46,411	(77,981)	410,648	502,854	502,854
Profit for the period	-	-	-	-	-	-	15,693	15,693	15,693
Exchange difference arising from translation of functional currency to presentation currency	-	-	8,574	-	-	-	-	8,574	8,574
Exchange differences arising from translation of foreign operations	-	-	510	-	-	-	-	510	510
Total comprehensive income for the period	-	-	9,084	-	-	-	15,693	24,777	24,777
Issue of shares under the initial public offerings (the "IPO") (Note 22(d))	66	17,078	-	-	-	-	-	17,144	17,144
Transaction costs attributable to the IPO	-	(671)	-	-	-	-	-	(671)	(671)
Deemed contribution from shareholder (note 2)	-	-	-	-	6,105	-	-	6,105	6,105
At 30 September 2024 (Unaudited)	8,066	222,163	(70,097)	(10,799)	52,516	(77,981)	426,341	550,209	550,209

Notes:

- The balance represents the deemed distribution for net liabilities assumed from the holding companies arising from the amalgamation of which the then holding companies of Palasino Group, a.s. ("Palasino Group"), the wholly owned subsidiary merged with Palasino Group and they ceased to exist as separate entities on 1 April 2020.
- The amount represents (1) the portion of listing expenses and issue costs in excess of those relating to sales of shares by Far East Consortium International Limited ("FEC"), ultimate holding company of Palasino Holdings Limited (the "Company") and (2) the settlement of real estate transfer tax on reorganisation paid by FEC (Note 23), which are treated as deemed contribution.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,164</b>	20,877
<b>INVESTING ACTIVITIES</b>		
Interest received from banks	4,246	12
Interest received from related parties	–	2,152
Placement of deposits for acquisition of property and equipment	(1,699)	–
Purchase of property and equipment	(12,997)	(15,480)
Purchase of intangible assets	–	(266)
Repayment from a fellow subsidiary	–	12,911
Proceed of disposals of property and equipment	3,971	17
Net cash outflow on acquisition of subsidiaries	–	(176)
Advance to a fellow subsidiary	–	(17,327)
Purchase of financial assets at fair value through profit or loss	–	(18,843)
Withdrawal of financial assets at fair value through profit or loss	–	17,357
Placement of restricted bank deposits	(17,911)	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(24,390)</b>	(19,643)
<b>FINANCING ACTIVITIES</b>		
Deemed contribution from shareholder	680	–
Proceeds from the IPO	17,144	–
Repayments of lease liabilities	(780)	(674)
Repayments of bank and other borrowings	(3,238)	(3,754)
Settlement of consideration payable	(1,078)	(959)
Interest paid	(1,873)	(1,974)
Share issue costs paid	(671)	(150)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>10,184</b>	(7,511)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,042)</b>	(6,277)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>305,122</b>	86,084
<b>EFFECT OF FOREIGN RATE CHANGES</b>	<b>2,256</b>	(2,258)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>296,336</b>	77,549

# Notes to the Condensed Consolidated Financial Statements

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2024.

### Application of amendments to HKFRSs

In the period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs 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.

## Notes to the Condensed Consolidated Financial Statements

### 3. SEGMENT INFORMATION

The Group is currently organised into two reportable segments – gaming operations and hotel, catering and leasing operations. Principal activities of these two reportable segments are as follows:

- (i) Gaming operations – operation of casinos
- (ii) Hotel, catering and leasing operations – operation of hotel, catering and related services

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief executive officer of the Company, being the chief operating decision maker (the “CODM”). CODM, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the senior management that makes strategic decisions.

The CODM regularly analyses gaming operations in terms of table gaming operations and slot machine gaming operations for each casino, and the relevant revenues and operating results are reviewed as a whole for resources allocation and performance assessment. For hotel, catering and leasing operations, the CODM regularly reviews the performance on the basis of the individual hotel. For segment reporting under HKFRS 8 Operating Segments, financial information of the Group’s hotels with similar economic characteristics has been aggregated into a single reportable segment named “hotel, catering and leasing operations”.



## Notes to the Condensed Consolidated Financial Statements

## 3. SEGMENT INFORMATION (continued)

Revenue and segment information about these businesses is presented below:

(a) An analysis of the Group's revenue and results by reportable segments is as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
<b>Segment revenue</b>		
Gaming operations: recognised at a point in time	196,118	194,279
Hotel, catering and leasing operations: Hotel operations: recognised over time	49,589	48,379
Catering operations: recognised at a point in time	35,955	35,629
Leasing operations: revenue from operating lease	431	–
	282,093	278,287
Revenue from contracts with customers: recognised at a point in time	232,073	229,908
recognised over time	49,589	48,379
	281,662	278,287
Revenue from operating leases: lease payments	431	–
	282,093	278,287
<b>Segment results</b>		
Gaming operations	36,406	41,617
Hotel, catering and leasing operations	6,595	5,847
Unallocated corporate income	6,329	11,084
Unallocated corporate expenses	(27,464)	(31,650)
Profit before taxation	21,866	26,898

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit before taxation from each segment without allocation of certain finance costs, listing expenses, over-provision of real estate transfer tax on reorganisation, other expense and corporate income and expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

## Notes to the Condensed Consolidated Financial Statements

**3. SEGMENT INFORMATION** (continued)**(b) Geographical information**

The Group's operations are mainly in the Czech Republic, Germany and Austria. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on geographical location of the assets.

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (Unaudited)</b>	<b>2023 HK\$'000 (Audited)</b>
Revenue from external customers:		
The Czech Republic	<b>219,861</b>	217,992
Germany	<b>39,619</b>	38,758
Austria	<b>22,613</b>	21,537
	<b>282,093</b>	278,287

**(c) Information about major customers**

There is no customer who contributes more than 10% of the total revenue of the Group during the six months ended 30 September 2024 (six months ended 30 September 2023: no customer who contributes more than 10%).

## Notes to the Condensed Consolidated Financial Statements

## 4. REVENUE

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Gaming revenue from:		
– slot machine operations	157,974	155,896
– table gaming operations	38,144	38,383
	196,118	194,279
Hotel, catering, leasing and related service income from:		
– hotel operations	49,589	48,379
– catering operations	35,955	35,629
– leasing operations	431	–
	85,975	84,008
	282,093	278,287

For hotel and catering transactions, the Group generally grants credit terms ranging from 30 to 60 days to its corporate customers from the date of invoices. Other than that, transactions with patrons and individual customers are settled by cash or credit cards through payment gateways, which will generally settle the amounts with the Group within 2 days after the date of transactions. As at 30 September 2024, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period (30 September 2023: all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period). As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

## Notes to the Condensed Consolidated Financial Statements

## 5. OTHER INCOME/OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
(a) Other income		
Bank interest income	4,246	12
Interest income from related parties	–	2,919
Government grants	23	15
Reversal of the over-provision of on the real estate transfer tax on reorganisation	2,502	–
	6,771	2,946
(b) Other gains and losses		
Fair value change on financial assets at FVTPL	–	17
Foreign exchange (loss) gain, net	(442)	8,152
Gain on disposal of property and equipment	55	17
Impairment losses reversed under expected credit loss model, net	47	–
	(340)	8,186

## 6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Interest on lease liabilities	695	668
Interest on bank and other borrowings	1,178	1,306
	1,873	1,974

## Notes to the Condensed Consolidated Financial Statements

## 7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Current tax:		
– The Czech Republic Corporation Tax	6,171	9,261
– Austria Corporation Tax	2	8
	6,173	9,269
Deferred tax	–	575
Income tax expense	6,173	9,844

The Group is not subject to any income tax in the Cayman Islands pursuant to the rules and regulations in the Jurisdiction.

Withholding tax of 15% is imposed on dividends declared in respect of profits earned by the subsidiary incorporated in the Czech Republic. At 30 September 2024, the amount of distributable earnings for the Group's subsidiary incorporated in the Czech Republic in respect of which the Group has not provided for dividend withholding tax amounted to HK\$524,232,000 (31 March 2024: HK\$517,622,000). No deferred tax liability has been recognised in respect of these amounts because the Group is in a position in control of the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

During the six months ended 30 September 2024, the Czech Republic Corporation Tax is calculated at a rate of 21% (six months ended 30 September 2023: 19%) on the estimated assessable profits.

No provision (six months ended 30 September 2023: no provision) for Germany corporation tax for the six months ended 30 September 2024 as the Group either incurred tax loss or utilised tax loss for offsetting the income tax payable.

No provision (six months ended 30 September 2023: no provision) for Austria Corporation Tax during the six months ended 30 September 2024 as the Group either incurred tax loss or utilised tax loss for offsetting the income tax payable, however, there is a minimum Corporation Tax of EUR500 for a year (six months ended 30 September 2023: EUR500 for a year) during the six months ended 30 September 2024 for entities in a tax loss position.

## Notes to the Condensed Consolidated Financial Statements

## 8. PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	569	1,077
Depreciation of property and equipment	10,273	10,247
Depreciation of right-of-use assets	605	486

## 9. EARNINGS PER SHARE

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

Earnings:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Earnings for the purpose of basic and diluted earnings per share being profit for the period attributable to owners of the Company	15,693	15,349

Number of shares:

	Six months ended 30 September	
	2024 '000 (Unaudited)	2023 '000 (Audited)
Weighted average number of ordinary shares for the purpose of basic earning per share	805,801	714,286
Effect of dilutive potential share over-allotment option of the global offering	775	N/A
Weighted average number of ordinary shares for the purpose of dilutive earning per share	806,576	N/A

## Notes to the Condensed Consolidated Financial Statements

### 9. EARNINGS PER SHARE (continued)

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 September 2023 has been taken into account the share subdivision and share capitalisation as set out in Note 22.

No diluted earnings per share for the six months ended 30 September 2023 was presented as there were no potential ordinary shares in issue.

### 10. DIVIDENDS

#### The Group

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Dividends for equity shareholders of Palasino Group recognised as distribution during the period	–	93,563

As set out in Note 25, dividend payables of HK\$79,529,000 was offset by the amount due from FEC Overseas Investment (UK) Limited ("FEC UK"), the former holding company of the Company and the fellow subsidiary of the Group, during the six months ended 30 September 2023.

No dividends was declared or paid during the six months ended 30 September 2024.

The rate of dividend and number of shares ranking for the above dividends distributed by Palasino Group are not presented as such information is not considered meaningful having regard to the purpose of these condensed consolidated financial statements.

#### The Company

No dividend has been declared or paid by the Company since its incorporation.

## Notes to the Condensed Consolidated Financial Statements

## 11. INVESTMENT PROPERTIES

	HK\$'000
At 1 April 2023 (Audited)	–
Acquired on acquisition of a subsidiary	14,597
At 31 March 2024 (Audited)	14,597
Exchange adjustments	787
At 30 September 2024 (unaudited)	15,384

The investment properties represent the properties held by Retail Park Mikulov s.r.o. ("Mikulov"), which leases out various retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 5 to 8 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in CZK which is the functional currency of Mikulov. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

In determining the fair value of the investment properties, the Group engages a valuer to perform the valuation. The management of the Company works closely with the valuer to establish the appropriate valuation techniques and inputs to the model. The management of the Company report the findings of the valuation to the board of directors of the Company periodically to explain the cause of fluctuations in the fair value of the investment properties.

The valuation of the investment properties, which falls under level 3 of the fair value hierarchy, was arrived at by capitalisation of future rental which is estimated by reference to comparable rental as available in the relevant markets. In the valuation, the market rentals of all lettable units of the properties are made reference to the rentals achieved by the Group in the lettable units as well as those of similar properties in the neighbourhood. The capitalisation rate adopted is by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted for the valuer's knowledge of factors specific to the respective properties. The yearly comparable rental and capitalisation rate adopted in the valuation as at 30 September 2024 is CZK22,933 per square meter and 7.75% (31 March 2024: CZK22,933 per square meter and 7.75%), respectively.

The fair value measurement of Group's major investment properties and information about the fair value hierarchy at 30 September 2024 are as follows:

The key inputs used in valuing the investment properties under the income capitalisation approach were the capitalisation rates used and market rent. A slight increase in the capitalisation rate used or a slight decrease in market rent would result in a significant decrease in the fair value of the investment properties, and vice versa.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value of certain investment properties has been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

The fair value of the investment properties at 30 September 2024 has been arrived at on the basis of a valuation carried out by Grant Thornton Appraisal services a.s., who is the qualified valuer registered based on the decision of the Minister of Justice of the Czech Republic.



## Notes to the Condensed Consolidated Financial Statements

## 12. PROPERTY AND EQUIPMENT

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
At beginning of the period/year:		
Cost	733,414	764,577
Accumulated depreciation	(386,277)	(399,077)
Net carrying amount	347,137	365,500
At beginning of the period, net of accumulated depreciation	347,137	365,500
Additions	15,962	24,864
Disposals	(3,916)	–
Depreciation provided during the period/year	(10,273)	(21,600)
Exchange adjustments	11,000	(21,627)
At end of the period, net of accumulated depreciation	359,910	347,137
At end of the period/year:		
Cost	771,616	733,414
Accumulated depreciation	(411,706)	(386,277)
Net carrying amount	359,910	347,137

## 13. TRADE RECEIVABLES

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Trade receivables	9,179	10,241
Less: allowance for credit losses	(6)	(53)
	9,173	10,188

## Notes to the Condensed Consolidated Financial Statements

**13. TRADE RECEIVABLES** (continued)

The entire trade receivables are arising from hotel and catering operations. The Group generally grants credit terms ranging from 30 to 60 days to its corporate customers from the date of invoices. Transactions with individual customers are settled by cash or credit cards through payment gateways, which will generally settle the amounts with the Group within 2 days after the sales was made. An ageing analysis of the trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of the reporting period is as follows:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Within 30 days	8,649	9,752
31 days to 60 days	264	61
Over 60 days	260	375
	<b>9,173</b>	<b>10,188</b>

**14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS/DEFERRED ISSUE COSTS AND OTHER PREPAYMENTS**

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Rental and utilities deposits	1,774	1,187
Deposits for acquisition of equipment	1,699	2,965
Deposits for gaming licence (note)	10,200	9,900
Government grants receivables	86	54
Tax prepaid	1,751	288
Other receivables, deposits and prepayments	9,796	8,483
<b>Total</b>	<b>25,306</b>	<b>22,877</b>
Presented as:		
Current	13,407	10,012
Non-current	11,899	12,865
	<b>25,306</b>	<b>22,877</b>

Note: Deposits of CZK30,000,000 (as at 31 March 2024: CZK30,000,000) (equivalents to approximately HK\$10,200,000 (as at 31 March 2024: HK\$9,900,000) as at 30 September 2024) have been placed on a special account of the Ministry of Finance of the Czech Republic as surety deposit for the casino operations. Such deposit is refundable upon the gaming licence is conclusively withdrawn or ceased and will not be realised within 12 months from the end of reporting period, therefore, the amount is classified as non-current assets.

## Notes to the Condensed Consolidated Financial Statements

## 15. RIGHT-OF-USE ASSETS

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Net carrying amount at beginning of the period/year	29,619	25,853
Addition	–	109
Lease reassessment	–	6,656
Depreciation provided during the period/year	(605)	(1,175)
Exchange adjustments	1,076	(1,824)
Net carrying amount at end of the period/year	30,090	29,619

## 16. PLEDGED BANK DEPOSITS

Pledged bank deposits carry fixed interest rate of 1% as at 30 September 2024 (as at 31 March 2024: 0.5%) and represent deposits pledged to banks to secure long-term bank borrowings granted to the Group, and are therefore classified as non-current assets. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

## 17. RESTRICTED BANK DEPOSIT

On 15 April 2024, the Group placed a restricted bank deposit of CZK52,680,000 (equivalent to approximately HK\$17,911,000) and pledged certain land and buildings with a bank as the security in order to instruct a bank to issue a guarantee of CZK120,000,000 (equivalent to approximately HK\$40,800,000) as additional refundable gaming deposit in compliance with the requirement of New Czech Gambling Act. The restricted bank deposit is refundable upon the gaming licence is conclusively withdrawn or ceased and will not be realised within 12 months from the end of reporting period, therefore, the amount is classified as non-current assets. The restricted bank deposit is carry fixed interest rate of 0.75% per annum as at 30 September 2024.

## 18. TRADE PAYABLES

The credit period granted by suppliers ranged from 0 to 90 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates. At the end of the reporting period is as follows:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Within 60 days	6,863	5,535
61 to 90 days	1,213	590
	8,076	6,125

## Notes to the Condensed Consolidated Financial Statements

## 19. OTHER PAYABLES

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Chips in circulation	1,952	1,545
Other payables and accruals	7,434	5,271
Listing expenses payable	–	6,836
Share issue costs payable	–	2,788
Refundable government subsidy	3,740	3,648
Deferred income (note i)	1,551	1,527
Other tax payables	45,121	50,428
Salaries payables	10,986	16,085
Consideration payable (note ii)	1,445	2,449
	72,229	90,577
Less: Non-current portion of consideration payable	–	(354)
Non-current portion of deferred income	(1,500)	(1,489)
	70,729	88,734

Notes:

- (i) Trans World Hotels Austria GmbH, a wholly-owned subsidiary of the Group, was granted by the Austria Government for subsidizing the construction cost of hotel building at amount of EUR200,000 (equivalent to approximately HK\$1,800,000). The government grant will be amortised over the useful life of the hotel building.
- (ii) The balance represents the consideration payable arising from the acquisition of a hotel building in 2015, the amount is repayable on a monthly basis from year 2015 to 2025, interest bearing at 3% per annum and secured by the property held by the Group.

## 20. CONTRACT LIABILITIES

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Advances received in relation to the service of hotel accommodation	552	462
Customer loyalty programme	1,601	1,697
	2,153	2,159

For the contract liabilities as at 30 September 2024, approximate 88% (as at 31 March 2024: 90%) of the balances will be recognised as revenue during the period ending 30 September 2025 (as at 31 March 2024: during the year ending 31 March 2025).

## Advances received in relation to the service of hotel accommodation

Contract liabilities in relation to the service of hotel accommodation represent the advance payments received from the customers upon ordering and before provision of services, until the services are rendered and revenue are recognised.

## Notes to the Condensed Consolidated Financial Statements

### 20. CONTRACT LIABILITIES (continued)

#### Customer loyalty programme

The Group offers customer loyalty programme in the Group's gaming operations. Basically, the customers can earn loyalty points from slot machine gaming and table gaming. The customers can use the loyalty points as cashable credit on any slot machine gaming and table gaming or use to purchase non-gaming products by utilising the loyalty points earned under the customer loyalty programme. All loyalty points can be accumulated and will be expired in the following 6 months since the last gaming. The expiry date of the loyalty points will be automatically extended if there is a gaming betted by the customers during the 6-month period. Contract liabilities in relation to customer loyalty programme represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period.

The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the loyalty points are redeemed.

### 21. BANK AND OTHER BORROWINGS

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Bank borrowings	58,140	61,251
Other borrowings	92	285
	<b>58,232</b>	61,536
Analysed as:		
Secured	58,140	61,251
Unsecured	92	285
	<b>58,232</b>	61,536
The carrying amount of the bank borrowings are repayable:		
– Within one year	8,315	8,577
– Within a period of more than one year, but not exceeding two years	8,473	8,187
– Within a period of more than two years, but not more than five years	37,240	37,164
– Within a period of more than five years	4,112	7,323
	<b>58,140</b>	61,251
Amount due within one year shown under current liabilities based on scheduled repayment dates	<b>(8,315)</b>	(8,577)
Amount shown under non-current liabilities	<b>49,825</b>	52,674
The carrying amount of the other borrowings are repayable within one year	<b>92</b>	285

## Notes to the Condensed Consolidated Financial Statements

## 21. BANK AND OTHER BORROWINGS (continued)

Interest rate	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Fixed rate	36,273	38,488
Variable rate	21,959	23,048
	58,232	61,536

For the bank and other borrowings as at 30 September 2024, the bank borrowings amounting to HK\$21,959,000 (as at 31 March 2024: HK\$23,048,000) are variable-rate borrowing which carrying interest at 3-month EURIBOR + 1.95% per annum. The remaining bank and other borrowings amounted to HK\$36,273,000 (as at 31 March 2024: HK\$38,488,000) carry fixed interest rates ranging from 1.95% to 5.84% (as at 31 March 2024: 1.95% to 3.7%).

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	At 30 September 2024 (Unaudited)	At 31 March 2024 (Audited)
Effective interest rates:		
Bank borrowings	1.95% to 5.84%	1.95% to 5.84%
Other borrowings	3.7%	3.7%

All bank borrowings are denominated in EUR as at 30 September 2024 (as at 31 March 2024: all bank borrowings are denominated in EUR). All other borrowings are denominated in CZK as at 30 September 2024 (as at 31 March 2024: all other borrowings are denominated in CZK).

## Notes to the Condensed Consolidated Financial Statements

### 22. SHARE CAPITAL

For the purpose of presentation of the consolidated statement of financial position, the balance of share capital as at 1 April represented the share capital of Palasino Group prior to the completion of the Reorganisation.

For the purpose of presentation of the consolidated statement of financial position, the balance of share capital as at 31 March 2024 and 30 September 2024 represented the share capital of the Company after the completion of the Reorganisation.

Authorised:

	Notes	Number of shares	Nominal value of ordinary shares HK\$'000
At 6 July 2023 (date of incorporation)		50,000	50
Addition	(a)	19,950,000	19,950
Share subdivision	(a)	1,980,000,000	–
At 31 March 2024 (Audited) and 30 September 2024 (Unaudited)		2,000,000,000	20,000
Issued and fully paid:			
Issuance of ordinary shares on 6 July 2023 (date of incorporation)		1	–*
Issuance of ordinary shares on 1 March 2024		99	–*
Share subdivision	(a)	9,900	–*
Share capitalisation	(b)	714,276,000	7,143
Issuance of ordinary shares on 26 March 2024	(c)	85,714,000	857
At 31 March 2024 (Audited)		800,000,000	8,000
Issuance of ordinary shares on 23 April 2024	(d)	6,594,000	66
At 30 September 2024 (Unaudited)		806,594,000	8,066

\* The balances represent amount less than HK\$1,000.

Notes:

- (a) On 4 March 2024, an ordinary resolution was passed, pursuant to which, (i) the authorised share capital of the Company increases from HK\$50,000 divide into 50,000 shares to HK\$20,000,000 into 20,000,000 shares and (ii) every issued and unissued ordinary share of HK\$1 par value in the Company was subdivided into 100 ordinary shares of HK\$0.01 par value each.
- (b) On 4 March 2024, a written resolution was passed for the 714,276,000 shares to be issued upon capitalisation of the amount of HK\$7,142,760 standing to the credit of the share premium account of the Company.
- (c) In connection with the Company's IPO, 85,714,000 ordinary shares were issued at HK\$2.6 per share for a total cash consideration, before expenses, of approximately HK\$222,856,000 on 26 March 2024.
- (d) In connection with the exercise of over-allotment option of the global offering, 6,594,000 ordinary shares were issued at HK\$2.6 per share for a total cash consideration, before expenses, of approximately HK\$17,144,000 on 23 April 2024.

## Notes to the Condensed Consolidated Financial Statements

## 23. RELATED PARTY DISCLOSURES

## (i) Transactions

The Group had the following transactions with related parties during the period.

Name of related parties	Nature of transactions	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
BC Mortgage Service Asia Limited ("BC Mortgage")	Interest income	–	2,033
Singford Holdings Limited ("Singford")	Interest income	–	886
Annick Investment Limited ("Annick")	Lease payment	120	–

BC Mortgage is a joint venture of FEC.

Singford and Annick are fellow subsidiaries of the Group.

During the six months ended 30 September 2023, Far East Consortium Limited paid expenses on behalf of the Group on an incidental basis and without charging handling fees.

During the year ended 31 March 2024, FEC, Ample Bonus Limited ("Ample"), a company directly wholly-owned by FEC and the Company signed a deed of indemnity, under which FEC and Ample indemnified real estate transfer tax of approximately EUR910,000 (equivalent to approximately HK\$7,927,000) (subject to the finalisation from German tax authorities) arising from the transfer of the entire equity interest of Trans World Hotels Germany GmbH from Palasino Group to the Company. Such amount has been recognised as expenses of the Group during the year ended 31 March 2024. During the six months ended 30 September 2024, the Group received the payment notice from German tax authorities under which the real estate transfer tax is approximately EUR645,000 (equivalent to approximately HK\$5,425,000). Accordingly, the Group reversed the over-provision of approximately HK\$2,502,000 as other income and the whole amount has been paid by FEC and recognised under capital reserve as at 30 September 2024.

Saved as the above transactions, the Group did not have any other related party transactions.

## (ii) Compensation of key management personnel

The remuneration of key management during the period was as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Short-term benefits	5,900	4,817



## Notes to the Condensed Consolidated Financial Statements

## 24. CAPITAL COMMITMENTS

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the consolidated financial statements	–	5,874

## 25. NON CASH TRANSACTIONS

On 8 September 2023, a deed of assignment and novation has been signed among the Company, BC Mortgage and FECL, under which the Company has agreed to novate all of its rights and obligations of a loan due from BC Mortgage amounting to GBP4,000,000 (equivalent to approximately HK\$39,600,000) to FECL.

On 8 September 2023, a deed of novation has been signed among the Company, FEC UK and FECL under which FECL has agreed to novate all the obligations and interest of a debt due to the Company amounting to GBP2,586,687 (equivalent to approximately HK\$26,254,000) to FEC UK.

On 8 September 2023, 2 deeds of novation have been signed among the Company, FEC UK and Singford, under which Singford has agreed to novate all the obligations and interest of 2 debts due to the Company amounting to USD4,591,070 (equivalent to approximately HK\$35,948,000) and EUR2,024,164 (equivalent to approximately HK\$17,327,000), respectively to FEC UK.

On 8 September 2023, Palasino Group declared a dividend of CZK267,323,421 (equivalent to approximately HK\$93,563,000). The dividend payables was partially offset by the amount due from FEC UK amounting to approximately HK\$79,529,000 and partially settled by withholding tax paid on behalf of FEC UK amounting to approximately HK\$14,034,000.

## 26. PLEDGE OF ASSETS

The Group's bank borrowings, consideration payable and bank guarantee had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Pledged bank deposits	4,379	4,256
Property and equipment	208,634	115,874
	213,013	120,130

