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

2025

ANNUAL REPORT 年報

Contents

Corporate Information

As at 26 June 2025

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 Rechtsanwalts 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
Bankaktiengesellstaft
Erste Bank der oesterreichischen Sparkassen AG
Kreissparkasse Köln
Sparkasse Langen-Seligenstadt
Sparkasse Münden
Ceská spořitelna, a.s.
Finductive Ltd.
Komerční banka
Raiffeisenbank a.s.
Bank Julius Baer & Co. Ltd.
Industrial and Commercial Bank of China (Asia) Limited

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

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

Financial and Operational Highlights

KEY FINANCIAL DATA

	2025 HK$'000	2024 HK$'000
Revenues:		
Gaming revenue	408,799	402,403
Hotel, catering, leasing and related services revenue	159,345	161,938
	568,144	564,341
Gaming tax	(148,417)	(141,562)
Total Net Revenue	419,727	422,779
Adjusted EBITDA[note 1]	52,461	85,493

GAMING STATISTICS

	2025 HK$'000	2024 HK$'000
Drop		
Slot machine drop	6,576,662	6,618,494
Table games drop	371,572	402,789
Total	6,948,234	7,021,283
Gross gaming revenue		
Slot machine gross win	336,655	339,135
Table games gross win	90,171	91,786
Total	426,826	430,921
	HK$	HK$
Average slot win per machine per day[note 2]	1,420	1,631
Average daily gross win per table[note 2]	3,959	4,045
Slot machine hold percentage[note 3]	5.1%	5.1%
Table hold percentage[note 3]	24.3%	22.8%
Occupancy rate of slot machines		
– Overall[note 4]	20.8%	21.7%
– Peak hours (8 p.m. to 12 a.m.)[note 5]	71.6%	72.5%

KEY FINANCIAL METRICS

	2025	2024
Net profit attributable to Owners of the Company (HK$'000)	15,391	8,542
Basic earnings per share (HK cents)	1.91	1.19
Total Assets (HK$'000)	760,839	738,703
Total Borrowings (HK$'000)	53,565	61,536
Gearing ratio	9.8%	12.2%

Notes:

1. Represents a non-HKFRS measure which is defined and reconciled to the nearest comparable HKFRS measure in the section headed "Non-HKFRS Financial Measures" Section below.
2. 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
3. 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%
4. 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.
5. Peak hours refer to 8 p.m. to 12 a.m. every Friday and Saturday.

Chairman's Statement

It is with great pleasure that I present this statement reflecting our collective achievements and strategic direction amid a challenging landscape. As we navigate the complexities of the gaming and hospitality sectors, I am proud to highlight the resilience demonstrated by our operations, bolstered by enhanced customer engagement and the introduction of innovative offerings.

The European leisure and gaming industry has shown signs of recovery, supported by the easing of travel restrictions and a gradual resurgence in consumer confidence. However, we remain mindful of the inflationary pressures and geopolitical uncertainties affecting discretionary spending. In response to these challenges, we have strategically increased our marketing efforts to attract customers and foster their loyalty, thereby expanding our customer base and sustaining growth.

Our financial performance reflects our commitment to operational excellence. Total revenue before gaming tax rose modestly to HK$568 million, with gaming revenue increasing by 2% to HK$409 million. Our core gaming operations have remained robust, driven by continuous innovation and deeper customer engagement. The enhancements to our new marketing efforts have successfully strengthened customer relationships and increased visitation frequency. Additionally, our hospitality services have shown commendable resilience, with improved hotel occupancy rates supported by prudent maintenance in properties.

As outlined in our listing prospectus, we are committed to strategically deploying the net proceeds toward rejuvenating our existing gaming assets and expanding our presence in the Czech Republic and Central Europe. The anticipated opening of Palasino Mikulov in the second half of FY2026 is a significant milestone that will bolster our revenue, reinforcing our strategy for regional growth.

We remain vigilant in addressing regulatory, economic, and competitive risks while leveraging our well-established operating model and prudent financial management. As we look ahead to FY2026, our focus will be on enhancing guest experiences, advancing digital innovations, and capitalizing on new growth opportunities of Palasino Mikulov.

I would like to extend my heartfelt gratitude to our dedicated employees, loyal customers, and supportive shareholders. Together, we will continue to build on our successes and drive Palasino Holdings toward a sustainable and prosperous future.

David CHIU
Chairman and non-executive Director

26 June 2025

Chief Executive Officer's Report

Dear shareholder,

I am pleased to report solid results amid a challenging environment. Our gaming operations remained strong, supported by enhanced customer engagement and new offerings. Hospitality services showed resilience as travel recovered. While external cost pressures such as gaming tax and rising utilities impacted EBITDA, management's disciplined approach helped contain other operating expenses. Our investments in digital transformation, sustainability, and asset rejuvenation position us well for long-term value creation.

BUSINESS ENVIRONMENT

The European leisure and gaming sector experienced a continued recovery in FY2025, supported by removed travel restrictions and improving consumer confidence. However, inflationary pressures and geopolitical uncertainties continued to weigh on discretionary spending, significant portion of which is nowadays spent online. Regulatory requirements, including the Panic Button and Anti-Money Laundering regulations, introduced stricter measures that have negatively affected revenue per visitor. We have increased marketing investments to attract new customers and develop them into regular players, expanding our player base and sustaining growth.

FINANCIAL PERFORMANCE

– Revenue: Total revenue before gaming tax increased modestly to HK$568 million, with gaming revenue up 2% to HK$409 million, reflecting steady demand and successful promotional efforts.

– Profit: Net profit attributable to owners rose to HK$15 million, nearly doubling from the previous year, driven by the absence of last year's one-off expenses of real estate transfer tax and listing expenses.

– EBITDA: Adjusted EBITDA declined to HK$52 million, primarily due to increased gaming tax, higher utility costs, and professional fee for investment opportunities.

– Cost Management: Management successfully contained employee benefit expenses, while other operating expenses increased mainly due to unavoidable external factors as well as strategic increases in marketing to counteract regulatory impacts. Listing expenses reduced significantly, reflecting the completion of the global offering.

OPERATIONAL REVIEW

Our core gaming operations remained robust, supported by continuous innovation and customer engagement. Enhanced loyalty program and targeted marketing campaigns helped deepen customer relationships and increase visitation frequency. To accommodate the higher attendance, especially during peak times, we have increased and further diversified our offer of slot machines with excellent return on these investments.

Hospitality services showed resilience, with improved hotel occupancy supported by limited investments in property refurbishments and upgraded technology.

Digital transformation remained a key focus, with the deployment of a new CRM system in casinos, PMS system in hotels and related automation tools enhancing operational agility and enabling more personalized guest experiences. Our commitment to health, safety, and sustainability was reinforced through rigorous protocols and necessary compliance investments.

STRATEGIC FOCUS AND USE OF LISTING PROCEEDS

As set out in our listing prospectus, we plan to deploy majority of the net proceeds to existing gaming asset rejuvenations and to expanding our gaming business in the Czech Republic and Central Europe, including new licenses and potential acquisitions, while carefully considering return on these investments. These initiatives are progressing according to plan and are expected to further strengthen our market presence.

A significant milestone will be the opening of Palasino Mikulov in the second half of FY2026. This new unit is expected to contribute meaningfully to revenue and profitability, supporting our strategy to expand our footprint in Central Europe.

RISK AND OUTLOOK

The Group remains vigilant in managing regulatory, economic, and competitive risks, in line with the assumptions and risk factors outlined in our listing document. Our flexible and innovative operating model as well as prudent financial management position us well to adapt to changing market conditions. In FY2026, we will prioritize enhancing guest experiences, deepening digital innovation, and leveraging on new growth opportunities such as Palasino Mikulov.

ACKNOWLEDGEMENTS

I extend my sincere gratitude to our employees, customers, and shareholders for their continued support. Together, we will build on our achievements and drive Palasino Holdings toward a sustainable and prosperous future.

Sincerely,

Pavel MARŠÍK
Chief Executive Officer and Executive Director

26 June 2025

Profile of Directors and Senior Management

As at 26 June 2025

MR. PAVEL MARŠÍK

Executive Director and Chief Executive Officer

Pavel MARŠÍK ("Mr. Maršík"), aged 52, is our executive Director and Chief Executive Officer. As our Chief Executive Officer, Mr. Maršík is responsible for formulating overall corporate and business strategies of the Company and, with the support of a management team which includes other members of our senior management and divisional heads, overseeing the day-to-day management and operation of our Group. Mr. Maršík is also a director of various subsidiaries of our Group. Mr. Maršík worked at Arthur Andersen Prague from August 1996 to March 2000. Mr. Maršík joined Palasino Group, a.s. (formerly known as Trans World Hotels & Entertainment, a.s.) ("Palasino Group") in March 2000 as the Regional Financial Controller and board member. Initially, Mr. Maršík supported Trans World Corporation ("TWC") (the then parent company of Palasino Group) in the implementation of internal control and financial reporting systems as well as the financial management of Palasino Group. Since 2004, Mr. Maršík has taken an active role in growing and diversifying Palasino Group's business both organically as well as by acquisitions and greenfield developments of casinos in the Czech Republic and hotels in the Czech Republic, Germany, and Austria. From September 2018 to June 2020, Mr. Maršík was the chief financial officer (Europe) of Far East Consortium International Limited ("FEC" and together with its subsidiaries, the "FEC Group"). Since July 2020, Mr. Maršík has been leading the team at Palasino Group as managing director (which position he held until he took up the position of chief executive officer in July 2023), chairman of the board and chief financial officer of Palasino Group.

Mr. Maršík obtained a Dipl. Ing. (Master's Degree) from the University of Economics in Prague in June 1996, specialising in International Trade, and obtained the FCCA title from the Association of Chartered Certified Accountants in the United Kingdom in May 2005.

TAN SRI DATO' DAVID CHIU, B.SC.

Non-executive Director and Chairman

Tan Sri Dato' David CHIU (丹斯里拿督邱達昌), aged 71, is our non-executive Director and chairman of the board of directors of the Company (the "Board"). He is also one of our controlling shareholders. Tan Sri Dato' David CHIU is responsible for providing strategic advice in the formulation of business plans and major decisions of our Group. Tan Sri Dato' David CHIU has over 40 years of experience in property development and extensive experience in hotel development. He graduated from the University of Sophia in Japan with a Bachelor of Science degree in Business Administration and Economics in July 1975. He was appointed as the managing director of the FEC Group since 1978 and later became the deputy chairman and chief executive officer of the FEC Group in 1994 and 1997, respectively. In 2011, Tan Sri Dato' David CHIU was appointed as the chairman of FEC. He is an executive director of FEC and also a director of a number of the FEC Group's subsidiaries. Tan Sri Dato' David CHIU was the vice-chairman and a non-executive director of i-CABLE Communications Limited (stock code: 1097) from September 2017 until May 2023. In Malaysia, he was conferred an honorary award which carried the title "Dato" and subsequently a more senior honorary title of "Tan Sri" by His Majesty, the King of Malaysia, in 1997 and 2005, respectively.

Profile of Directors and Senior Management

As at 26 June 2025

MR. CHEONG THARD HOONG, B.ENG., ACA

Non-executive Director

Cheong Thard HOONG ("Mr. Hoong") (孔祥達), aged 56, is our non-executive Director. Mr. Hoong is responsible for providing strategic advice in the formulation of business plans and major decisions of our Group. Mr. Hoong has over 12 years of experience in the corporate finance and investment banking industry in Asia. In 1997, he joined UBS as an associate director in the corporate finance department and was subsequently promoted to director and executive director in 2000 and 2002, respectively. From 2003 to 2006, Mr. Hoong worked for Deutsche Bank as a director. Mr. Hoong was the chief executive officer and an executive director of China LotSynergy Holdings Limited (which was then listed on GEM of the Stock Exchange but has since transferred its listing to the Main Board of the Stock Exchange and changed its name to China Ecotourism Group Limited) from 2006 to 2008, and its non-executive director from 2008 to 2017. Mr. Hoong has been an executive director of FEC since August 2012. Mr. Hoong was the managing director of FEC from September 2008 to December 2023 and was redesignated as the managing director of Far East Organization (International) Limited with effect from 1 January 2024. Mr. Hoong has been a non-independent and non-executive director of Land & General Berhad, a company listed on the main board of Bursa Malaysia, since 1 June 2010. Mr. Hoong was a non-executive director of i-CABLE Communications Limited, a company listed on the Main Board of the Stock Exchange, from September 2017 to May 2023. Mr. Hoong was a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, from March 2009 to March 2017. Mr. Hoong has been appointed as an independent non-executive director of Evergrande Property Services Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6666), since May 2025. Mr. Hoong graduated from Imperial College of Science, Technology and Medicine, University of London in the United Kingdom in August 1989 with a Bachelor of Engineering degree in Mechanical Engineering. Mr. Hoong is a member of the Institute of Chartered Accountants in England and Wales.

MR. MENGBI LI

Non-executive Director

Mengbi LI ("Mr. Li") (李梦筆), aged 37, is our non-executive Director. Mr. Li is responsible for providing strategic advice in the formulation of business plans and major decisions of our Group. Mr. Li is currently an executive director of Sigma Management Limited. From May 2019 to April 2023, he served as the senior trust manager of Shanghai Aijian Trust Co., Ltd. and was responsible for the development of the company's trust business. From February 2016 to November 2018, Mr. Li worked at Shanghai Huarong Tongyuan Cultural Industry Investment and Development Co., Limited as investment manager, vice president, senior vice president and was responsible for the operation of company investment business. From July 2015 to February 2016, he served as an investment manager at Greenland Financial Holdings Group Co. Ltd. From August 2013 to July 2015, Mr. Li worked as an analyst at CCB International (Shanghai) Venture Capital Co., Ltd. From July 2012 to July 2013, Mr. Li was a management trainee of HSBC Bank (China) Limited. Mr. Li graduated from the University of Sydney Business School in December 2010 with a bachelor's degree in commerce, and obtained a master's degree in finance from the University of Sydney in July 2012. Mr. Li obtained the Chartered Financial Analyst qualification in September 2018.

As at 26 June 2025

DR. NGAI WING LIU

Independent Non-executive Director

Ngai Wing LIU ("Dr. Liu") (廖毅榮), aged 74, was appointed as an independent non-executive Director with effect from 4 March 2024. Dr. Liu is responsible for providing oversight of the Board and independent advice on the operation and management of our Group. Prior to joining our Group, Dr. Liu held other senior management positions in companies whose shares are or were listed on the Main Board of the Stock Exchange. Dr. Liu was the chief executive officer and non-executive chairman at Yoshiya International Corporation, Limited (currently known as Capital Estate Limited, Stock Code: 193) from October 1996 to November 1998 and from December 1998 to April 2002, respectively; the chief executive officer and executive director of Singapore Hong Kong Properties Investment Limited (Stock Code: 245) (currently known as China Vered Financial Holding Corporation Limited) from September 2000 to December 2001; and an executive director of eSun Holdings Limited (Stock Code: 571) from November 1998 to May 2008. From March 2000 to December 2008, Dr. Liu was an independent non-executive director and the chairman of the audit committee of Hang Fung Gold Technology Limited (currently known as 3D-GOLD Jewellery Holdings Limited), a company whose shares were listed on the Main Board of the Stock Exchange but were subsequently delisted on 9 July 2012. Shares in 3D-GOLD were suspended from trading since 29 September 2008, and it was announced on the same day that Dr. Lam Sai Wing ("Dr. Lam"), the then chairman of 3D-GOLD, had passed away and that technical breaches of certain loan facilities may arise as a result of Dr. Lam ceasing to be chairman of 3D-GOLD. On 14 October 2008 it was announced that certain wholesale trade receivables of 3D-GOLD might not be recoverable, and a winding up petition for 3D-GOLD was filed by The Hongkong and Shanghai Banking Corporation Limited on 17 October 2008. The winding-up petition was subsequently adjourned to 13 July 2011 based on the available announcement of 3D-GOLD. The shares of 3D-GOLD were delisted with effect from 9 July 2012 by the Stock Exchange. Since Dr. Liu's resignation from the board of directors of 3D-GOLD on 5 December 2008, he has been unaware of any further developments in the affairs of 3D-GOLD.

Dr. Liu previously acted as an independent non-executive Director and a member of the audit committee in other companies listed on the Main Board and GEM Board of the Stock Exchange, including in Daiwa Associate Holdings Limited (Stock Code: 1037) (currently known as Maxnerva Technology Services Limited) from September 2004 to December 2015, in New Smart Energy Group Limited (Stock Code: 91) (currently known as Golden Century International Holdings Group Limited) from July 2005 to September 2009 and in Hanvey Group Holdings Limited (Stock Code: 8219) from April 2019 to June 2024. Dr. Liu was also an independent non-executive Director and the chairman of the audit committee of Dorsett Hospitality International Limited from September 2010 to October 2015.

Dr. Liu was awarded a Master of Business Administration from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in December 1999. He further obtained multiple degrees, including a Master of Science degree in Hotel and Tourism Management from The Hong Kong Polytechnic University in November 2001 and a Master of Science degree in Global Business from The Chinese University of Hong Kong in December 2002. Dr. Liu obtained his PhD degree from the Hotel and Tourism Management School of The Hong Kong Polytechnic University in October 2008, a Master of Arts degree in China Studies from Hong Kong University of Science and Technology in November 2011, a Doctor of Business Administration degree from Curtin University of Technology in January 2013, a Master of Arts degree in Asian and International Studies from The City University of Hong Kong in February 2013, a Master of Arts degree in Practical Philosophy from Lingnan University in November 2015, a Master of Arts degree in Chinese Studies from Chu Hai College of Higher Education in October 2017, a Bachelor of Arts degree in Chinese Humanities from Hong Kong Metropolitan University in August 2018, and a Bachelor of Social Sciences degree from Hong Kong Metropolitan University in November 2021.

Dr. Liu is an associate of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Company Secretaries), an associate of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), a member of The Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants.

Profile of Directors and Senior Management

As at 26 June 2025

MR. KAM CHOI ROX LAM

Independent Non-executive Director

Kam Choi Rox LAM ("Mr. Lam") (林錦才), aged 70, was appointed as an independent non-executive Director with effect from 4 March 2024. Mr. Lam is responsible for providing oversight of the Board and independent advice on the operation and management of our Group. Mr. Lam is a retired senior banker with over 40 years of experience in the banking and financial industry. Prior to joining our Group, Mr. Lam was with OCBC Bank (HK Branch) from July 2007 to April 2023, where he has held various positions, including Head of Corporate and Institutional Banking, deputy general manager, and chief executive and general manager, which was his last position with the bank. From March 1978 to July 2007, Mr. Lam worked at the Bank of Tokyo-Mitsubishi UFJ (currently known as MUFG Bank), where he has held various positions, including Head of Corporate Banking and Deputy General Manager. Mr. Lam's last position with the Bank of Tokyo-Mitsubishi UFJ was Senior Assistant General Manager of the Asian Investment Banking Division – Global Finance Department. From October 1984 to March 1987, Mr. Lam was with the Bank of Credit and Commerce where he was promoted from officer to acting manager. Mr. Lam was a bank officer in the Advances Department in Barclays Bank from October 1978 to October 1984. Mr. Lam obtained a Master of Business Administration from the University of Ballarat (currently known as Federation University Australia) in Australia in September 2006. Mr. Lam had been a Certified Credit Risk Management Professional (Credit Portfolio Management (CCRP (CPM)) of the Hong Kong Institute of Bankers since January 2021 until his retirement in April 2023.

MS. SIN KIU NG

Independent Non-executive Director

Sin Kiu NG ("Ms. Ng") (吳先僑), aged 52, was appointed as an independent non-executive Director with effect from 4 March 2024. Ms. Ng is responsible for providing oversight of the Board and independent advice on the operation and management of our Group. Ms. Ng has been a partner of the law firm, Watson Farley & Williams LLP, since December 2015. She was previously also a partner at Squire Patton Boggs from April 2012 to December 2015. Ms. Ng has over 10 years of experience in corporate finance matters, and has advised on a broad spectrum of matters, including initial public offerings, secondary equity and equity-linked offerings, mergers and acquisitions, transactional and compliance matters, and other commercial matters. Prior to becoming partner, Ms. Ng was an assistant solicitor at Paul Hastings from January 2008 to October 2008, and at Gallant (formerly known as Gallant Y.T. Ho & Co) from February 2000 to April 2001. From May 2001 to December 2007 and October 2008 to December 2009, Ms. Ng was an assistant solicitor at Sidley Austin, and she was a consultant at Sidley Austin from January 2010 to March 2012. Ms. Ng was appointed as an independent non-executive director of ContiOcean Environment Tech Group Co., Ltd. (a company listed on the Main Board of the Stock Exchange, stock code: 2613) since July 2024. She was appointed as an independent non-executive director of Zhongmiao Holdings (Qingdao) Co., Ltd. (a company listed on the Main Board of the Stock Exchange, stock code: 1471) since August 2024. She also was appointed as an independent non-executive director of Perfect Group International Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3326) since September 2024. Ms. Ng graduated with a Bachelor of Laws degree from The University of Hong Kong ("HKU") in November 1995, and also obtained her Postgraduate Certificate in Laws at HKU in June 1996. She was awarded a Master of Laws degree from HKU in December 1999. Ms. Ng was qualified as a Solicitor of the High Court of Hong Kong in August 1998, of the Supreme Court of England & Wales in March 1999, and of the Greater Bay Area in May 2023.

MS. JIE JIAO

Independent Non-executive Director

Jie JIAO ("Ms. Jiao") (焦捷), aged 44, was appointed as an independent non-executive Director with effect from 1 July 2024. Ms. Jiao is responsible for providing oversight of the Board and independent advice on the operation and management of our Group. Ms. Jiao is currently the chief financial officer of Play for Dream, Inc. Ms. Jiao was an independent non-executive director of MOG Digitech Holdings Limited, a company listed on the Stock Exchange (stock code: 1942) from March 2020 to August 2024. She was appointed as independent director of Quhuo Limited, a company listed on Nasdaq (stock code: QH) since July 2020. From June 2019 to May 2022, she was appointed as independent director of China Index Holdings Limited, a company listed on Nasdaq (stock code: CIH). Ms. Jiao has been serving as an independent non-executive director of China Sunshine Paper Holdings Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2002) since 27 January 2014. Ms. Jiao was appointed as an independent non-executive director of TradeGo FinTech Limited (stock code: 8017), a company listed on the Stock Exchange since September 2018. She was appointed as an independent non-executive director of EPI (Holdings) Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0689) since August 2024 and she was appointed as an independent non-executive director of Tianli Holdings Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0117) since December 2024. Ms. Jiao was also appointed as an independent non-executive director of LVGEM (China) Real Estate Investment Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0095) since February 2025. From October 2024 to January 2025, she was an independent non-executive director of Strong Petrochemical Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0852). From June 2014 to December 2018, she was the financial officer of iClick Interactive Asia Group Limited, a company listed on Nasdaq (stock code: ICLK) and was responsible for corporate finance and internal control. From March 2012 to May 2014, Ms. Jiao was the joint company secretary and general legal counsel of ArtGo Holdings Limited, a company listed on the Stock Exchange (stock code: 3313). From January 2010 to February 2012, Ms. Jiao was the chief legal counsel and head of investor relations of SouFun Holdings Limited, a company listed on the New York Stock Exchange (stock code: SFUN). From January 2007 to 2010, she served as the joint company secretary and special assistant to the chairman of the board of directors of Century Sunshine Group Holdings Limited. Ms. Jiao graduated from the Law School and China Center for Economic Research at Peking University with bachelor's degrees in law and economics in July 2003 and obtained a degree of magister juris from University of Oxford in July 2005. Ms. Jiao obtained the certificate of Legal Profession Qualification in March 2010. She also obtained Chartered Financial Analyst qualification in September 2014.

MR. KWOK TAI LAW

Chief Financial Officer and Company Secretary

Kwok Tai LAW ("Mr. Law") (羅國泰), aged 53, is the Chief Financial Officer and Company Secretary. He is responsible for the overall financial management and capital market and investor relations of the Company. Mr. Law has over 20 years of experience in the corporate finance, investment banking and financial industry. Prior to joining the Group, Mr. Law was an executive director at Morgan Stanley Asia Limited from September 2018 to May 2023 and a director at Credit Suisse (Hong Kong) Limited from September 2015 to August 2018. From August 2006 to August 2015, Mr. Law worked at BNP Paribas Capital (Asia Pacific) Limited with his last position as a director. Mr. Law was an assistant vice president at BOCI Asia Limited from February 2005 to August 2006. From March 2000 to February 2005, Mr. Law was at Anglo Chinese Corporate Finance, Limited, where his last position was senior manager. From December 1996 to February 2000, Mr. Law was at KPMG, where his last position was assistant manager. Mr. Law graduated from Hong Kong Polytechnic with an honorary Bachelor of Science in Nursing in November 1994 and obtained his Master of Business Administration from Monash in Melbourne, Australia in December 1996. Mr. Law joined G-Vision International (Holdings) Limited, a company listed on the Stock Exchange (stock code: 657) as an independent non-executive director since 19 June 2024. Mr. Law is qualified as a Certified Public Accountant in Australia and in Hong Kong and was certified as a Chartered Financial Analyst. Mr. Law is also a fellow of the Hong Kong Securities and Investment Institute and life member of The Hong Kong Independent Non-Executive Director Association.

Profile of Directors and Senior Management

As at 26 June 2025

MR. TOMÁŠ KMENT

Director of Administration and Facilities

Tomáš KMENT ("Mr. Kment"), aged 59, is our Director of Administration and Facilities, and leads the administration, legal, facilities and IT team of the Company responsible for the procurement and maintenance of facilities and equipment of the Land Based Gaming Business and German and Austrian Hotel Business, as well as other general administrative functions of the Company. He is also responsible for the corporate governance of our Group, including overseeing the licencing and permit agenda and dealings with governmental agencies. Mr. Kment is also a director of various subsidiaries of our Group. Mr. Kment has over 27 years of management experience. He joined LMJ Casino Rozvadov in October 1997 as an administrative manager and was appointed our Director of Administrations and Facilities in 2000. Prior to joining our Group, Mr. Kment worked at Kreditní banka a.s., Plzeň in the Czech Republic from 1993 to 1996. Mr. Kment graduated from Czech Technical University, Transportation and Handling Technology in Prague in September 1990 with a dipl Ing degree. Mr. Kment is the president of the Czech Casino Association (which is a member of the European Casino Association).

MR. COLIN CHAPMAN STEWART

Chief Operating Officer – Gaming

Colin Chapman STEWART ("Mr. Stewart"), aged 60, is our Chief Operating Officer – Gaming and leads the operations team in relation to the land based gaming business and the online gaming business and is responsible for formulating the business development strategies of the land based gaming business and online gaming business. Mr. Stewart also handles the gaming licence applications of the Online Gaming Business. Mr. Stewart is also a director of various subsidiaries of our Group. Mr. Stewart joined our Group in February 2014 as director of casino operations and was appointed our Director of Operations in November 2015. Mr. Stewart has been heading Palasino Malta Limited ("Palasino Malta") as its chief executive officer since July 2021 and is a key functionary of Palasino Malta, having been granted the Key Function Certificate by the MGA in November 2022. Mr. Stewart has over 40 years of experience in the gaming industry, having worked in various jurisdictions, including the United Kingdom, Poland, Czech Republic, Bulgaria and the Caribbean. During the period from 1988 to 2007, Mr. Stewart worked in casinos in different countries, including Genting Lucaya Beach Resort & Casino (in the Bahamas), Shangri La Casino of Storm International (in Russia), Zjednoczone Przedsiebiorstwa Rozrywkowe S.A. (in Poland), Aspers (Newcastle) Ltd (in the United Kingdom) and Princess Trimontium Casino (in Bulgaria) with various senior titles, including gaming shift manager, pit boss, head of marketing and general manager. Prior to joining our Group, Mr. Stewart worked at Casino Marketing Design, where his responsibilities included preparing market and business reports for casinos.

MR. JOHN FRIAR

Director of Audit and Compliance

John FRIAR ("Mr. Friar"), aged 52, is our Director of Audit and Compliance and is responsible for supervising the operation of the land based gaming business and the German and Austrian hotel business to ensure they remain compliant with external regulations and internal procedures. Mr. Friar has over 25 years of experience in the gaming industry. He joined TWC as a trainee dealer in 1999 and was appointed as an internal auditor of our Group in 2001 and our Director of Audit and Compliance in 2008. Prior to joining our Group, Mr. Friar was with Prudential Assurance Company PLC in the United Kingdom from 1989 to 1995. Mr. Friar is a key functionary of Palasino Malta, having been granted the Key Function Certificate by the MGA in November 2022. Mr. Friar finished his secondary education at Downs School, Compton in the United Kingdom in 1989.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in the section headed "Profile of Directors and Senior Management", there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules from the date of the 2024 Interim Report and up to the date of this annual report.

Five-Year Financial Summary

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Revenue	**568,144**	564,341	529,021	351,196	145,771
Profit before taxation	**29,916**	28,167	61,616	49,050	3,519
Income tax expense	**(14,525)**	(18,675)	(17,462)	(8,967)	(962)
Profit for the year	**15,391**	9,492	44,154	40,083	2,557

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and Liabilities					
Total assets	**760,839**	738,703	616,815	577,157	521,435
Total liabilities	**(211,573)**	(235,849)	(229,053)	(228,912)	(214,236)
	549,266	502,854	387,762	348,245	307,199
Non-controlling interests	**–**	–	(38,776)	–	–
Equity attributable to equity holders of the Company	**549,266**	502,854	348,986	348,245	307,199

Note: Figures for the years ended 31 March 2021 and 2022 are extracted from the Company's prospectus dated 18 March 2024.

Management Discussion and Analysis

Palasino Wullowitz

FINANCIAL REVIEW

Revenue

The Group's revenue before gaming tax increased by approximately HK$4 million or 1% from approximately HK$564 million for the year ended 31 March 2024 ("FY2024") to approximately HK$568 million for the year ended 31 March 2025 ("FY2025" or the "Year"). 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.

	2025 HK$'000	2024 HK$'000	% Change
Gaming revenue	**408,799**	402,403	2%
Hotel, catering and related services revenue	**158,632**	161,811	(2%)
Leasing revenue	**713**	127	461%
	568,144	564,341	1%
Gaming tax	**(148,417)**	(141,562)	5%
Total Net Revenue	**419,727**	422,779	(1%)

Management Discussion and Analysis

Gaming revenue is generated from the three casinos in the Czech Republic, which mainly offer slot machines and table games. For FY2025, gaming revenue amounted to approximately HK$409 million (FY2024: HK$402 million), representing 72% (FY2024: 71%) of total revenue for the same year. The increase in gaming revenue by approximately HK$6 million or 2% 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 FY2025, revenue from hotel, catering and related services amounted to approximately HK$159 million (FY2024: HK$162 million), representing 28% (FY2024: 29%) of total revenue. The decrease of approximately HK$3 million or 2% came from the hotel operation, in particular Hotel Auefeld and Hotel Kranichhöhe.

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

Leasing revenue is generated from the tenants of the investment property (the "Mikulov property"), which the Group acquired in February 2024. In FY2025, lease agreements with four tenants ended, leaving one remaining tenant whose lease will continue until May 2027. The Group has begun preparations to convert the Mikulov Property into a casino.

Palasino Savannah Resort


Hotel Columbus


Mikulov Property

Gaming tax

For 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 FY2025 amounted to approximately HK$148 million (FY2024: HK$142 million). The gaming tax increased by approximately HK$7 million or 5% from approximately HK$142 million for FY2024 to approximately HK$148 million for FY2025 which is consistent with the increase in the gaming tax rate under the relevant Czech laws of table games from 23% to 30% since 1 January 2024.

Palasino Furth im Wald


Poker Room, Palasino Excalibur City

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

	2025 **HK$'000**	2024 HK$'000
Gaming revenue from:		
– slot machine operations	**326,432**	321,505
– table gaming operations	**82,367**	80,898
	408,799	402,403
Drop		
Slot machine drop	**6,576,662**	6,618,494
Table games drop	**371,572**	402,789
Total	**6,948,234**	7,021,283
GGR		
Slot machine gross win	**336,655**	339,135
Table games gross win	**90,171**	91,786
Total	**426,826**	430,921

	HK$	HK$
Average slot win per machine per day[Note 1]	**1,420**	1,631
Average daily gross win per table[Note 1]	**3,959**	4,045
Slot machine hold percentage[Note 2]	**5.1%**	5.1%
Table hold percentage[Note 2]	**24.3%**	22.8%
Occupancy rates of slot machines		
– Overall[Note 3]	**20.8%**	21.7%
– Peak hours (8 p.m. to 12 a.m.)[Note 4]	**71.6%**	72.5%

Notes:

1. 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

2. 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%

3. 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.

4. 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$326 million (FY2024: HK$322 million), representing 80% (FY2024: 80%) of total gaming revenue for FY2025. The increase in revenue generated from slot machines operation of approximately HK$5 million or 2% was mainly attributable to the increase in the number of slot machines to meet the demand for new and attractive game themes, at peak times especially. The number of slot machines increased from 560 as at 31 March 2023 to 568 as at 31 March 2024 and further increased to 630 as at 31 March 2025. The gaming appetite and betting activity of the players continue to reflect a consistent upward trend even in the face of slightly tighter player protection regulations.

Main gaming floor, Palasino Furth im Wald

While there were slight decreases in the average slot win per machine per day and average daily gross win per table in FY2025 when compared to FY2024, the slot machine hold percentage remained stable. 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 a range of available slot machine brands such as Novomatic, EGT, IGT and Apex with the newest game themes available to the local market. This allows players to pick and choose between the various machine games which offer in addition to regular payout possibilities, both progressive and wide area jackpot prizes. The table hold percentage increased by 1.5 percentage point from 22.8% in FY2024 to 24.3% in FY2025. The increase was attributed to better operating efficiency of shorter game play sessions.

Main gaming floor, Palasino Excalibur City

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

	2025 HK$'000	2024 HK$'000	% Change
Hotel, catering and related service revenue from:			
– hotel operations	**88,656**	90,800	(2%)
– catering operations	**69,976**	71,011	(1%)
	158,632	161,811	

	2025	2024	% Change
Average Daily Room Rate (HK$)[Note 1]			
Hotel Columbus	**638**	685	
Hotel Auefeld	**711**	741	
Hotel Kranichhöhe	**723**	751	
Hotel Donauwelle	**785**	756	
Hotel Savannah	**601**	618	
Average of all hotels	**692**	710	(3%)
Average occupancy rate (%)[Note 2]			
Hotel Columbus	**43**	40	
Hotel Auefeld	**52**	54	
Hotel Kranichhöhe	**57**	57	
Hotel Donauwelle	**52**	51	
Hotel Savannah	**59**	60	
Average of all hotels	**53**	52	2%
Room Revenue (HK$'000)[Note 3]			
Hotel Columbus	**11,923**	11,664	
Hotel Auefeld	**12,732**	13,616	
Hotel Kranichhöhe	**16,487**	16,795	
Hotel Donauwelle	**25,774**	24,908	
Hotel Savannah	**11,024**	10,652	
Average of all hotels	**15,588**	15,527	0%
RevPAR (HK$)[Note 4]			
Hotel Columbus	**279**	273	
Hotel Auefeld	**375**	401	
Hotel Kranichhöhe	**422**	430	
Hotel Donauwelle	**401**	388	
Hotel Savannah	**382**	369	
Average of all hotels	**372**	372	–

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

Management Discussion and Analysis

Hotel Auefeld

Hotel Kranichhöhe

There was a decrease of approximately HK$2 million, or 2%, in revenue from hotel operations, along with a decrease of about HK$1 million, or 1%, in revenue from catering operations. The decline in hotel revenue was primarily attributed to the decrease in other hotel operations and a reduction in the average room rate, which fell from HK$710 in FY2024 to HK$692 in FY2025, representing a 3% decrease as a result of our pricing strategy designed to respond to the heightened competition in the market. The reduction in the average room rate led to slight increases in both the average occupancy rate and average room revenue, which rose from 52% in FY2024 to 53% in FY2025 and from HK$15.5 million in FY2024 to HK$15.6 million in FY2025, respectively.

Other income

Other income primarily consisted of bank interest income. For FY2025, other income amounted to HK$8 million (FY2024: HK$3 million). The increase of approximately HK$5 million or 178% from the previous financial year was mainly attributable to interest income.

Other gains and losses

Other gains and losses for FY2025 represented a loss of approximately HK$1 million (FY2024: gain of HK$11 million), representing a decrease of approximately HK$12 million, which was mainly due to the decrease in net foreign exchange gain of approximately HK$10 million. The majority of the revenue of the Group is denominated in EUR while costs are largely denominated in EUR and CZK. The foreign exchange gain for FY2024 was primarily due to the appreciation of EUR against CZK whereas the exchange rate remained relatively stable during FY2025.

Operating expenses

Total operating expenses decreased by approximately HK$12 million or 3% from approximately HK$409 million for FY2024 to approximately HK$397 million for FY2025. This was mainly attributable to the decrease in one-off listing expenses and real estate transfer tax on reorganisation, which was partially offset by the increase in other operating expenses in the breakdown of operating expenses below.

	2025 **HK$'000**	2024 HK$'000	% Change
Employee benefits expenses	**196,161**	198,009	(1%)
Other operating expenses	**121,702**	97,090	25%
Inventories consumed	**26,219**	31,311	(16%)
Depreciation and amortisation	**25,610**	24,513	4%
Listing expenses	**1,949**	23,537	(92%)
Rental expenses of slot machines	**22,311**	22,416	0%
Real estate transfer tax on reorganisation	**(572)**	7,927	(107%)
Finance costs	**3,586**	4,121	(13%)
Total operating expenses	**396,966**	408,924	(3%)

Employee benefits expenses decreased slightly by approximately HK$2 million or 1% from approximately HK$198 million for FY2024 to approximately HK$196 million for FY2025. This decline was primarily attributable to the translation into the presentation currency (i.e. HK$), despite increases in the amounts expressed in CZK and EUR. The number of employees increased from 690 as at 31 March 2024 to 697 as at 31 March 2025.

Other operating expenses increased by approximately HK$25 million or 25% from approximately HK$97 million for FY2024 to approximately HK$122 million for FY2025. This was mainly attributable to the increase in (i) hotel and catering operating expenses of approximately HK$5 million, mainly due to the health and safety compliance requirements and repair & maintenance costs in relation to aging hotel properties; (ii) online gaming expenses of approximately HK$2 million as a result of the increase in costs to maintain the online gaming platform; (iii) utilities expense of approximately HK$3 million, driven by higher energy unit price under the new contracts as well as the general increment driven by the energy market; (iv) advertising and promotion expenses of approximately HK$2 million to support the new marketing initiative and the successful application and receipt of an advertising permit in Austria; and (v) audit and professional fee of approximately HK$2 million. The hotel and catering operating expenses include laundry services, commission fees paid to booking agencies and cleaning service providers, repairs & maintenance, utilities, administration including IT etc. The gaming operating expenses include expenses incurred for daily gaming operations, including marketing, administration (including IT), repairs & maintenance, utilities, storage cost of the surveillance records and service fees paid to casino management system provider etc.

Inventories consumed consisted primarily of the cost of food and beverage for the catering operations. For FY2025, the cost of inventories consumed amounted to approximately HK$26 million, compared to approximately HK$31 million for FY2024. This decrease of approximately HK$5 million, or 16%, was 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 and waste reduction.

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 FY2025, depreciation and amortisation amounted to approximately HK$26 million (FY2024: HK$25 million).

For FY2024, listing expenses of approximately HK$24 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 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.

Rental expenses of slot machines were incurred as some of the slot machines were leased. For FY2025, rental expenses of slot machines amounted to approximately HK$22 million (FY2024: HK$22 million).

The real estate transfer tax on reorganisation is related to the Group's German properties and is payable under the Real Estate Transfer Tax Act of Germany upon completion of the reorganisation. Pursuant to the deed of indemnity dated 4 March 2024, FEC and Ample Bonus Limited ("Ample Bonus") have agreed to indemnify the Group for this expense. For FY2025, the Group recorded an over-provision of the real estate transfer tax on reorganisation of approximately HK$0.6 million.

Finance costs of approximately of HK$4 million primarily consisted of interests on bank loans and lease liabilities for FY2025 (FY2024: HK$4 million).

Profit for the Year

As a result of the combined effect of the above factors, profit before taxation increased slightly by approximately HK$2 million or 6% from approximately HK$28 million for FY2024 to approximately HK$30 million for FY2025. Profit for the year increased by approximately HK$6 million or 62% from approximately HK$9 million for FY2024 to approximately HK$15 million for FY2025.

LIQUIDITY AND FINANCIAL RESOURCES

The equity attributable to owners of the Company as at 31 March 2025 increased to approximately HK$549 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$761 million as at 31 March 2025 as compared to approximately HK$739 million as at 31 March 2024.

The Company's total cash and bank balances (including fixed deposits and investment in a money market fund) were approximately HK$298 million as at 31 March 2025 compared to approximately HK$305 million as at 31 March 2024. The Company's total bank deposits, bank balances and cash were approximately HK$292 million as at 31 March 2025 compared to approximately HK$305 million as at 31 March 2024, while total borrowings were approximately HK$54 million as at 31 March 2025 as compared to approximately HK$62 million as at 31 March 2024. The Group had a net positive cash position of approximately HK$233 million and approximately HK$244 million as at 31 March 2025 and 31 March 2024, respectively.

The following table sets out the Group's bank deposits, bank balances and cash and bank and other borrowings as at 31 March 2025.

	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
Bank and other borrowings		
Due within 1 year	**8,322**	8,862
Due 1-2 years	**8,461**	8,187
Due 2-5 years	**35,472**	37,164
Due more than 5 years	**1,310**	7,323
Total bank loans and other borrowings	**53,565**	61,536
Bank deposits, bank balances and cash	**291,523**	305,122
Liquidity position	**286,855**	305,122
Net cash	**233,290**	243,586

Bank and other borrowings denominated in:

	As at 31 March 2025	As at 31 March 2024
EUR	**100%**	99%
CZK	**–**	1%
	100%	100%

As at 31 March 2025, the Group had a total of approximately HK$54 million of bank and other borrowings denominated in EUR, of which 39% of the bank and other borrowings were with floating rates while the remaining had fixed rates.

FOREIGN EXCHANGE MANAGEMENT

The majority of revenue is denominated in EUR while costs are largely denominated in EUR and CZK. A foreign exchange gain of approximately HK$0.1 million was recorded for 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. 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.

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 and equipment.

During FY2025, the Group incurred capital expenditure of HK$28 million, including (i) the general renovation and maintenance of the hotels and casinos of approximately HK$9 million and (ii) the upgrade and replacement of property and equipment of approximately HK$19 million. Such amounts of capital expenditure were funded by cash generated from operations.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have capital commitments (as at 31 March 2024: HK$6 million).

The capital commitments as at 31 March 2024 represented the amount which have been committed to suppliers for the purchase of slot machines. Significant capital expenditure contracted for but not recognised as liabilities amounted to approximately HK$6 million as at 31 March 2024.

CHARGES ON COMPANY ASSETS

As at 31 March 2025, the Group had approximately HK$22 million and HK$193 million of bank deposits and property and equipment pledged as security, respectively, for bank loans obtained in Germany and Austria and for a bank guarantee in Czech Republic as additional refundable gaming deposit in compliance with the requirement of New Czech Gambling Act.

Apart from the above pledged assets, the Group also pledged the entire shareholding of Trans World Hotels Austria GmbH for bank borrowings as at 31 March 2025.

GEARING RATIO

As at 31 March 2025, the Group had a gearing ratio of approximately 9.8% (as at 31 March 2024: approximately 12.2%). 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 and multiplied by 100%. The decrease in the gearing ratio as at 31 March 2025 resulted primarily from the decrease in bank and other borrowings from HK$62 million as at 31 March 2024 to HK$54 million as at 31 March 2025 due to repayment made in FY2025.

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

Save as disclosed in this annual report, during FY2025, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 697 employees (as at 31 March 2024: 690) mainly in the Czech Republic, Germany, Austria and Malta. Employee costs amounted to approximately HK$196 million (FY2024: HK$198 million). The decrease in employee costs for FY2025 resulted solely from translation into presentation currency (i.e. HK$). The underlying employee cost increased in terms of CZK and EUR.

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 annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, during FY2025, the Group did not have any plans for material investments or capital assets which are legally binding.

PROSPECTS AND OUTLOOK

Against a backdrop of tariff uncertainty, the Group expects the macro-economic environment for the year ending 31 March 2026 ("FY2026") 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 despite some ongoing ceasefire discussions, along with capital markets volatility and ongoing tariffs discussions, as well as a highly regulated gaming environment (including Europe), are likely to impact the Group's development and financial results.

As the Group continues monitoring the performance of its operations closely and maintain its disciplined approach to cost control and operational efficiencies, the Group has entered into an agreement to dispose of 70% of its interests in Palasino Malta Limited, which holds the online gaming business, with the aim to leverage on a partner to explore new opportunities in the online gaming sector. The transaction did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Following initial steps taken in terms of interim measures to increase gaming floor size and number of slot machines in Palasino Savannah Resort, 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 especially at but not limited to Palasino Savannah Resort and Palasino Wullowitz. 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 the opening of its fourth casino in Mikulov, the Czech Republic in 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.

CHANGE IN USE OF LISTING PROCEEDS

The shares of the Company were listed on the Main Board of the Stock Exchange on 26 March 2024. 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$194.1 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 new shares under over-allotment were issued and allotted by the Company at HK$2.60 per share (exclusive of brokerage, transaction levy and trading fee), being the offer price of the global offering. The additional net proceeds of approximately HK$15.3 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.

The original intended use of net proceeds, which amounted to approximately HK$209.4 million, was disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 18 March 2024 (the "Prospectus").

As of 31 March 2025, the Group has utilised approximately HK$15.8 million of the net proceeds and the unutilised portion of the net proceeds amounted to approximately HK$193.6 million (the "Unutilised Net Proceeds").

Original intended use of net proceeds

Major Categories		Planned allocation of net proceeds (HK$ million) From IPO	From Over-allotment Option	Total	Actual usage during FY2025 (HK$ million) Total	Unutilised Net Proceeds as at 31 March 2025 (HK$ million) Total	Expected timeline for utilisation of the remaining proceeds (HK$ million) For the year ending 31 March 2026	2027	2028	Total
Maintain and further consolidate our market presence in the gaming industry in the Czech Republic through asset rejuvenation	60%	116.5	9.2	125.7	5.8	119.9	23.9	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%	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%	19.4	1.5	20.9	10.0	10.9	5.8	5.1	–	10.9
	100%	194.1	15.3	209.4	15.8	193.6	66.2	70.2	57.2	193.6

The Board has resolved to change the use of the Unutilised Net Proceeds as follows:

Revised intended use of Unutilised Net Proceeds

Major Categories		Proposed use of the Unutilised Net Proceeds (HK$ million)	Expected timeline for utilisation of the remaining proceeds (HK$ million) For the year ending 31 March 2026	2027	2028	Total
Maintain and further consolidate our market presence in the gaming industry in the Czech Republic through asset rejuvenation	27%	51.7	5.2	5.2	41.3	51.7
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	32%	62.8	36.5	16.0	10.3	62.8
Additional working capital and other general corporate purposes of which:						
– Development of Mikulov property into a new casino	31%	59.8	38.5	–	21.3	59.8
– General working capital and other general corporate purposes	10%	19.3	9.7	9.6	–	19.3
	100%	193.6	89.9	30.8	72.9	193.6

REASONS FOR THE CHANGE IN USE OF PROCEEDS

Maintain and further consolidate our market presence in the gaming industry in the Czech Republic through asset rejuvenation

In alignment with our commitment to asset rejuvenation, we have revisited the allocation of proceeds as outlined in the Prospectus. A significant focus has been placed on the purchase of new slot machines, which are essential to enhancing the gaming experience and attracting a broader customer base. This strategic investment is crucial as we aim to modernize our offerings and meet the evolving preferences of our clientele. The Group has increased the number of slot machines from 568 as at 31 March 2024 to 630 as at 31 March 2025 and will continue to expand and optimize its market presence in the gaming industry with a view to enhancing the Company's profitability.

Recent developments in our business indicate a shift in player spending patterns, with a decrease in expenditure per visit. To counteract this trend and drive revenue growth, increasing visitation rates has become a primary objective. By implementing targeted marketing strategies and enhancing our facilities, we aim to attract more visitors to our venues, creating a more vibrant gaming environment.

Consequently, it is proposed to re-allocate the originally planned use of proceeds. This recalibration will enable us to allocate capital towards the establishment of a new casino site in Mikulov. This location is expected to benefit from increased travel and tourism, positioning us to capture a significant share of the market in this emerging area. The investment in Mikulov not only aligns with our growth strategy but also reflects our adaptability to changing market conditions.

The Company has resolved to allocate 27% of the Unutilised Net Proceeds to maintain and further consolidate our market presence in the gaming industry in the Czech Republic through asset rejuvenation.

Additional working capital and other general corporate purposes

The Group's other operating expenses for FY2025 increased by 21% compared to FY2024, reflecting the Group's ongoing business expansion. As the Group continues to enhance its presence, sufficient liquidity is crucial for conducting preliminary feasibility studies and allocating resources for new projects.

Additionally, the Company continues to work on the expansion of its operations by opening a new casino and intends to utilise working capital from the net proceeds for preparations for its fourth casino in Mikulov, Czech Republic.

The Company has resolved to allocate 31% and 10% of the Unutilised Net Proceeds for (i) the development of the Mikulov property into its fourth casino, as well as (ii) working capital and general corporate purposes, respectively. This allocation will enhance the Group's financial management flexibility and alleviate pressures related to staff costs and administrative expenses, allowing the Company to rely less on financial resources generated from its operational activities.

USE OF UNUTILISED PROCEEDS

As outlined in the Prospectus, to the extent that the listing proceeds are not immediately utilised for the aforementioned purposes and in accordance with applicable laws and regulations, we will hold these funds in short-term deposits with licensed banks and/or authorised financial institutions as defined by the Securities & Futures Ordinance ("SFO") or relevant laws in jurisdictions outside Hong Kong for non-Hong Kong based deposits.

In light of the decline in interest rates, returns on short-term deposits have decreased. Market fluctuations also present an opportunity for the Group to capitalize on market disparities. To optimize investment returns, we plan to allocate certain portion of the unutilised funds to comparatively higher-risk investments, such as high yield bonds, while allocating remaining portion to lower risk investment including structured deposits like dual currency investments and fixed-income instruments, to diversify our investment portfolio and yield enhancement. We also intend to exchange a portion of the Unutilised Net Proceeds for USD and/or EUR to capitalize on relatively higher interest rates, while preparing to commit to investments and/or commitments as outlined in the proposed use of the net proceeds. We remain mindful that higher yields typically come with increased risk. To ensure a balanced approach between risk and reward, we will closely monitor the evolving market conditions.

These strategies will enhance our investment flexibility, enabling the Group to adapt to the dynamic global economic environment while increasing overall cash flow and investment returns. The Company will issue announcements in compliance with the relevant Listing Rules as appropriate.

Non-HKFRS Financial Measures

To supplement the consolidated financial statements, which are presented in accordance with HKFRS, adjusted net profit, Adjusted EBITDA and adjusted property EBITDA 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 they 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. Adjusted EBITDA (non-HKFRS measure) is defined by the Company as profit/loss for the year without considering depreciation and amortization, income tax, finance costs and interest income. Adjusted property EBITDA (non-HKFRS measure) is calculated as Adjusted EBITDA (non-HKFRS measure) after elimination of online gaming expenses to demonstrate the performance of the Group's land based casinos and hotels.

The Group provides a reconciliation of adjusted property EBITDA (non-HKFRS measure) to Adjusted EBITDA (non-HKFRS measure) to adjusted net profit (non-HKFRS measure) and then to profit for the year, calculated and presented in accordance with HKFRS. The terms adjusted net profit. Adjusted EBITDA and adjusted property 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, Adjusted EBITDA and adjusted property EBITDA (all non-HKFRS measures) 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, Adjusted EBITDA and adjusted property EBITDA in the same manner. The following table presents a reconciliation of adjusted property EBITDA (non-HKFRS measure) to Adjusted EBITDA (non-HKFRS measure) to adjusted net profit (non-HKFRS measure) and then to profit for each of the years indicated:

	2025 **HK$'000**	2024 HK$'000
Profit for the year	**15,391**	9,492
Add:		
Listing expenses	**1,949**	23,537
Real estate transfer tax on reorganisation	**(572)**	7,927
Adjusted net profit (non-HKFRS measure)	**16,768**	40,956
Add:		
Depreciation and amortisation	**25,610**	24,513
Income tax expense	**14,525**	18,675
Finance costs	**3,586**	4,121
Less:		
Interest income from related parties	**–**	2,641
Bank interest income	**8,028**	131
Adjusted EBITDA (non-HKFRS measure)	**52,461**	85,493
Add:		
Online gaming expenses	**22,944**	20,784
Adjusted property EBITDA (non-HKFRS measure)	**75,405**	106,277

The Group recorded adjusted property EBITDA (non-HKFRS measure) of approximately HK$106 million and approximately HK$75 million for FY2024 and FY2025, respectively.

The decrease of approximately HK$31 million was mainly due to the decrease in net foreign exchange gain of approximately HK$10 million in conjunction with the increase in (i) gaming tax by approximately HK$7 million due to higher applicable tax rates; (ii) hotel and catering operating expenses of approximately HK$5 million, mainly due to the health and safety compliance requirements and repair & maintenance costs in relation to aging hotel properties; (iii) utilities expense of approximately HK$3 million, driven by higher energy unit price under the new contracts; (iv) audit and professional fee of approximately HK$2 million; and (v) advertising and promotion expenses of approximately HK$2 million. Please refer to the section headed "Management Discussion and Analysis" for details of explanation for the fluctuation.

Directors' Report

The directors of the Company (the "Directors") present their annual report and the audited financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are engaged in the gaming and hotel businesses.

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal subsidiaries at 31 March 2025 are set out in note 35 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business, including the important events affecting the Group that have occurred since the end of the financial year and the likely future developments and an analysis of the Group's performance using financial key performance indicators, is set out in the "Management Discussion and Analysis", "Chairman's Statement" and "Chief Executive Officer's Report" of this annual report and note 41 to the consolidated financial statements. Principal risks and uncertainties facing the Group are set out in the "Chairman's Statement" and "Chief Executive Officer's Report".

The Group is committed to support sustainability of the environment and endeavours to comply with laws and regulations regarding environmental protection and to adopt measurement to achieve efficient use of resources, energy saving and waste reduction. A discussion of the Group's environmental policies and performance is set out in the independent "Environmental, Social and Governance Report", which is available on the websites of the Stock Exchange and the Company for inspection and download.

The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

The Group is committed to establishing a close and caring relationship with our employees, customers and suppliers and enhancing cooperation with our business partners. Details are set out in the independent "Environmental, Social and Governance Report", which is available on the websites of the Stock Exchange and the Company for inspection and download.

As set out in the "Management Discussion and Analysis" of this annual report, the Company received net proceeds of approximately HK$15.3 million from the issue of 6,954,000 ordinary shares pursuant to the partial exercise of the over-allotment option in connection with the global offering.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 57.

The Board recommends the payment of a final dividend of HK2.90 cents per share in cash to the Shareholders, which will not be subject to any withholding tax in Hong Kong. The proposed final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 27 August 2025 and in accordance with the Companies Act of the Cayman Islands. Upon approval, the proposed final dividend will be distributed on Friday, 19 September 2025 to the Shareholders whose names appear on the register of members of the Company on Monday, 8 September 2025.

CLOSURE OF REGISTER OF MEMBERS

Details of the periods of closure of the Company's Register of Members are as follows:

(a) For determining the entitlement to attend and vote at the 2025 AGM

The forthcoming annual general meeting of the Company is scheduled to be held on Wednesday, 27 August 2025 (the "2025 AGM"). For determining the entitlement to attend and vote at the 2025 AGM, the Register of Members of the Company will be closed from Friday, 22 August 2025 to Wednesday, 27 August 2025, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining shareholders' entitlement to attend and vote at the AGM will be Wednesday, 27 August 2025. In order to be eligible to attend and vote at the 2025 AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 21 August 2025.

(b) For determining the entitlement to the proposed final dividend

The proposed final dividend is subject to the approval of Shareholders at the 2025 AGM and in accordance with the Companies Act of the Cayman Islands. For determining the entitlement of the proposed final dividend, the Register of Members of the Company will also be closed from Thursday, 4 September 2025 to Monday, 8 September 2025, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining shareholders' entitlement to the proposed final dividend will be Monday, 8 September 2025. In order to qualify for entitlement to the proposed final dividend, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on Wednesday, 3 September 2025.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 14.

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to the shareholders of the Company (the "Shareholders") at 31 March 2025 amounted to approximately HK$178,067,000.

INVESTMENT PROPERTIES

Details of the movements during the Year in the investment properties of the Group are set out in note 14 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Details of the movements during the Year in the property and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 29 to the consolidated financial statements.

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 during the Year (including sale of treasury shares as defined in the Listing Rules (if any)).

As at 31 March 2025 and the date of this annual report, there were no treasury shares (as defined in the Listing Rules) held by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every director of the Company and its Subsidiaries shall be entitled to be indemnified by the relevant company against all costs, fees, losses, expenses and liabilities incurred by him or her in the course of his or her duties or in relation thereto pursuant to their respective articles of associations. Such provisions were in force during the course of the Year and remained in force as at the date of this report.

The Company has arranged liability insurance for Directors and officers with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Director
Mr. Pavel MARŠÍK (Chief Executive Officer)

Non-executive Directors
Tan Sri Dato' David CHIU (Chairman)
Mr. Cheong Thard HOONG
Mr. Mengbi LI

Independent Non-executive Directors
Dr. Ngai Wing LIU
Mr. Kam Choi Rox LAM
Ms. Sin Kiu NG
Ms. Jie JIAO

Pursuant to the provisions of the Articles and the Listing Rules, Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM and Ms. Sin Kiu NG shall retire at the 2025 AGM and are eligible to offer themselves for re-election at the 2025 AGM.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2025 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Tan Sri Dato' David CHIU is a non-executive Director and a controlling shareholder of FEC (and together with its subsidiaries but excluding the Group, the "Remaining FEC Group"). As stated in the Prospectus, the Remaining FEC Group has a minority interest (less than 5%) and joint venture interest in certain gaming business in Australia (namely, The Star Entertainment Group Limited ("The Star") and Destination Brisbane Consortium ("DBC")) and owns and operates its hotel portfolio under the Dorsett brand (with the exception of the Ritz-Carlton hotels in Perth and Melbourne), with a focus on the three to four-star hotel segment. On 7 March 2025, FEC entered into a heads of agreement (the "HOA") with, among others, Chow Tai Fook Enterprises Limited and The Star to acquire 50% of The Star's stapled equity interest in DBC. Based on the announcement published by FEC, as at the date of this report no definitive agreement has been entered into in respect of the transactions contemplated under the HOA.

On the basis that (a) the Remaining FEC Group does not consolidate the results of The Star and the DBC into its accounts; (b) the Remaining FEC Group has no hospitality or gaming operations in the Czech Republic, Germany and Austria at all and (c) the hotels of the Remaining FEC Group are operated under different brands and management teams and also target different markets than the hotels of the Group, we consider that (a) apart from its interest in the Company, FEC does not currently control a business similar to the principal business of the Group that competes or is likely to compete, either directly or indirectly, with the Group's business; (b) our business is clearly delineated from that of the Remaining FEC Group; and (c) given (i) there is independence of boards and management between the Remaining FEC Group and the Group; and (ii) the Group is financially and operationally independent from the Remaining FEC Group, we are sufficiently independent from and do not rely on the Remaining FEC Group.

For further details, please refer to the section headed "Relationship with our Controlling Shareholders" in the Prospectus and the announcements published by FEC in relation to the HOA. The independent non-executive Directors have also conducted a review and confirmed that on the basis of the above, as far as the independent non-executive Directors can ascertain, there is no material conflict of interests between the Group and its controlling shareholders.

TAX RELIEF AND EXEMPTION FOR HOLDERS OF LISTED SECURITIES

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors independent.

CONNECTED TRANSACTIONS

During the Year and up to the date of this report, there was no transaction which constitutes connected transaction or continuing connected transaction that are not exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

SIGNIFICANT RELATED PARTY TRANSACTIONS

Details of significant related party transactions during the Year are set out in note 30 to the consolidated financial statements. The related party transactions as set out in note 30(i) (in respect of the lease payment) to the consolidated financial statements constitute continuing connected transactions/connected transactions as defined under Chapter 14A of the Listing Rules. However, these transactions are exempt from the disclosure requirements under Chapter 14A of the Listing Rules. Save as disclosed above, those significant related party transactions in note 30 to the consolidated financial statements did not fall under the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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 31 March 2025, 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 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, were as follows:

A. The Company

A.1 Long position in the ordinary shares

Name of the Director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital[2]
Tan Sri Dato' David CHIU	Interest of controlled corporations[1]	578,844,662	71.76%
Mr. Cheong Thard HOONG	Beneficial owner	334,579	0.04%

Notes:

1. These Shares include 577,700,000 Shares directly held by Ample Bonus and 1,144,662 Shares held by Sumptuous Assets Limited. Ample Bonus is wholly-owned by 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.

2. The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2025.

3. 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.

B. Associated corporations

B.1 Long position in the ordinary shares

Name of the Director	Name of associated corporation	Capacity	Number of ordinary shares interested	Approximate percentage of the relevant issue share capital
Tan Sri Dato' David CHIU	FEC	Interest of controlled corporations[1]	1,663,493,469	54.38%
		Beneficial owner[1]	30,476,055	1.00%
		Interest of spouse[1]	22,704,008	0.74%
	Ample Bonus	Interest of controlled corporation[1]	101	100%
	Sumptuous Assets Limited	Interest of controlled corporation[1]	1	100%
	Far East Organization (International) Limited	Beneficial owner[1]	1	100%
Mr. Cheong Thard HOONG	FEC	Beneficial owner[2]	13,473,715	0.44%
		Joint interest[2]	802	0.00%
	BC Investment Group Holdings Limited ("BC Invest")[3]	Beneficial owner	792,383	3.47%
Dr. Ngai Wing LIU	FEC	Beneficial owner	1,793	0.00%

Notes:

(1) As at 31 March 2025, Tan Sri Dato' David CHIU was interested in an aggregate of 1,716,673,532 ordinary shares (approximately 56.12%) of FEC, of which (i) 30,476,055 ordinary shares (approximately 1.00%) were beneficially held by Tan Sri Dato' David CHIU; (ii) 22,704,008 ordinary shares (approximately 0.74%) were held by his spouse, Mrs. Nancy CHIU NG; (iii) 1,663,474,745 ordinary shares (approximately 54.38%) 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).

(2) As at 31 March 2025, Mr. Cheong Thard HOONG was interested in an aggregate of 13,474,517 ordinary shares (0.44%) of FEC of which (i) 13,473,715 ordinary shares (0.44%) 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.

(3) BC Invest is a company incorporated in the Cayman Islands with limited liability on 24 January 2019 (which FEC indirectly held over 50% interest) as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, 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.

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 31 March 2025, the remaining life of the Share Option Scheme is approximately 9 years and no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

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 annual report.

As of 1 April 2024 and 31 March 2025, 80,000,000 options were available for grant under the Share Option Scheme, respectively.

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.

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.

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.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year. Particulars of the Share Option Scheme are set out in the paragraphs above.

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

As at 31 March 2025, 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[Note 6]
Ample Bonus	Beneficial owner[Note 1]	577,700,000	71.62%
FEC	Interest of controlled corporation[Note 2]	577,700,000	71.62%
Sumptuous Assets Limited	Interest of controlled corporation and beneficial owner[Note 3]	578,844,662	71.76%
Far East Organization (International) Limited	Interest of controlled corporation[Note 4]	578,844,662	71.76%
Tan Sri Dato' David CHIU	Interest of controlled corporations [Note 5]	578,844,662	71.76%
Mrs. Nancy CHIU NG	Interest of spouse[Note 5]	578,844,662	71.76%

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 31 March 2025, Sumptuous Assets Limited was interested in approximately 54.38% 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. The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2025.

7. On 18 December 2024, Ample Bonus entered into a placing agreement. Pursuant to the placing agreement dated 18 December 2024, 1,428,000 shares have been placed on 26 February 2025.

Save as disclosed above, as at 31 March 2025, 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.

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately CZK1 million (equivalent to approximately HK$282,000).

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of total purchases and the aggregate revenue attributable to the Group's five largest customers was less than 30% of total turnover during the Year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. As at 31 March 2025, the number of employees of the Group was approximately 697.

The emoluments of the Directors are recommended/determined by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

RETIREMENT BENEFITS SCHEME

Details of contributions to the retirement benefits scheme of the Group are set out in note 31 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 40 to 52.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Memorandum and Articles of Association of the Company and the Companies Act, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

AUDITOR

The consolidated financial statements of the Group as of 31 March 2025 have been audited by Deloitte Touche Tohmatsu, who will retire and being eligible, offer themselves for re-appointment at the 2025 AGM.

A resolution will be submitted to the 2025 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Pavel MARŠÍK
Chief Executive Officer and executive Director

26 June 2025

Corporate Governance Report

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

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 during the year ended 31 March 2025. 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 year ended 31 March 2025.

The Company regularly reviews its compliance with the Corporate Governance Code and the Board believes that the Company was in compliance with the applicable code provisions of the Corporate Governance Code during the year ended 31 March 2025. 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.

A. THE BOARD

A.1 Responsibilities and Delegation

The Board is responsible for the management and control of the business and affairs of the Group, and oversees the Group's business strategic direction and performance, with the objectives of promoting the success of the Group and enhancing Shareholder value. Directors carry out their duties in good faith and in the interests of the Company and its Shareholders. They have access to relevant information as well as the advice and services of the Company Secretary and senior management. They are also able to seek independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The Board reserves for its decision on all major policy, strategy, financial and risk management and control matters. The day-to-day management, administration and operations of the Group are delegated to the Executive Committee and senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board or Executive Committee prior to any significant transactions entered into by the senior management team.

A.2 Board Composition

The Board comprised eight Directors as at 31 March 2025, of which one is an executive Director, three are non-executive Directors and four are independent non-executive Directors. The composition of the Board is set out in the "Corporate Information" section of this annual report. The respective profiles of the current Directors and the relationship among them are disclosed in the "Profile of Directors and Senior Management" section of this annual report.

In compliance with Rule 3.09D of the Listing Rules, Mr. Mengbi LI and Ms. Jie JIAO, who were appointed as a non-executive Director and an independent non-executive Director, respectively, on 26 June 2024, obtained legal advice on the requirements under the Listing Rules applicable to them as the Directors and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 20 June 2024 and had confirmed they understood their obligations as the Directors.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications of the Company.

During the year ended 31 March 2025, the Company has met the Listing Rules requirements of having at least three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications or accounting and related financial management expertise. In addition, the Company has received from each of the independent non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of them to be independent.

The composition of the Board reflects the necessary balance of skills and experience appropriate to the requirements of the business of the Group and to the exercising of independent judgement. All Directors bring a wide range of valuable business and financial expertise, experiences and professionalism to the Board for its effective functioning. Independent non-executive Directors are invited to serve on the Audit, Remuneration and Nomination Committees of the Company.

The Company has adopted the Board Independence Evaluation Mechanism (the "Mechanism") to ensure independent views and input are available to the Board, with the following key features: (i) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors; (ii) the Nomination Committee will assess annually the independence of all independent non-executive Directors; and (iii) the Directors are entitled to seek, at the Company's expense, independent professional advice reasonably necessary for discharging their duties as Directors. The Board has reviewed the implementation and effectiveness of the Mechanism and considered it to be effective for the year ended 31 March 2025.

A.3 Chairman and Chief Executive Officer

The roles of the chairperson ("Chairperson") and the chief executive officer (the "Chief Executive Officer") of the Company are held separately as required by code provision C.2.1 of the CG Code.

The Chairperson, Tan Sri Dato' David CHIU, and the Chief Executive Officer, Mr. Pavel MARŠÍK, have separate defined responsibilities. The Chairperson is responsible for forming the Company's overall strategies but is not involved in the day-to-day business operation of the Company. The Chief Executive Officer is authorised by the Board to directly handle, with the support of the senior management, the Company's daily operations and management. Their respective roles and responsibilities are set out in writing, which have been approved and adopted by the Board.

A.4 Appointment, Re-Election and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles.

Each Director, including the independent non-executive Directors, is engaged for a term of 3 years, subject to renewal expiry of the term. They are also subject to re-election in accordance with the Articles.

In accordance with clause 84(1) of the Articles, Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM and Ms. Sin Kiu NG shall retire by rotation at the 2025 AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election at the 2025 AGM.

The Board recommended the re-appointment of the above three retiring Directors standing for re-election at the 2025 AGM. The Company's circular, sent together with this annual report, contains detailed information of the above three retiring Directors, as required by the Listing Rules.

A.5 Training and Continuing Development for Directors

Each newly appointed Director receives comprehensive induction on the first occasion of his/her appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The existing Directors, namely Mr. Pavel MARŠÍK, Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Mengbi LI, Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM, Ms. Sin Kiu NG and Ms. Jie JIAO, are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors are arranged whenever necessary. In addition, reading material on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their study and reference.

A.6 Board Meetings

A.6.1 Board Practices and Conduct of Meetings

Schedules for regular Board meetings are normally agreed with the Directors in advance in order to facilitate them to attend. In addition to the above, notice of at least 14 days is given for each regular Board meeting. For other Board meetings, reasonable notice is generally given.

Draft agenda of each Board meeting is usually sent to all Directors together with the notice in order to give them an opportunity to include any other matters in the agenda for discussion at the meeting. Board papers together with appropriate information are usually sent to the Directors at least 3 days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The Chief Financial Officer and Company Secretary and other relevant senior management normally attend regular Board meetings and, where necessary, other Board meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group.

The Company Secretary is responsible for keeping minutes of all Board meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection.

According to the current Board practice, any material transaction, which involves a conflict of interest for a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Articles contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

A.6.2 Directors' Attendance Records

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 March 2025 are set out below:

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**General Meeting**
Executive Director					
Pavel MARŠÍK	4/4	N/A	N/A	N/A	1/1
Non-executive Directors					
Tan Sri Dato' David CHIU	4/4	N/A	N/A	1/1	1/1
Cheong Thard HOONG	4/4	N/A	1/1	N/A	1/1
Mengbi LI[Note i]	3/3	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Ngai Wing LIU	4/4	2/2	1/1	1/1	1/1
Kam Choi Rox LAM	4/4	2/2	1/1	1/1	1/1
Sin Kiu NG	4/4	2/2	N/A	1/1	1/1
Jie JIAO[Note ii]	3/3	1/1	N/A	N/A	1/1

Notes:

(i) Mr. Mengbi LI was appointed as a non-executive Director on 1 July 2024.

(ii) Ms. Jie JIAO was appointed as an independent non-executive Director on 1 July 2024.

A.7 Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 for the year ended 31 March 2025.

The Company has also applied the principles of the Model Code 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 principles of the Model Code 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.

A.8 Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in the Code Provision A.2.1 of the CG Code. During the Year under review, the Board has performed such corporate governance functions as follows: (i) reviewed and developed the Company's corporate governance policies and practices in response to the implementation of the CG Code; (ii) reviewed and monitored the training and continuous professional development of Directors and senior management; (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; (iv) reviewed and monitored the compliance of the Model Code; and (v) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

B. BOARD COMMITTEES

The Board has established 5 Board committees, namely the Executive Committee, the Investment Committee, the Environmental, Social and Governance Committee (the"ESG Committee") the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference among which the terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are of no less exacting terms than those set out in the CG Code and are available on the Stock Exchange's website *(www.hkexnews.hk)* and on the Company's website *(www.palasinoholdings.com)*. All the Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of the Board Committees follow in line with, so far as applicable, those of the Board meetings set out above.

All Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expenses.

B.1 Executive Committee

The Executive Committee comprises a total of 2 members, namely Pavel MARŠÍK (Chairman) and Kwok Tai LAW. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision. It monitors the execution of the Company's strategic plans and operations of all business units of the Company; and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.

During the year ended 31 March 2025, 4 Executive Committee meetings were held.

B.2 Investment Committee

The Investment Committee was established on 26 June 2024 and comprises a total of 3 members as at 31 March 2025, being 1 non-executive Director, namely Cheong Thard HOONG; 1 executive Director, namely Pavel MARŠÍK, and the company secretary of the Company (the "Company Secretary"), namely Kwok Tai LAW. The chairman of the Investment Committee is Cheong Thard HOONG.

The primary duties of the Investment Committee are to develop and make recommendations to the Board on the investment strategy, to review and recommend changes to such investment strategy and make recommendations on the proposed acquisition and disposal opportunities.

As set out in the terms of reference of the Investment Committee, the Investment Committee shall meet as and when required. During the year ended 31 March 2025, 2 Investment Committee meetings were held.

B.3 ESG Committee

The ESG Committee was established on 26 June 2024 and comprises a total of 3 members as at 31 March 2025, being 1 executive Director, namely Pavel MARŠÍK, the Company Secretary, namely Kwok Tai LAW, and 1 senior management, namely Tomáš Kment. The chairman of the ESG Committee is Pavel MARŠÍK.

The primary duties of the ESG Committee are to assist the Board in overseeing ESG governance, ensuring implementation of ESG policies, monitoring ESG-related performance and targets, adjusting ESG strategies and preparing the ESG report.

During the year ended 31 March 2025, 1 ESG Committee meeting was held.

B.4 Audit Committee

The Audit Committee comprised a total of 4 members as at 31 March 2025, being the 4 independent non-executive Directors, namely Ngai Wing LIU, Kam Choi Rox LAM, Sin Kiu NG and Jie JIAO. The chairman of the Audit Committee is Ngai Wing LIU who possesses the appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The primary duties of the Audit Committee include monitoring the Group's financial reporting system, reviewing financial statements, risk management and internal control procedures. It also acts as an important link between the Board and the Company's auditor in matters within the terms of reference of the Audit Committee.

During the year ended 31 March 2025, the Audit Committee has performed the following major works:

- Review and discussion of the annual financial statements and annual results for the year ended 31 March 2024, the related accounting principles and practices adopted by the Company and the relevant audit findings;

- Review and discussion of the interim financial statements and interim results for the six months ended 30 September 2024 and the related accounting principles and practices adopted by the Company;

- Review and discussion of financial reporting and risk management and internal control of the Group;

- Discussion and recommendation of the re-appointment of external auditor; and

- Review of the arrangements for employees to raise concerns about possible improprieties.

The external auditor was invited to attend the meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. Besides, there is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

The attendance records of each Committee member at the Audit Committee meetings held during the year ended 31 March 2025 are set out in section A.6.2 above.

B.5 Remuneration Committee

The Remuneration Committee comprised a total of 3 members as at 31 March 2025, being 2 independent non-executive Directors, namely Ngai Wing LIU and Kam Choi Rox LAM and 1 non-executive Director, namely Cheong Thard HOONG. The chairman of the Remuneration Committee is Ngai Wing LIU. Accordingly, the majority of the members are independent non-executive Directors.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group's policy and structure for the overall remuneration of the Directors and the senior management, and to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management (i.e. the model described in the Code Provision E.1.2(c)(i) is adopted). The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Group as well as market practice and conditions.

During the year ended 31 March 2025, the Remuneration Committee has reviewed and determined the remuneration packages of the Executive Director and senior management.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of 4 individuals of the senior management for the year ended 31 March 2025 falls within the band from HK$1,000,000 to HK$2,000,000.

Details of the remuneration of each of the Directors for the year ended 31 March 2025 are set out in note 11 to the consolidated financial statements.

The attendance records of each Committee member at the Remuneration Committee meetings held during the year ended 31 March 2025 are set out in section A.6.2 above.

B.6 Nomination Committee

The Nomination Committee comprised a total of 4 members as at 31 March 2025, being 1 non-executive Director, namely Tan Sri Dato' David CHIU, and 3 independent non-executive Directors, namely Ngai Wing LIU, Kam Choi Rox LAM and Sin Kiu NG. The chairman of the Nomination Committee is Tan Sri Dato' David CHIU. Accordingly, the majority of the members are independent non-executive Directors.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and to make relevant recommendations to the Board; to consider the retirement and re-election of the Directors and to make relevant recommendations to the Board; and to assess the independence of the independent non-executive Directors.

In selecting candidates for directorship of the Company, the Nomination Committee may make reference to certain criteria such as the Company's needs, the diversity on the Board, the integrity, experience, skills, professional knowledge of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

The Company also recognises and embraces the benefit of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage, to enhance the quality of its performance and hence the purpose of the Board diversity. To comply with the CG Code, a Board Diversity Policy has been adopted by the Company, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board Diversity Policy and assessing the Board composition under diversified perspective (including but not limited to gender, age, cultural and educational background, or professional qualifications, skills, knowledge, and regional and industry experience). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed annually to ensure their appropriateness in determining the optimum composition of the Board.

The Company has also established a Director Nomination Policy setting out the approach and procedures adopted for the nomination and selection of Directors. The policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following: character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; requirements of independent non-executive directors on the Board and independence of the proposed Independent non-executive Directors in accordance with the Listing Rules; and commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

As at 31 March 2025, two of our Directors are female. As at 31 March 2025, the Group had a total of 364 female staff, representing approximately 52% of the employees of the Group. The Group will continue to take opportunities to increase the proportion of female Board members and workforce over time as and when suitable candidates are identified. For further details on the gender ratio of the Group, please refer to the independent "Environmental, Social and Governance Report", which is available on the websites of the Stock Exchange and the Company. The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and considered it to be effective for the year ended 31 March 2025.

The Board considers that the above current gender diversity is satisfactory. The Board will continue to embrace gender diversity when making future board appointments but no specific targets or timelines to further enhance gender diversity have been set as the Board is of the view that all aspects of diversity should be considered as a whole in the selection of candidates for directorship.

The same approach to gender diversity at the Board level also applies to the Group's workforce. As of 31 March 2025, the Group's male to female employees proportion was approximately 48:52. The Group recognises the value of gender diversity to promote a diverse and inclusive working environment and welcomes increased female representation at all levels. However, the Group currently does not consider it appropriate to set any specific gender target for its workforce. As an equal opportunity employer, the Group also takes into account other relevant factors in its hiring decisions, and given it already maintains a close to 52% female representation in a traditionally male-dominated industry, considers that the gender ratio of the workforce of the Group is appropriate for its current business model and operational needs.

During the year ended 31 March 2025, the Nomination Committee has performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company;
- Recommendation of the re-appointment of those Directors standing for re-election at the 2024 annual general meeting of the Company;
- Assessment of the independence of all the Independent Non-executive Directors; and
- Review the background and qualification and provide recommendation on the appointment of Mr. Mengbi LI as a Non-executive Director and Ms. Jie JIAO as an Independent non-executive Director.

The attendance records of each Committee member at the Nomination Committee meetings held during the year ended 31 March 2025 are set out in section A.6.2 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, through its Audit Committee, has the responsibility to ensure that the Group maintains effective risk management and internal control systems. The Board oversees the Group's design, implementation and monitoring of the risk management and internal control systems and acknowledges that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management framework is the responsibility of the Board and is overseen by the Audit Committee. The framework comprises the following elements:

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage and lower its risks across all business operations.

The Group has established a risk management framework, which consists of the Board of Directors and the Audit Committee. The Board of Directors determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems and has the responsibility for overseeing the management in the design, implementation and monitoring of the risk management and internal control systems.

The Group has formulated and adopted the Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has established an internal audit function to assist the Board of Directors and the Audit Committee in ongoing monitoring, analysis and independent appraisal of the adequacy and effectiveness of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board of Directors at least once a year. The Board of Directors had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the following:

- The Group's ability to cope with its business transformation and changing external environment;
- The scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems;
- The work of internal audit function;
- The extent and frequency of communication to the Board of Directors and/or its committees which enables it to assess the internal controls of the Group and effectiveness of risk management;
- Significant control failures or weaknesses that have been identified during the Reporting Period (including the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition);
- The effectiveness of the Group's processes for financial reporting and compliance with the Listing Rules.

In addition, the Board's annual review includes the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting.

The Board of Directors considers the Group's risk management and internal control systems are effective and adequate. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "Whistleblowing Policy") which provides channels and guidance to facilitate the raising of matters of concern by employees (the "Employee") and those who deal with the Group's core operations (i.e. hotels and casinos), in confidence, without fear of reprisals. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 March 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy for the Group's core operations which sets out the guidelines and responsibilities of the Employees, the third parties or fiduciary capacity on behalf of the Group. The Group is committed to maintaining a high standard of integrity, openness and discipline in its business operations which outlined the Group's expectations and requirement of business ethics, as well as the investigation and reporting mechanism of suspected corruption practices.

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of the SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

E. COMPANY SECRETARY

During the year ended 31 March 2025, Mr. Kwok Tai LAW, the Company Secretary, has taken no less than 15 hours of relevant professional training.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, about its reporting responsibilities for the Company's financial statements for the year ended 31 March 2025 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to Deloitte Touche Tohmatsu in respect of audit services and non-audit services for the year ended 31 March 2025 are analysed below:

	Fees paid/payable HK$'000
Audit and audit related services	4,050
Non-audit service – review of internal audit function	30
Total fees	**4,080**

G. COMMUNICATION WITH SHAREHOLDERS

The Company believes that effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of its corporate information, which enables the Shareholders and investors to make the best investment decision.

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. Extensive information on the Group's activities, business strategies and developments is provided in the Company's annual reports, interim reports and other corporate communications. In addition, the Company maintains a website at *(www.palasinoholdings.com)*, as a communication platform with the Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access. The Shareholders and investors may send written enquiries or requests to the Company as follows:

Email address: ir@palasinogroup.eu

or

Postal address: 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong
(For the attention of Investor Relations Executive)

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

In addition, the Shareholders are encouraged to attend general meetings of the Company, which provide a valuable forum for dialogue and interaction with the management. The Board and Board Committee members and appropriate senior staff of the Group are available at the meeting to answer any questions raised by the Shareholders.

During the year ended 31 March 2025, the Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed in this section and under the section headed "Shareholders' Rights" below.

H. SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. Besides, the Shareholders may convene an extraordinary general meeting or put forward proposals at Shareholders' meetings pursuant to the Articles as follows:

(i) Shareholder(s) holding at the date of deposit of the requisition in aggregate not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may request the Board to convene an extraordinary general meeting by sending a written requisition to the Board at the Company's principal place of business in Hong Kong. The objects of the meeting must be stated in the written requisition.

(ii) If a Shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's registered office or principal place of business in Hong Kong. The period for lodgement of such notices shall commence on the day after the dispatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement (as the case may be) to the Company's principal place of business in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. The Shareholders' information may be disclosed as required by law.

All resolutions put forward at Shareholders' meetings will be voted by way of poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Stock Exchange *(www.hkexnews.hk)* and the Company *(www.palasinoholdings.com)* after each Shareholders' meeting.

I. DIVIDEND POLICY

Our Directors, may at its discretion, declare dividends to our Shareholders in the future after taking into account our results of operations, earnings, financial condition, cash requirements and availability, contractual arrangements and other factors as it may deem relevant at such time. We do not have any specific dividend policy nor any pre-determined dividend payout ratio. Any final dividend for a financial year will be subject to Shareholders' approval.

J. CORPORATE CULTURE

The Group is a gaming and hotel group involving a vast number of manual labourers to provide quality services up to our service protocol. The Group's strategy is to locate the casinos close to borders and major cities.

The Company promotes healthy and responsible gaming culture. The gaming staff of the Group follows the employment policies, which strictly prohibit gaming staff from taking part in gaming activities on the premises of the Group. Additionally, the Company has put a strong emphasis on responsible gaming education through providing training to all the gaming staff on commencement of work. Gaming staff are also required to undertake refresher training periodically. Through the implementation of the above, the Company has created a strong responsible gaming culture within the team.

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

K. CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year ended 31 March 2025.

Independent Auditor's Report

Deloitte. 德勤

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

OPINION

We have audited the consolidated financial statements of Palasino Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 115, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KEY AUDIT MATTER (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property and equipment and right-of-use assets related to operations in Austria and Germany We have identified the impairment assessment of property and equipment and right-of-use assets related to operations in Austria and Germany (collectively "the Hotel Properties"), being four single cash-generating units, as a key audit matter due to the significant management judgement and estimation involved to determine the recoverable amounts of the Hotel Properties. As at 31 March 2025, the Hotel Properties comprise of property and equipment and right-of-use assets related to hotel operations in Austria and Germany with carrying amounts of approximately HK$124,826,000 and HK$31,228,000, respectively, as set out in Note 4 to the consolidated financial statements. The management of the Group considered there was an indication for impairment for the Hotel Properties and prepared discounted cash flow projections for hotel operations in Austria and Germany based on the financial budget approved by the directors of the Company to conduct impairment assessment on the Hotel Properties as at 31 March 2025. The recoverable amounts of the Hotel Properties are estimated based on value in use with key assumptions adopted by the management of the Group including pre-tax discount rates and expected changes in revenue in the discounted cash flow projections. The management of the Group concluded that the carrying amounts of the Hotel Properties do not exceed their recoverable amount based on value in use. Accordingly, no impairment loss was recognised during the year ended 31 March 2025.	Our procedures in relation to the impairment assessment of the Hotel Properties included: • Understanding the impairment assessment process of the Group, in connection with the estimation of the recoverable amounts based on the value in use of the Hotel Properties prepared by the management; • Involving internal valuation experts to review the valuations prepared by the management in respect of methodologies, assumptions and data underpinning the value in use; • Assessing the reasonableness of the key assumptions adopted by the management of the Group, namely the expected changes in revenue in determining the recoverable amount based on the value in use of the Hotel Properties by comparing the management's expectations for the market development to relevant industry growth forecasts; • Assessing the reasonableness of the pre-tax discount rates applied by the management of the Group in the discounted cash flow projections by comparing it to our independent estimation for the discount rates based on market data and certain entity specific input data with the assistance of internal valuation experts; and • Assessing sensitivity analysis prepared by the management of the Group to determine the extent of change in the key assumptions adopted in the discounted cash flow projections, namely the pre-tax discount rates and the expected changes in revenue, collectively, to assess the potential impact on the value in use.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Fung Suet Ngan (practising certificate number: P04690).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	NOTES	Year ended 31 March 2025 HK$'000	 2024 HK$'000
Gaming revenue		408,799	402,403
Hotel, catering, leasing and related services revenue		159,345	161,938
Gaming, hotel, catering, leasing and related services revenues	6	568,144	564,341
Gaming tax		(148,417)	(141,562)
Other income	7(a)	8,292	2,988
Other gains and losses	7(b)	(1,137)	11,324
Inventories consumed		(26,219)	(31,311)
Depreciation and amortisation		(25,610)	(24,513)
Employee benefits expenses		(196,161)	(198,009)
Other operating expenses		(144,013)	(119,506)
Listing expenses		(1,949)	(23,537)
Overprovision (provision) of real estate transfer tax on reorganisation	10	572	(7,927)
Finance costs	8	(3,586)	(4,121)
Profit before taxation	10	29,916	28,167
Income tax expense	9	(14,525)	(18,675)
Profit for the year		15,391	9,492
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Exchange difference arising from translation of functional currency to presentation currency		7,558	(19,313)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(1,025)	(4,691)
Total comprehensive income (expense) for the year		21,924	(14,512)
Profit for the year attributable to:			
Owners of the Company		15,391	8,542
Non-controlling interests		–	950
		15,391	9,492
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		21,924	(13,069)
Non-controlling interests		–	(1,443)
		21,924	(14,512)
Earnings per share	12		
Basic (HK cents)		1.91	1.19
Diluted (HK cents)		1.91	1.19

Consolidated Statement of Financial Position

		As at 31 March	
		2025	2024
	NOTES	**HK$'000**	HK$'000
Non-current assets			
Investment properties	14	**4,966**	14,597
Property and equipment	15	**368,106**	347,137
Deposits for acquisition of equipment	21	**284**	2,965
Deposits for gaming licence	21	**10,200**	9,900
Intangible assets	16	**1,758**	2,855
Right-of-use assets	17	**32,011**	29,619
Pledged bank deposits	22	**4,355**	4,256
Restricted bank deposit	22	**17,911**	–
Bank balances	22	**4,668**	–
		444,259	411,329
Current assets			
Inventories	18	**2,265**	2,052
Financial asset at fair value through profit or loss	19	**6,213**	–
Trade receivables	20	**8,399**	10,188
Tax recoverable		**2,656**	–
Other receivables, deposits and prepayments	21	**10,192**	10,012
Bank deposits, bank balances and cash	22	**286,855**	305,122
		316,580	327,374
Current liabilities			
Trade payables	23	**9,441**	6,125
Other payables	24	**68,321**	88,734
Income tax payable		**28**	4,614
Contract liabilities	25	**3,642**	2,159
Lease liabilities	26	**1,714**	1,558
Bank and other borrowings	27	**8,322**	8,862
		91,468	112,052
Net current assets		**225,112**	215,322
Total assets less current liabilities		**669,371**	626,651

Consolidated Statement of Financial Position

		As at 31 March	
		2025	2024
	NOTES	**HK$'000**	HK$'000
Non-current liabilities			
Bank and other borrowings	27	**45,243**	52,674
Lease liabilities	26	**66,277**	63,353
Other payables	24	**1,443**	1,843
Deferred tax liabilities	28	**7,142**	5,927
		120,105	123,797
Net assets		**549,266**	502,854
Capital and reserves			
Share capital	29	**8,066**	8,000
Reserves		**541,200**	494,854
		549,266	502,854

The consolidated financial statements on pages 57 to 115 were approved by the Board of Directors on 26 June 2025 and are signed on its behalf by:

DAVID CHIU
Director

PAVEL MARŠÍK
Director

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company									
	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	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2023	37,000	–	(57,570)	(38,776)	–	(77,981)	486,313	348,986	38,776	387,762
Profit for the year	–	–	–	–	–	–	8,542	8,542	950	9,492
Exchange difference arising from translation of functional currency to presentation currency	–	–	(17,383)	–	–	–	–	(17,383)	(1,930)	(19,313)
Exchange differences arising on translation of foreign operations	–	–	(4,228)	–	–	–	–	(4,228)	(463)	(4,691)
Total comprehensive (expense) income for the year	–	–	(21,611)	–	–	–	8,542	(13,069)	(1,443)	(14,512)
Dividends recognised as distribution (Note 13)	–	–	–	–	–	–	(84,207)	(84,207)	(9,356)	(93,563)
Group reorganisation (note 2)	(37,000)	–	–	27,977	37,000	–	–	27,977	(27,977)	–
Issue of shares under the initial public offerings (the "IPO") (Note 29(c))	857	221,999	–	–	–	–	–	222,856	–	222,856
Transaction costs attributable to the IPO	–	(9,100)	–	–	–	–	–	(9,100)	–	(9,100)
Share capitalisation (Note 29(b))	7,143	(7,143)	–	–	–	–	–	–	–	–
Deemed contribution from shareholder (note 3)	–	–	–	–	9,411	–	–	9,411	–	9,411
At 31 March 2024	8,000	205,756	(79,181)	(10,799)	46,411	(77,981)	410,648	502,854	–	502,854
Profit for the year	–	–	–	–	–	–	15,391	15,391	–	15,391
Exchange difference arising from translation of functional currency to presentation currency	–	–	7,558	–	–	–	–	7,558	–	7,558
Exchange differences arising on translation of foreign operations	–	–	(1,025)	–	–	–	–	(1,025)	–	(1,025)
Total comprehensive income for the year	–	–	6,533	–	–	–	15,391	21,924	–	21,924
Issue of shares upon exercise of over-allotment options (Note 29(d))	66	17,078	–	–	–	–	–	17,144	–	17,144
Transaction costs attributable to the exercise of over-allotment options	–	(671)	–	–	–	–	–	(671)	–	(671)
Deemed contribution from shareholder (note 3)	–	–	–	–	8,015	–	–	8,015	–	8,015
At 31 March 2025	8,066	222,163	(72,648)	(10,799)	54,426	(77,981)	426,039	549,266	–	549,266

Notes:

1. 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.

2. On 20 March 2023, 10% equity interest of Turbo Century Limited ("Turbo"), a company indirectly owned by Far East Consortium International Limited ("FEC"), the ultimate holding company and indirectly owned 100% equity interest of Palasino Group, was acquired by Dateplum Harvest Limited ("Dateplum"), an independent third party. Dateplum is accounted as the non-controlling interests of the Company and accordingly, 10% of net assets of the Group is attributable to non-controlling interests since 10 March 2023. On 1 March 2024, Dateplum become the shareholder of the Company, holding 10% equity interest of the Company through swapping the equity interest of Turbo and therefore Palasino Group is wholly owned by the Company through Palasino (Cayman) Limited ("Cayman Holdco") since 1 March 2024.

3. The amount represent (1) the portion of listing expenses and issue costs in excess of those relating to sales of shares by 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 30(i)), which are treated as deemed contribution.

Consolidated Statement of Cash Flows

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**29,916**	28,167
Adjustments for:		
Finance costs	**3,586**	4,121
Interest income	**(8,028)**	(2,772)
Amortisation of intangible assets	**1,128**	1,738
Acquisition cost for a subsidiary (Note 37(b))	**–**	130
Depreciation of property and equipment	**23,272**	21,600
Depreciation of right-of-use assets	**1,210**	1,175
Fair value change on financial assets at fair value through profit or loss	**–**	(1,108)
Fair value change on investment property	**1,334**	–
Impairment losses reversed under expected credit loss model	**(52)**	(30)
Net gain on disposal of property and equipment	**(10)**	(506)
Net unrealised foreign exchange gain	**(4,085)**	(9,201)
Operating cashflows before movements in working capital	**48,271**	43,314
Decrease (increase) in trade receivables	**2,150**	(3,565)
Decrease in other receivables, deposits and prepayments	**123**	2,112
(Increase) decrease in inventories	**(151)**	35
Increase in trade payables	**3,130**	356
(Decrease) increase in other payables	**(11,272)**	24,712
Increase in contract liabilities	**1,418**	367
Cash generated from operations	**43,669**	67,331
Income taxes paid	**(20,401)**	(21,916)
NET CASH FROM OPERATING ACTIVITIES	**23,268**	45,415

Consolidated Statement of Cash Flows

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
INVESTING ACTIVITIES		
Interest received from banks	8,028	131
Interest received from related parties	–	2,641
Placement of deposits for acquisition of property and equipment	–	(2,965)
Purchase of property and equipment	(18,477)	(22,168)
Purchase of intangible assets	–	(677)
Purchase of investment properties	(1,595)	–
Advance to a related party	–	(17,327)
Repayment from a fellow subsidiary	–	12,911
Proceed of disposals of property and equipment	581	506
Net cash outflow on acquisition of subsidiaries (Note 37)	–	(14,545)
Purchase of financial assets at fair value through profit or loss	(6,213)	(24,284)
Withdrawal of financial assets at fair value through profit or loss	–	46,481
Placement of pledged bank deposits	–	(197)
Placement of restricted bank deposit	(17,911)	–
NET CASH USED IN INVESTING ACTIVITIES	(35,587)	(19,493)
FINANCING ACTIVITIES		
Proceeds from the IPO	–	222,856
Proceed from the issue of shares upon exercise of over-allotment options	17,144	–
Repayments of lease liabilities	(1,578)	(1,205)
Repayments of bank and other borrowings	(10,574)	(8,023)
Settlement of consideration payable	(2,143)	(2,068)
Interest paid	(3,586)	(4,121)
Dividends paid	–	(14,034)
Capital contribution from the ultimate holding company	660	9,411
Share issue costs paid	(3,459)	(6,312)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(3,536)	196,504
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(15,855)	222,426
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	305,122	86,084
EFFECT OF FOREIGN RATE CHANGES	2,256	(3,388)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	291,523	305,122
Represented by:		
Bank balances (Note 22)	4,668	–
Bank deposits, bank balances and cash	286,855	305,122
	291,523	305,122

Notes to the Consolidated Financial Statements

1. GENERAL

Palasino Holdings Limited (the "Company") is a public limited company incorporated in Cayman Islands on 6 July 2023 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 March 2024. The ultimate controlling shareholder of the Company is Tan Sri Dato' David CHIU, who controls the Company through the investment holding company incorporated in the Cayman Islands, namely FEC, which shares are listed on the Stock Exchange. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at 16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.

The Company acts as an investment holding company and the operating subsidiaries, as disclosed in Note 35, are principally engaged in the hospitality and gaming business in Germany, Austria and the Czech Republic (the "Business").

The Company's functional currency is Czech Koruna ("CZK"). The consolidated financial statements are presented in Hong Kong dollars ("HK$") as the directors of the Company consider that the Hong Kong dollar is the most appropriate presentation currency in view of the place of listing.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("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 consolidated financial statements:

Amendments to HKFRS 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 HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

New and Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 *Earnings per Share* are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 Material accounting policy information

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Revenue from contracts with customers

The Group's revenue contracts with customers consist of gaming, hotel rooms, food and beverage and other transactions.

Gaming revenue is the aggregate net difference between gaming wins and losses. The Group accounts for gaming revenue on a portfolio basis given the similar characteristics of wagers by recognising net win per gaming day.

The transaction price of hotel rooms, food and beverage, and other transactions is the net amount collected from the customer for such goods and services. The transaction price for such transactions is recorded as revenue when the good or service is transferred or rendered to the customer during their stay at the hotel or when the delivery is made for the food and beverage and other services.

Casino customers accumulate loyalty points from slot machine gaming and table gaming that entitle them to utilise the loyalty points as cashable credit on any slot machine and table gaming or use to purchase non-gaming products by utilising the loyalty points earned under the customer loyalty programme. The promise to provide the utilising loyalty point to the customers is therefore a separate performance obligation. The transaction price is allocated between the gaming revenue and the loyalty points on a relative standalone selling price basis. The stand-alone selling price per loyalty point is estimated based on the monetary value to be given when the loyalty points are redeemed by the customers and the likelihood of redemption, as evidenced by the Group's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the customer awarded. Revenue from the loyalty points is recognised when the loyalty points are redeemed by the customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign exchange reserve (attributed to non-controlling interests as appropriate).

Exchange differences relating to the retranslation of the Group's net assets in CZK to the Group's presentation currency (i.e. HK$) are recognised directly in other comprehensive income and accumulated in foreign exchange reserve. Such exchange differences accumulated in the foreign exchange reserve are not reclassified to profit or loss subsequently.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Government grants (continued)

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants a represented under "other income".

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Property and equipment (continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Intangible asset

Intangible asset not yet available for use with finite useful life that is acquired separately is carried at cost less any accumulated impairment losses. Amortisation for intangible asset with finite useful life commences when the asset is available for use and is recognised on a straight line basis over its estimated useful life. The estimated useful life and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

The Group assesses whether a contract is or contains a lease at inception, modification date or business acquisition date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of gaming equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

The Group as lessee

Right-of-use assets

The Group recognises right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease payments change due to changes in an index or a rate, in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Impairment losses on property and equipment, intangible assets and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, intangible assets and right-of-use assets, are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Impairment losses on property and equipment, intangible assets and right-of-use assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets

<u>Classification and subsequent measurement of financial assets</u>

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

<u>Amortised cost and interest income</u>

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables and deposits, deposits for gaming licence, pledged bank deposits, restricted bank deposit and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at the end of the reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, and factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always assesses lifetime ECL for trade receivables.

For all other financial instruments, the Group assesses the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of ECL (continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments;
- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the correspondence adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Impairment assessment of the property and equipment and right-of-use assets related to operations in Austria and Germany

In determining whether impairment loss of property and equipment and right-of-use assets related to operations in Austria and Germany should be recognised or reversed, the management of the Group has to make estimation on the recoverable amounts of the property and equipment and right-of-use assets related to operations in Austria and Germany, being four single cash-generating units for a hotel operation and 3 hotel operations in Austria and Germany, respectively. Changes in the key assumptions, including the pre-tax discount rates and expected changes in revenue in the discounted cash flow projections, could materially affect the recoverable amounts.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment assessment of the property and equipment and right-of-use assets related to operations in Austria and Germany (continued)

The management of the Group considered there was an indication (i.e. loss for the year) for impairment for these property and equipment and right-of-use assets for the year ended 31 March 2025, and prepared discounted cash flow projections for operations in Austria and Germany based on the financial budget approved by the directors of the Company to conduct impairment assessment on these property and equipment and right-of-use assets by estimating their recoverable amounts. At 31 March 2025, the carrying amounts of the property and equipment and right-of-use assets related to operations in Austria and Germany were approximately HK$124,826,000 and HK$31,228,000, respectively (2024: HK$132,457,000 and HK$28,435,000), after taking into account the accumulated impairment of HK$51,667,000 and HK$15,628,000 respectively (2024: HK$50,147,000 and HK$15,168,000). The Group estimated the recoverable amount of the property and equipment and right-of-use assets related to operations in Austria and Germany based on value in use and concluded that the carrying amount of these assets does not exceed their recoverable amount. Accordingly, no impairment loss was recognised during the year ended 31 March 2025 (2024: no impairment loss).

Deferred tax assets

As at 31 March 2025, no deferred tax asset has been recognised on the tax losses of HK$156,226,000 (2024: HK$147,330,000) and deductible temporary difference of HK$55,745,000 (2024: HK$56,082,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits will be available in the future, which is a key source of estimation uncertainty especially the uncertainty on the economic condition in Europe. In cases where the actual future taxable profits generated are more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

5. 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".

5. SEGMENT INFORMATION (continued)

Segment information about these businesses is presented below:

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

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Segment revenue		
Gaming operations:		
recognised at a point in time	408,799	402,403
Hotel, catering and leasing operations:		
Catering operations:		
recognised at a point in time	69,976	71,011
Hotel operations:		
recognised over time	88,656	90,800
Leasing operations:		
revenue from operating lease	713	127
	568,144	564,341
Revenue from contracts with customers:		
recognised at a point in time	478,775	473,414
recognised over time	88,656	90,800
	567,431	564,214
Revenue from operating leases:		
lease payments	713	127
	568,144	564,341
Segment results		
Gaming operations	91,777	103,656
Hotel, catering and leasing operations	415	4,499
Unallocated corporate income	8,427	14,282
Unallocated corporate expenses	(70,703)	(94,270)
Profit before taxation	29,916	28,167

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, 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.

5. SEGMENT INFORMATION (continued)

(b) An analysis of the Group's assets and liabilities by reportable segments is as follows:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
ASSETS		
Segment assets:		
– gaming operations	**167,144**	139,086
– hotel, catering and leasing operations	**249,172**	250,009
	416,316	389,095
Other unallocated assets	**344,523**	349,608
Group's total	**760,839**	738,703
LIABILITIES		
Bank and other borrowings:		
– gaming operations	**–**	285
– hotel, catering and leasing operations	**53,565**	61,251
	53,565	61,536
Other segment liabilities:		
– gaming operations	**1,727**	6,773
– hotel, catering and leasing operations	**145,234**	144,224
	146,961	150,997
Total segment liabilities	**200,526**	212,533
Unallocated liabilities	**11,047**	23,316
Group's total	**211,573**	235,849

For the purposes of monitoring segment performances and allocating resources between segments:

(i) other unallocated assets include mainly certain property and equipment, deposits for acquisition of equipment, intangible assets, certain right-of-use assets, financial asset at FVTPL, certain other receivables, deposits and prepayments, and certain bank deposits, bank balances and cash.

(ii) unallocated liabilities include mainly certain other payables, deferred tax liabilities and certain lease liabilities.

(iii) all assets are allocated to reportable segments, other than assets not attributable to respective segments as mentioned in above (i).

(iv) all liabilities are allocated to reportable segments, other than liabilities not attributable to respective segments as mentioned in above (ii).

5. SEGMENT INFORMATION (continued)

(c) Other segment information of the Group

Amounts included in the measurement of segment profit or loss:

For the year ended 31 March 2025

	Gaming operations HK$'000	Hotel, catering and leasing operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	–	707	503	1,210
Depreciation of property and equipment	10,244	5,907	7,121	23,272
Amortisation of intangible assets	–	–	1,128	1,128
Net gain on disposal of property and equipment	–	–	(10)	(10)
Bank interest income	–	–	(8,028)	(8,028)
Finance costs	4	3,539	43	3,586
Income tax expense	14,521	4	–	14,525
Impairment losses reversed under ECL model, net	–	(52)	–	(52)

For the year ended 31 March 2024

	Gaming operations HK$'000	Hotel, catering and leasing operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	–	725	450	1,175
Depreciation of property and equipment	6,292	6,966	8,342	21,600
Amortisation of intangible assets	–	–	1,738	1,738
Net gain on disposal of property and equipment	–	–	(506)	(506)
Bank interest income	–	–	(131)	(131)
Finance costs	130	3,932	59	4,121
Interest income from related parties	–	–	(2,641)	(2,641)
Income tax expense	18,671	4	–	18,675
Impairment losses reversed under ECL model, net	–	(30)	–	(30)

5. SEGMENT INFORMATION (continued)

(c) Other segment information of the Group (continued)

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Additions to non-current assets (other than financial instruments)		
– gaming operations	**16,290**	22,209
– hotel, catering and leasing operations	**5,410**	24,040
– corporate level*	**3,695**	3,619
	25,395	49,868

* Amount includes additions to certain property and equipment, certain right-of-use assets and deposits for acquisition of equipment where the directors of the Group consider it impracticable to divide into individual segments.

(d) Geographical information

The Group's operations are 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.

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Revenue from external customers:		
The Czech Republic	**455,358**	449,567
Germany	**76,230**	77,487
Austria	**36,556**	37,287
	568,144	564,341

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Non-current assets:		
The Czech Republic	**251,383**	246,438
Germany	**112,871**	101,296
Austria	**42,871**	49,439
	407,125	397,173

Non-current assets exclude financial instruments.

(e) Information about major customers

There is no customer who contributes more than 10% of the total revenue of the Group during the year ended 31 March 2025 (2024: no customer who contributes more than 10%).

6. REVENUE

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Gaming revenue from:		
– slot machine operations	326,432	321,505
– table gaming operations	82,367	80,898
	408,799	402,403
Hotel, catering, leasing and related service revenue from:		
– catering operations	69,976	71,011
– hotel operations	88,656	90,800
– leasing operations	713	127
	159,345	161,938
	568,144	564,341

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 31 March 2025 and 2024, 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.

7. OTHER INCOME/OTHER GAINS AND LOSSES

		Year ended 31 March	
		2025 HK$'000	2024 HK$'000
(a)	Other income		
	Bank interest income	8,028	131
	Interest income from related parties	–	2,641
	Government grants	163	15
	Others	101	201
		8,292	2,988
(b)	Other gains and losses		
	Fair value change on financial assets at FVTPL	–	1,108
	Fair value change on investment property	(1,334)	–
	Net foreign exchange gain	135	9,680
	Net gain on disposal of property and equipment	10	506
	Impairment losses reversed under ECL model, net	52	30
		(1,137)	11,324

8. FINANCE COSTS

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Interest on lease liabilities	**1,379**	1,456
Interest on bank and other borrowings	**2,207**	2,665
	3,586	4,121

9. INCOME TAX EXPENSE

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Current tax:		
– The Czech Republic Corporation Tax	**13,501**	18,042
– Austria Corporation Tax	**4**	4
	13,505	18,046
Deferred tax (Note 28)	**1,020**	629
Income tax expense	**14,525**	18,675

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 31 March 2025, 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$551,931,000 (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 year ended 31 March 2025, the Czech Republic Corporation Tax is calculated at a rate of 21% (2024: 19%) on the estimated assessable profits.

No provision (2024: no provision) for Germany corporation tax for the year ended 31 March 2025 as the Group either incurred tax loss or utilised tax loss for offsetting the income tax payable.

No provision (2024: no provision) for Austria Corporation Tax during the year ended 31 March 2025 as the Group incurred tax loss, however, there is a minimum Corporation Tax of EUR500 for a year (2024: EUR500 for a year) during the year ended 31 March 2025 for entities in a tax loss position.

9. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Profit before taxation	29,916	28,167
Tax at the statutory tax rate of 21% (2024: 19%) in the Czech Republic	6,282	5,352
Tax effect of expenses not deductible for tax purpose	6,987	12,167
Tax effect of income not taxable for tax purpose	(328)	(55)
Tax effect of tax losses not recognised	2,083	1,731
Effect of tax exemptions granted to Czech subsidiary (note)	(40)	(42)
Utilisation of deductible temporary difference previously not recognised	(463)	(482)
Minimum tax to Austria subsidiary	4	4
Income tax expense	14,525	18,675

Note: Tax exemption of approximately CZK123,000 (2024: CZK123,000) has been granted to Czech subsidiary for the year ended 31 March 2025.

10. PROFIT BEFORE TAXATION

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Profit before taxation has been arrived at after charging (crediting):		
Staff costs		
– Directors' emoluments (Note 11)	3,620	2,613
– Salaries, allowances and other benefits	192,425	195,303
– Pension schemes contributions	116	93
Total staff costs	196,161	198,009
Auditor's remuneration		
– audit service	3,050	2,400
– audit-related service	1,000	–
– non-audit services	30	48
Amortisation of intangible assets	1,128	1,738
Depreciation of property and equipment	23,272	21,600
Depreciation of right-of-use assets	1,210	1,175
(Overprovision) provision of real estate transfer tax on reorganisation (note)	(572)	7,927

Note: Upon the completion of transfer of the entire equity interest of Trans World Hotel Germany GmbH ("TWG") from Palasino Group to the Company, as part of the internal reorganisation, on 22 January 2024, TWG becomes the wholly owned subsidiary of the Company and the Group is liable for the estimated German real estate transfer tax of approximately EUR910,000 (equivalent to approximately HK$7,927,000), which has been recognised in profit or loss for the year ended 31 March 2024. During the year ended 31 March 2025, the Group received the payment notice from German tax authorities under which the real estate transfer tax is approximately EUR877,000 (equivalent to approximately HK$7,355,000). Accordingly, the Group reversed the over-provision of approximately HK$572,000 in profit or loss and the whole amount has been paid by FEC directly to the German tax authorities and recognised under capital reserve as at 31 March 2025.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and the chief executive's emoluments

The emoluments paid or payable to the directors of the Company (including emoluments for services as director/employee of the group entities prior to becoming directors of the Company) by the Group during the year are as follows:

Executive director

For the year ended 31 March 2025

	Mr. Maršík HK$'000
Fee	25
Salaries, allowances and other benefits	2,125
Discretionary bonus (Note i)	838
	2,988

For the year ended 31 March 2024

	Mr. Maršík HK$'000
Fee	15
Salaries, allowances and other benefits	2,087
Discretionary bonus (Note i)	487
	2,589

Non-executive directors

For the year ended 31 March 2025

	Mr. Chiu HK$'000	Mr. Hoong HK$'000	Mr. Li(Note ii) HK$'000	Total HK$'000
Fee	25	25	19	69

For the year ended 31 March 2024

	Mr. Chiu HK$'000	Mr. Hoong HK$'000	Total HK$'000
Fee	9	9	18

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' and the chief executive's emoluments (continued)

Independent non-executive directors

For the year ended 31 March 2025

	Mr. Liu HK$'000	Mr. Lam HK$'000	Ms. Ng HK$'000	Ms. Jiao[Note iii] HK$'000	Total HK$'000
Fee	150	150	150	113	563

For the year ended 31 March 2024

	Mr. Liu HK$'000	Mr. Lam HK$'000	Ms. Ng HK$'000	Total HK$'000
Fee	2	2	2	6

Notes:

(i) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

(ii) Mr. Li has been appointed as a non-executive director on 26 June 2024.

(iii) Ms. Jiao has been appointed as an independent non-executive director on 26 June 2024.

The executive director's and non-executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.

The independent non-executive directors' emoluments shown above were for their services of the Company.

None of the directors nor chief executive waived or agreed to waive any emoluments during the years ended 31 March 2025 and 2024.

(b) Employees' emoluments

The five highest paid individuals included 1 director (2024: 1 director) for the year ended 31 March 2025, whose emolument is included in the disclosures in (a) above. The emoluments of the remaining 4 individuals (2024: 4 individuals) for the year ended 31 March 2025, are as follows:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Salaries, allowances and other benefits	4,490	4,199
Discretionary bonus (Note)	1,392	1,082
	5,882	5,281

Note: The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

Notes to the Consolidated Financial Statements

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments (continued)

The emoluments of the highest paid employees who are not director of the Company were within the following band:

	Year ended 31 March	
	2025	2024
Nil to HK$1,000,000	–	–
HK$1,000,001 to HK$1,500,000	2	3
HK$1,500,001 to HK$2,000,000	2	1

During the year ended 31 March 2025, no emoluments (2024: no emoluments) were paid by the Group to any of the directors of the Company or the chief executive of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. 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:

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Earnings for the purpose of basic and diluted earnings per share being profit for the year attributable to owners of the Company	15,391	8,542

Number of shares:

	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	806,197	715,691
Effect of dilutive potential ordinary share – over-allotment option of the global offering	388	211
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	806,585	715,902

The weighted average number of ordinary shares for the purpose of basic and dilutive earnings per share for the year ended 31 March 2024 have been taken into account the share subdivision and share capitalisation as set out in Note 29.

13. DIVIDENDS

The Group

	Year ended 31 March	
	2025 **HK$'000**	2024 HK$'000
Dividends for equity shareholders of Palasino Group recognised as distribution during the year	–	93,563

As set out in Note 39, 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 year ended 31 March 2024.

Dividends of HK$14,034,000 was paid in cash during the year ended 31 March 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 consolidated financial statements.

The Company

Subsequent to the end of the reporting period, a final dividend of HK2.90 cents (2024: Nil) per ordinary share, in an aggregate amount of HK$23,391,000 (2024: Nil) have been proposed to be paid out of the share premium account of the Company by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting and in accordance with the Companies Act of the Cayman Islands.

14. INVESTMENT PROPERTIES

	HK$'000
At 1 April 2023	–
Acquired on acquisition of a subsidiary (Note 37a)	14,597
At 31 March 2024	14,597
Additions	1,595
Transfer to property and equipment (Note 15)	(10,186)
Fair value change	(1,334)
Exchange realignment	294
At 31 March 2025	4,966

As disclosed in Note 37(a), the Group acquired the entire equity interest of Retail Park Mikulov s.r.o. ("Mikulov"), of which the principal activity is holding investment properties in the Czech Republic.

The investment properties represent the properties held by 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.

14. INVESTMENT PROPERTIES (continued)

During the current year, investment properties amounted to HK$10,186,000 was reclassified to buildings under freehold land under property, plant and equipment as the Group occupied the properties for its own use. These properties are no longer held for rental income and capital appreciation but are now changed for its own use.

In determining the fair value of the investment properties, the valuation is performed by the management of the Company. The management of the Company 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 management of the Company for similar properties in the locality and adjusted for the management of the Group's knowledge of factors specific to the respective properties. The yearly comparable rental and capitalisation rate adopted in the valuation as at 31 March 2025 is CZK22,933 per square meter and 7.75% (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 31 March 2025 and 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 have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

15. PROPERTY AND EQUIPMENT

	Freehold land HK$'000	Buildings under freehold land HK$'000	Buildings under leasehold land HK$'000	Office furniture, fixtures and equipment HK$'000	Motor vehicle HK$'000	Gaming equipments HK$'000	Construction in progress HK$'000	Total HK$'000
COST								
At 1 April 2023	21,812	366,737	176,575	132,550	5,955	60,948	–	764,577
Additions	–	7,492	–	2,166	1,345	8,443	5,418	24,864
Disposals	–	(127)	(181)	(169)	(836)	(182)	–	(1,495)
Exchange adjustments	(317)	(20,110)	(14,707)	(12,849)	(672)	(5,641)	(236)	(54,532)
At 31 March 2024	21,495	353,992	161,687	121,698	5,792	63,568	5,182	733,414
Additions	–	1,263	–	1,632	2,063	14,946	1,344	21,248
Transfer from investment property (Note 14)	–	10,186	–	–	–	–	–	10,186
Disposals	–	–	–	(16)	(1,840)	–	–	(1,856)
Transfer	–	3,705	–	9	–	1,548	(5,262)	–
Exchange adjustments	362	9,748	5,278	4,160	179	3,418	101	23,246
At 31 March 2025	21,857	378,894	166,965	127,483	6,194	83,480	1,365	786,238
DEPRECIATION AND IMPAIRMENT								
At 1 April 2023	–	96,424	162,767	81,837	1,429	56,620	–	399,077
Provided for the year	–	8,683	591	7,349	1,261	3,716	–	21,600
Eliminated on disposal	–	(127)	(181)	(169)	(836)	(182)	–	(1,495)
Exchange adjustments	–	(10,588)	(12,256)	(6,486)	(79)	(3,496)	–	(32,905)
At 31 March 2024	–	94,392	150,921	82,531	1,775	56,658	–	386,277
Provided for the year	–	10,515	538	5,864	1,257	5,098	–	23,272
Eliminated on disposal	–	–	–	(16)	(1,269)	–	–	(1,285)
Exchange adjustments	–	2,205	3,226	2,588	54	1,795	–	9,868
At 31 March 2025	–	107,112	154,685	90,967	1,817	63,551	–	418,132
CARRYING VALUES								
At 31 March 2025	21,857	271,782	12,280	36,516	4,377	19,929	1,365	368,106
At 31 March 2024	21,495	259,600	10,766	39,167	4,017	6,910	5,182	347,137

The above items of property and equipment, except for freehold land and construction in progress, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

Office furniture, fixtures and equipment	8% – 33%
Motor vehicle	20% – 33%
Gaming equipments	20% – 25%
Buildings under leasehold land	over the lease term
Buildings under freehold land	2% – 2.5%

16. INTANGIBLE ASSETS

	Search engine platform HK$'000	Search engine platform under construction HK$'000	Total HK$'000
COST			
At 1 April 2023	–	4,046	4,046
Transfer	4,046	(4,046)	–
Addition	677	–	677
Exchange adjustments	(181)	–	(181)
At 31 March 2024	4,542	–	4,542
Exchange adjustments	66	–	66
At 31 March 2025	4,608	–	4,608
AMORTISATION			
At 1 April 2023	–	–	–
Provided for the year	1,738	–	1,738
Exchange adjustments	(51)	–	(51)
At 31 March 2024	1,687	–	1,687
Provided for the year	1,128	–	1,128
Exchange adjustments	35	–	35
At 31 March 2025	2,850	–	2,850
CARRYING VALUES			
At 31 March 2025	1,758	–	1,758
At 31 March 2024	2,855	–	2,855

Note: The intangible asset represents the development cost incurred for the search engine optimisation platform which starts to amortise during the year ended 31 March 2024 on a straight-line basis at 33% per annum.

17. RIGHT-OF-USE ASSETS

	Office premises HK$'000	Leasehold land HK$'000	Total HK$'000
COST			
At 1 April 2023	1,961	43,091	45,052
Additions	109	–	109
Lease reassessment	–	6,656	6,656
Exchange adjustments	(165)	(3,878)	(4,043)
At 31 March 2024	1,905	45,869	47,774
Exchange adjustments	91	2,217	2,308
Lease reassessment	–	2,552	2,552
At 31 March 2025	1,996	50,638	52,634
DEPRECIATION AND IMPAIRMENT			
At 1 April 2023	436	18,763	19,199
Provided for the year	450	725	1,175
Exchange adjustments	(56)	(2,163)	(2,219)
At 31 March 2024	830	17,325	18,155
Provided for the year	503	707	1,210
Exchange adjustments	63	1,195	1,258
At 31 March 2025	1,396	19,227	20,623
CARRYING VALUES			
At 31 March 2025	600	31,411	32,011
At 31 March 2024	1,075	28,544	29,619

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Expense relating to short-term leases	**22,311**	22,909
Expense relating to lease of low-value assets	**788**	73
Total cash outflow for leases	**26,056**	25,643

The Group leases office premises and pieces of land of hotel buildings during the years ended 31 March 2025 and 2024. Lease contracts for office premises and leasehold land are entered into for fixed term of 3 to 4 years and 42 to 66 years, without any extension nor termination options, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31 March 2024, the Group entered into a new lease agreement with Annick Investment Limited ("Annick"), a fellow subsidiary of the Group for the use of office premises for 3 years. On the lease commencement, the Group recognised HK$109,000 of right-of-use assets and HK$109,000 of lease liabilities respectively.

17. RIGHT-OF-USE ASSETS (continued)

The lease payment of the leasehold land in Austria is charged at fixed amount on a monthly basis. During the year ended 31 March 2025, lease reassessment of HK$2,552,000 (2024: HK$6,656,000) has been recognised as right-of-use assets and lease liabilities using the initial discount rate, respectively. The lease payment for the remaining years will be adjusted by the inflation rate at the end of each calendar year provided that the inflation rate of Austria exceeds 5% per annum.

Restrictions or covenants on leases

In addition, lease liabilities of HK$67,991,000 (2024: HK$64,911,000) are recognised with related right-of-use assets of HK$32,011,000 (2024: HK$29,619,000) as at 31 March 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. INVENTORIES

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Food and beverage held for sale	**2,265**	2,052

19. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Financial asset at FVTPL	**6,213**	–

Financial asset at FVTPL represented the investment in a money market fund issued by a financial institution, which is not connected to the Group. The money market fund mainly consists of bonds, debt securities with short term maturities, as well as deposits with financial institutions.

20. TRADE RECEIVABLES

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Trade receivables	**8,400**	10,241
Less: allowance for credit losses	**(1)**	(53)
	8,399	10,188

As at 1 April 2023, trade receivables from contracts with customers amounted to HK$7,058,000.

20. TRADE RECEIVABLES (continued)

The entire trade receivables are arising from hotel and catering operations. The Group generally grants credit terms up 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:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Within 30 days	**7,557**	9,752
31 days to 60 days	**379**	61
Over 60 days	**463**	375
	8,399	10,188

The Group provides ECL of trade receivables as prescribed by HKFRS 9. Details of impairment assessment of trade receivables are set out in Note 33.

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$842,000 (2024: HK$436,000), which are past due as at the reporting date. As at the end of the reporting period, HK$373,000 (2024: no balance) has been past due 90 days or more. The Group does not hold any collateral over these balances.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Rental and utilities deposits	**1,223**	1,187
Deposits for acquisition of equipment	**284**	2,965
Deposits for gaming licence (note)	**10,200**	9,900
Government grants receivables	**–**	54
Other receivables, deposits and prepayments	**8,969**	8,771
Total	**20,676**	22,877
Presented as:		
Current	**10,192**	10,012
Non-current	**10,484**	12,865
	20,676	22,877

Note: Deposits of CZK30,000,000 (2024: CZK30,000,000) (equivalents to approximately HK$10,200,000 (2024: HK$9,900,000) as at 31 March 2025) 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.

Details of impairment assessment of other receivables and deposits are set out in Note 33.

22. BANK DEPOSITS, BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS/ RESTRICTED BANK DEPOSIT

Cash and cash equivalents comprise cash held by the Group, bank balances and short-term bank deposits for the purpose of meeting the Group's short term cash commitments.

Bank balances carry variable interest at average market rates of 2.0% (2024: 3.7%) per annum as at 31 March 2025. Bank balances include a demand deposit of HK$4,668,000 (2024: nil) that is placed in a designated account of the bank without any restriction to use in order to fulfill the relevant loan covenant requirements as of 31 March 2025. The management of the Group considers such demand deposit will not be withdrawn within twelve months from the end of the reporting period and accordingly such balance meets the definition of cash but is classified as non-current as at 31 March 2025. The balance does not carry any interest.

Pledged bank deposits carry fixed interest rate of 0.66% (2024: 0.5%) as at 31 March 2025 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.

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 carries at a fixed interest rate of 0.75% per annum as at 31 March 2025.

Details of impairment assessment of bank balances and pledged bank deposits are set out in Note 33.

23. 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:

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Within 60 days	**5,644**	5,535
61 to 90 days	**3,797**	590
	9,441	6,125

24. OTHER PAYABLES

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Chips in circulation	2,101	1,545
Other payables and accruals	8,605	5,271
Listing expenses payable	–	6,836
Share issue costs payable	–	2,788
Refundable government subsidy	2,173	3,648
Deferred income (note i)	1,509	1,527
Other tax payables	40,380	50,428
Salaries payables	14,636	16,085
Consideration payable (note ii)	360	2,449
	69,764	90,577
Less: Non-current portion of consideration payable	–	(354)
Non-current portion of deferred income	(1,443)	(1,489)
	68,321	88,734

Notes:

(i) Trans World Hotels Austria GmbH ("TWA") was granted by the Austria Government for subsidising 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 years 2015 to 2025, interest bearing at 3% per annum and secured by the property held by the Group.

25. CONTRACT LIABILITIES

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Advances received in relation to the service of hotel accommodation	1,915	462
Customer loyalty programme	1,727	1,697
	3,642	2,159

As at 1 April 2023, the contract liabilities amounted to HK$1,955,000.

Revenue recognised in current year relating to brought-forward contract liabilities amounted to HK$2,057,000 (2024: HK$1,839,000).

25. CONTRACT LIABILITIES (continued)

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. The increase in contract liabilities from year ended 31 March 2024 to 31 March 2025 was mainly due to more advance payments received from the customers for hotel accommodation services.

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.

26. LEASE LIABILITIES

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Lease liabilities payable		
Within one year	**1,714**	1,558
More than one year, but not more than two years	**1,510**	1,583
More than two years, but not more than five years	**3,812**	3,712
More than five years	**60,955**	58,058
	67,991	64,911
Less: Amount due for settlement within 12 months shown under current liabilities	**(1,714)**	(1,558)
Amount due for settlement after 12 months shown under non-current liabilities	**66,277**	63,353

The weighted average incremental borrowing rates applied to lease liabilities is 2.12% (2024: 2.13%) as at 31 March 2025.

27. BANK AND OTHER BORROWINGS

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Bank borrowings	**53,565**	61,251
Other borrowings	**–**	285
	53,565	61,536
Analysed as:		
Secured	**53,565**	61,251
Unsecured	**–**	285
	53,565	61,536
The carrying amount of the bank borrowings are repayable:		
– Within one year	**8,322**	8,577
– Within a period of more than one year, but not exceeding two years	**8,461**	8,187
– Within a period of more than two years, but not more than five years	**35,472**	37,164
– Within a period of more than five years	**1,310**	7,323
	53,565	61,251
Amount due within one year shown under current liabilities based on scheduled repayment dates	**(8,322)**	(8,577)
Amount shown under non-current liabilities	**45,243**	52,674
The carrying amount of the other borrowings are repayable within one year	**–**	285

27. BANK AND OTHER BORROWINGS (continued)

Interest rate	As at 31 March 2025 HK$'000	2024 HK$'000
Fixed rate	32,896	38,488
Variable rate	20,669	23,048
	53,565	61,536

For the bank and other borrowings as at 31 March 2025, the bank borrowings amounting to HK$20,669,000 (2024: HK$23,048,000) are variable-rate borrowings which carry interest at 3-month Euro Interbank Offered Rate ("EURIBOR") + 1.95% per annum. The remaining bank and other borrowings amounting to HK$32,896,000 (2024: HK$38,488,000) carry fixed interest rates which were range from 1.95% to 3.1% (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:

	Year ended 31 March 2025	2024
Effective interest rates:		
Bank borrowings	1.95% to 4.29%	1.95% to 5.84%
Other borrowings	N/A	3.7%

All bank borrowings are denominated in Euro ("EUR") as at the end of the year ended 31 March 2025 (2024: all bank borrowings are denominated in EUR). No other borrowings as at the end of the year ended 31 March 2025 (2024: all other borrowings are denominated in CZK).

28. DEFERRED TAX LIABILITIES

The following is the analysis of the deferred tax balances for the financial reporting purposes:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Deferred tax liabilities	**7,142**	5,927

The following are the major deferred tax (assets) liabilities recognised by the Group and movements during the year.

	Lease liabilities HK$'000	Right-of-use assets HK$'000	Accelerated tax allowance HK$'000	Total HK$'000
At 1 April 2023	(8,402)	8,402	5,810	5,810
Exchange adjustments	488	(488)	(512)	(512)
(Credit) charge to profit or loss	(746)	746	629	629
At 31 March 2024	(8,660)	8,660	5,927	5,927
Exchange adjustments	(454)	454	195	195
(Credit) Charge to profit or loss	(393)	393	1,020	1,020
At 31 March 2025	(9,507)	9,507	7,142	7,142

The Group's unrecognised tax losses are as follows:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Tax losses carry forward	**156,226**	147,330

During the year ended 31 March 2025 and 2024, all tax losses may be carried forward indefinitely. No deferred tax asset in respect of tax losses has been recognised because the amount of future taxable profit that will be available to realise such assets is uncertain.

As at 31 March 2025, the Group has deductible temporary differences of HK$55,745,000 (2024: HK$56,082,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

29. SHARE CAPITAL

For the purpose of presentation of the consolidated statement of financial position, the balance of share capital as at 1 April 2023 represented the share capital of Palasino Group prior to the completion of the reorganisation on 1 March 2024.

For the purpose of presentation of the consolidated statement of financial position, the balance of share capital as at 31 March 2025 and 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	–
As at 31 March 2024 and 2025		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
As at 31 March 2024		800,000,000	8,000
Issuance of ordinary shares on 23 April 2024	(d)	6,594,000	66
As at 31 March 2025		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.

30. RELATED PARTY DISCLOSURES

(i) Transactions

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

Name of related parties	Nature of transactions/ balances	Year ended 31 March 2025 HK$'000	2024 HK$'000
BC Mortgage Services Asia Limited ("BC Mortgage")	Interest income	–	1,768
Singford Holdings Limited ("Singford")	Interest income	–	873
Annick	Lease payment	38	–*
	Lease liabilities	73	111

* The amount represents amount less than HK$1,000.

BC Mortgage is a joint venture of FEC.

Singford and Annick are fellow subsidiaries of the Group.

During the year ended 31 March 2024, FECL paid expenses on behalf of the Group on an incidental basis and without charging handling fees.

On 4 March 2024, FEC, Ample Bonus and the Company signed a deed of indemnity, under which FEC and Ample Bonus indemnified German real estate transfer tax of approximately EUR910,000 (equivalent to approximately HK$7,927,000) arising from the transfer of the entire equity interest of TWG from Palasino Group to the Company. During the year ended 31 March 2025, the Group received the payment notice from German tax authorities under which the real estate transfer tax is approximately EUR877,000 (equivalent to approximately HK$7,355,000). Accordingly, the Group reversed the over-provision of approximately HK$572,000 in profit or loss and the whole amount of EUR877,000 (equivalent to approximately HK$7,355,000) has been paid by FEC directly to the German tax authorities and recognised under capital reserve as at 31 March 2025.

Saved as the above transactions as disclosed in Notes 13, 17 and 39 to the consolidated financial statements, the Group did not have any other related party transactions.

(ii) Compensation of key management personnel

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

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Short-term benefits	9,549	7,862

31. RETIREMENT BENEFIT SCHEMES

The Group has offered a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. Contributions are made by both the employer and the employee based on a certain percentage of the employees' relevant income. The Group's contributions will be fully and immediately vested in the employees' accounts as their accrued benefits in the scheme. There was no contribution forfeited by the Group during the year. The contributions made by the Group relating to the above scheme amounted HK$30,000 (2024: nil).

The Group also participates in the Pension insurance of Austria (the "Austria Pension") for all its qualifying employees in Austria. The assets of the schemes are held separately from those of the Group, in funds under the control of Austria Government.

For members of the Austria Pension, the Group contributes 1.53% (2024: 1.53%) of relevant monthly payroll costs per person during the year ended 31 March 2025.

The only obligation of the Group with respect to the Austria Pension is to make the specified contributions. During the year ended 31 March 2025, the total amounts contributed by the Group to such scheme and costs charged to the profit or loss represents contributions paid or payable to the scheme by the Group at rates specified in the rules of the scheme (2024: same). The contributions made by the Group relating to the above scheme amounted to HK$86,000 (2024: HK$93,000) for the year ended 31 March 2025.

These is no statutory requirement for the Group to participate any retirement benefit scheme for the employees in the Czech Republic and Germany during the year ended 31 March 2025 and 2024.

The Group is not obligated for any payment to the retirement benefit schemes in Germany and the Czech Republic during the year ended 31 March 2025 and 2024.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged during the years ended 31 March 2025 and 2024.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of the review, the directors of the Company consider the cost and the risks associated with each class of the capital. Based on the recommendations of the management of the Group, the Group will balance its overall capital structure through issue of new shares, issue of new debt and redemption of existing debts.

33. FINANCIAL INSTRUMENTS

Categories of financial instrument

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Financial assets		
Amortised cost	**338,003**	311,791
Financial asset at FVTPL	**6,213**	–
Financial liabilities		
Amortised cost	**66,973**	80,039

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, financial asset at FVTPL, bank deposits, bank balances and cash, deposits for gaming licence, pledged bank deposits, restricted bank deposit, trade payables, other payables, bank and other borrowings and lease liabilities (2024: trade receivables, other receivables and deposits, bank deposits, bank balances and cash, deposits for gaming licence, pledged bank deposits, trade payables, other payables, bank and other borrowings and lease liabilities).

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk, interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group has transactions denominated in foreign currencies for its casino and hotel operations, which expose the Group to foreign currency risk. All of the Group's receipt of its casino operations are denominated in EUR and some of the financial assets are denominated in United States Dollar ("USD") and Great British Pound ("GBP"), other than the functional currency of the group entity, during the year ended 31 March 2025 (2024: all of the Group's receipt of its casino operations are denominated in EUR and some of the financial assets are denominated in USD and GBP, other than the functional currency of the group entity).

The Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Assets		
EUR	**56,419**	43,620
USD	**6,890**	1,509
GBP	**4**	568
HK$	**219,223**	230,678
Polish Zloty ("PLN")	**13**	–
Liabilities		
EUR	**60,639**	64,054
HKD	**–**	2,084

The following tables detail the Group's sensitivity to a 5% weakening in the functional currencies of group entities against the relevant foreign currencies of respective group entities, while all other variables are held constant. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies at the year end. For a 5% strengthening of the functional currencies of group entities against the relevant foreign currencies, these would be an equal and opposite impact on profit after tax.

	Increase (decrease) in profit after tax As at 31 March	
	2025	2024
	HK$'000	HK$'000
EUR	**(167)**	(828)
USD	**272**	61
GBP	**–**	23
HKD	**8,659**	9,258
PLN	**1**	–

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the Group's fixed-rate pledged bank deposits, lease liabilities, and bank and other borrowings as at 31 March 2025 and 2024.

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and variable-rate bank borrowing as at 31 March 2025 and 2024.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the Czech Republic and Germany deposit rate arising from the Group's bank balances and the 3-month EURIBOR rate arising from bank borrowings.

The Group currently does not have interest rate risk hedging policy. However, management of the Group closely monitors its exposure to future cashflow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank deposits and bank borrowing for the year. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents directors' assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2025 would increase/decrease by HK$1,343,000 (2024: HK$1,402,000) respectively as a result of the Group's exposure to interest rates on its variable-rate bank deposits.

If interest rates had been increased/decreased by 50 basis points and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2025 would decrease/increase by HK$103,000 (2024: HK$115,000) as a result of the Group's exposure to interest rate on its variable-rate bank borrowings.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade receivables, other receivables and deposits, pledged bank deposits, restricted bank deposit and bank balances.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of the reporting period. The Group do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets for the years ended 31 March 2025 and 2024.

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables

In order to minimise the credit risk on trade receivables, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivable.

The Group always recognises lifetime ECL for trade receivables. To measure the ECL, the Group performs impairment assessment under the ECL model on trade receivables collectively based on shared credit risk characteristics by reference to the Group's internal credit rating.

As at 31 March 2025, the Group provided HK$1,000 impairment allowance for credit-impaired trade receivables (2024: HK$53,000).

The Group's concentration of credit risk on the top five largest debtors accounted for 66% and 49%, respectively of the total trade receivables as at 31 March 2025 and 2024, respectively.

Other receivables and deposits (including deposits for gaming licence)

The management of the Group make periodic individual assessment on the recoverability of significant balances based on historical settlement records (if any), past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits having considered the historical settlement records, past experience, and also available reasonable and supportive forward-looking information. For the deposits for gaming licence, the amount is refundable by the Government of the Czech Republic. As at 31 March 2025 and 2024, the Group assessed that the ECL for other receivables and deposits and deposits for gaming licence was insignificant.

Bank balances/pledged bank deposits/restricted bank deposit

The credit risk for bank balances, pledged bank deposits and restricted bank deposit are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no history of default in relation to these banks. The Group performs impairment assessment on the bank balances, pledged bank deposits and restricted bank deposit under 12-month ECL model. The management of the Group considers the risk of default is regarded as low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. As at 31 March 2025 and 2024, the Group assessed that the ECL for bank balances and pledged bank deposits were insignificant.

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month of lifetime ECL	Gross carrying amount As at 31 March 2025 HK$'000	2024 HK$'000
Amortised cost						
Trade receivables	20	N/A	Low risk	Lifetime ECL	8,399	10,188
			Loss	Lifetime ECL	1	53
Other receivables and deposits	21	N/A	Low risk	12-month ECL	5,614	7,040
Deposits for gaming licence	21	N/A	Low risk	12-month ECL	10,200	9,900
Bank balances	22	A1-Aa2	N/A	12-month ECL	268,641	280,354
Pledged bank deposits	22	A1-Aa2	N/A	12-month ECL	4,355	4,256
Restricted bank deposit	22	A1-Aa2	N/A	12-month ECL	17,911	–

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk

In management of the liquidity risk, the Group monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cashflows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity tables

	Interest rate %	Less than 1 year HK$'000	1 - 2 years HK$'000	2 - 5 years HK$'000	Over 5 years HK$'000	Undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2025							
Non-derivative financial liabilities							
Trade payables	N/A	9,441	–	–	–	9,441	9,441
Other payables	N/A	3,607	–	–	–	3,607	3,607
Consideration payable (included in other payables)	3.0	370	–	–	–	370	360
Bank and other borrowings	3.4	10,058	9,139	36,407	1,367	56,971	53,565
		23,476	9,139	36,407	1,367	70,389	66,973
Lease liabilities	2.12	3,079	2,835	7,628	83,762	97,304	67,991
As at 31 March 2024							
Non-derivative financial liabilities							
Trade payables	N/A	6,125	–	–	–	6,125	6,125
Other payables	N/A	9,929	–	–	–	9,929	9,929
Consideration payable (included in other payables)	3.00	2,190	370	–	–	2,560	2,449
Bank and other borrowings	3.8	9,235	8,950	38,499	7,458	64,142	61,536
		27,479	9,320	38,499	7,458	82,756	80,039
Lease liabilities	2.13	2,877	2,897	12,249	77,019	95,042	64,911

33. FINANCIAL INSTRUMENTS (continued)

Fair value measurements of financial instruments

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In determining the fair value of the investment fund, the management of the Group have made reference to the quotation from the counterparties and used market-observables data to the extent it is available.

Relationship	As at 31 March 2025 HK$'000	2024 HK$'000	Fair value hierarchy	Valuation technique(s) and key input(s)
Money market fund	6,213	–	Level 2	Reference to net asset value provided by financial institution

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except as detailed in the following table, the management considers that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

	31/03/2025			31/03/2024		
	Carrying amount HK$'000	Fair value HK$'000	Fair value hierarchy Level	Carrying amount HK$'000	Fair value HK$'000	Fair value hierarchy Level
Financial liabilities						
Bank borrowings						
– Fixed rate	32,896	30,647	Level 2	38,488	33,547	Level 2

34. MOVEMENT ON GROUP'S LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Share issue costs payable HK$'000	Dividend payable HK$'000	Consideration payable HK$'000	Bank and other borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
As 1 April 2023	–	–	4,539	70,189	64,866	139,594
Financing cash flows	(6,312)	(14,034)	(2,068)	(10,688)	(2,661)	(35,763)
Finance costs	–	–	–	2,665	1,456	4,121
Lease reassessment	–	–	–	–	6,656	6,656
Commencement of new leases	–	–	–	–	109	109
Dividend declared	–	93,563	–	–	–	93,563
Issue cost incurred	9,100	–	–	–	–	9,100
Non-cash transactions (Note 39)	–	(79,529)	–	–	–	(79,529)
Exchange adjustments	–	–	(22)	(630)	(5,515)	(6,167)
At 31 March 2024	2,788	–	2,449	61,536	64,911	131,684
Financing cash flows	(3,459)	–	(2,143)	(12,781)	(2,957)	(21,340)
Finance costs	–	–	–	2,207	1,379	3,586
Lease reassessment	–	–	–	–	2,552	2,552
Dividend declared	–	–	–	–	–	–
Issue cost incurred	671	–	–	–	–	671
Exchange adjustments	–	–	54	2,603	2,106	4,763
At 31 March 2025	–	–	360	53,565	67,991	121,916

35. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries as of the reporting period and the date of this report are as follows:

Name of subsidiaries	Place and date of incorporation/ establishment	Place of operation	Issued and fully paid share capital	Equity interest attributable to the Group as at 31 March 2025 %	2024 %	Principal activities
Cayman Holdco	Cayman Islands	Cayman Islands	HK$1	100	100	Investment holding
Palasino Group	The Czech Republic	The Czech Republic	CZK100,000,000	100	100	Casino and hotel operations and investment holding
TWG	Germany	Germany	EUR25,000	100	100	Hotel operations
TWA	Austria	Austria	EUR40,000	100	100	Hotel operations
Mikulov	The Czech Republic	The Czech Republic	CZK200,000	100	100	Investment holding
Palasino Malta Limited ("Palasino Malta")	Malta	Malta	EUR100,000	100	100	Development of online gaming
Palasino Poland Sp.z.o.o ("Palasino Poland")	Poland	Poland	PLN5,000	100	100	Inactive
Palasino (BVI) Limited ("Palasino (BVI)")	BVI	BVI	USD50,000	100	100	Inactive
Palasino Technology (HK) Limited (note)	Hong Kong	Hong Kong	HK$1	100	N/A	Inactive

Note: Palasino Technology (HK) Limited was incorporated during the year ended 31 March 2025.

Except for Palasino BVI, Cayman Holdco and TWG which are directly held by the Company, all the subsidiaries are indirectly held by the Company as at 31 March 2025 and 2024.

None of the subsidiaries had issued any debt securities at 31 March 2025 and 2024.

36. CAPITAL COMMITMENT

	2025 HK$'000	2024 HK$'000
Capital expenditure in respect of the acquisition of property and equipment contracted for but not yet provided in the consolidated financial statements	–	5,874

37. ACQUISITION OF SUBSIDIARIES

(a) On 29 February 2024, the Group acquired the entire equity interest of Mikulov, which is engaged in holding investment properties in the Czech Republic, at cash consideration of CZK44,226,000 (equivalent to approximately HK$14,960,000). The acquisition has been accounted for as an asset acquisition.

Assets acquired and liabilities recognised at the date of acquisition

	HK$'000
Investment properties	14,597
Trade and other receivables	123
Cash and cash equivalents	591
Other payable	(351)
	14,960

The receivables acquired (which principally comprised trade receivables) with a fair value of HK$123,000 at the date of acquisition had gross contractual amounts of HK$123,000.

Net cash outflow in acquisition of Mikulov

	HK$'000
Cash consideration paid	14,960
Less: cash and cash equivalents acquired	(591)
	14,369

(b) During the year ended 31 March 2024, the Group acquired the entire equity interest of Palasino Poland at cash consideration of approximately PLN99,000 (equivalent to approximately HK$188,000), the fair value of net assets acquired was approximately PLN30,000 (equivalent to approximately HK$58,000), and acquisition cost for bidding casino licence in Poland amounting to approximately PLN69,000 (equivalent to approximately HK$130,000) was recognised as other operating expenses. The bank deposits, bank balances and cash acquired were approximately PLN6,200 (equivalent to approximately HK$12,000), the net cash outflow arising on acquisition was approximately HK$176,000. Palasino Poland was licenced to conduct car lease brokerage business before the acquisition and such business was ceased on date of acquisition. The acquisition is not accounted for as a business combination, instead it is accounted for as an asset acquisition. The purpose of acquiring Palasino Poland is to bid for casino licences in Poland in the future.

38. 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:

	2025 HK$'000	2024 HK$'000
Pledged bank deposits	**4,355**	4,256
Property and equipment	**192,622**	115,874
	196,977	120,130

Apart from above pledged assets, the Group also pledged the entire shareholding of TWA for the bank borrowings as at 31 March 2025 and 2024.

39. NON CASH TRANSACTIONS

On 8 September 2023, a deed of assignment and novation has been signed among the Company, BC Mortgage and Far East Consortium Limited ("FECL"), a fellow subsidiary, 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.

During the year ended 31 March 2025, FEC has paid on behalf the real estate transfer tax of approximately EUR877,000 (equivalent to approximately HK$7,355,000). This was in related to the transfer of the entire equity interest of TWG from Palasino Group to the Company as part of the internal reorganisation.

40. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group's investment properties have committed leases for next 1 to 3 years (2024: 1 to 4 years).

Minimum lease payments receivables on leases are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	288	682
In the second year	230	508
In the third year	38	508
In the fourth year	–	125
	556	1,823

41. SUBSEQUENT EVENTS

Subsequent events of the Group are detailed as below.

On 26 June 2025, the Group entered into an agreement with Prosperous Bull Holdings Limited, an entity controlled by an independent individual, who will become a director of an immaterial subsidiary of the Company after the disposal of 70% interest in Palasino Malta for a cash consideration of EUR280,000 (approximately HK$2,377,000). The management of the Group is still assessing the financial impact of such disposal.

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31/3/2025 HK$'000	31/3/2024 HK$'000
Non-current Assets		
Investments in subsidiaries	1,761,989	1,761,989
Right-of-use assets	72	109
	1,762,061	1,762,098
Current Assets		
Deposits and prepayments	114	–
Amounts due from subsidiaries	221,556	101
Cash and cash equivalents	80	230,678
	221,750	230,779
Current Liabilities		
Other payables	3,093	8,714
Amount due to a subsidiary	116,003	126,143
Lease liabilities	36	35
	119,132	134,892
Net current assets	102,618	95,887
Total assets less current liabilities	1,864,679	1,857,985
Non-current Liability		
Lease liabilities	37	74
Net assets	1,864,642	1,857,911
Capital and reserves		
Share capital (Note 29)	8,066	8,000
Reserves	1,856,576	1,849,911
Total equity	1,864,642	1,857,911

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium HK$'000	Capital reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 6 July 2023 (date of incorporation)	–	–	–	–
Loss for the period and other comprehensive expense for the period	–	–	(26,339)	(26,339)
Total comprehensive expense for the period	–	–	(26,339)	(26,339)
Deemed contribution from shareholder	–	9,411	–	9,411
Share capitalisation (Note 29(b))	(7,143)	–	–	(7,143)
Issue of shares under the IPO (Note 29(c))	221,999	–	–	221,999
Transaction costs attributable to the IPO	(9,100)	–	–	(9,100)
Group reorganisation	–	1,661,083	–	1,661,083
At 31 March 2024	205,756	1,670,494	(26,339)	1,849,911
Loss for the year and other comprehensive expense for the year	–	–	(17,757)	(17,757)
Total comprehensive expense for the year	–	–	(17,757)	(17,757)
Issue of shares under the IPO (Note 29(d))	17,078	–	–	17,078
Transaction costs attributable to the IPO	(671)	–	–	(671)
Deemed contribution from shareholder	–	8,015	–	8,015
At 31 March 2025	222,163	1,678,509	(44,096)	1,856,576

List of Principal Properties

PROPERTY DEVELOPMENT/INVESTMENT PROPERTY

Codes of "Types of Property": H — Hospitality and Gaming
I — Investment properties

Name of property and location	Group's interest
Europe	
1. Hotel Columbus Am Reitpfad 4, 63500 Seligenstadt, Germany	100%
2. Hotel Freizeit Auefeld Hallenbadstraße 33, Hann. Münden 34346, District Göttingen in Lower Saxony, Germany	100%
3. Hotel Kranichhöhe Bövingen 129, Much, District Rhein-Sieg in North Rhine-Westphalia, Germany	100%
4. Hotel Donauwelle Am Winterhafen 13., Linz, Oberösterreich (Upper Austria), Austria	100%
5. Hotel Savannah Chvalovice-Hatě 198 & 199, Znojmo 669 02 & Derflice, Načeratice Czech Republic	100%
6. Palasino Furth im Wald Česká Kubice 64 & Horní Folmava, 34532 Česká Kubice, Czech Republic	100%
7. Palasino Wullowitz Dolní Dvořiště 225, 38272 Dolní Dvořiště, Czech Republic	100%
8. Palasino Excalibur City Chvalovice-Hatě 198 & 199, Znojmo 669 02 & Derflice, Načeratice Czech Republic	100%
9. Retail Park Mikulov 28, října 1794/1a PSČ 692 01 Mikulov na Moravě Czech Republic	100%

List of Principal Properties

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
6,845	H	Completed	Existing
11,379	H	Completed	Existing
12,009	H	Completed	Existing
10,782	H	Completed	Existing
9,240	H	Completed	Existing
2,765	H	Completed	Existing
3,445	H	Completed	Existing
3,438	H	Completed	Existing
6,086	I	Completed	Existing

Glossary

This glossary contains terms used in this annual report in connection with us and our business. Some of these terms and their meanings may not correspond to standard industry meanings or usage of such terms.

"average daily room rate"	room revenue divided by the number of rooms in use
"cage"	a secured area within a casino where records of transactions are kept, money is counted and chips can be exchanged for cash
"casino"	a facility or building offering games of chance including table games such as Roulette, Blackjack and technical games such as slot machines. In some casinos, peer-to-peer games such as poker are also available
"chip"	token that is used on casino gaming tables in lieu of cash
"dealer"	a casino employee who is responsible for providing the services at a gaming table including spinning the ball on roulette and placing the customer bets and calculating the wins, as well as shuffling and dealing the cards on card tables such as blackjack and staffs other games offered
"drop"	the amount of cash deposited in a gaming table's drop box
"drop box"	a box or container securely fixed under the gaming table that serves as a repository for cash exchanged at the gaming tables for chips
"EBITDA"	earnings before interest income, finance costs, income tax and depreciation and amortisation
"FY"	financial year ended/ending 31 March
"gaming"	in the context of an industry sector, as defined by CIC, the industry sector consisting of slot machines, live games, sports betting, poker, raffles, lottery, etc.

Glossary

"gaming area" or "gaming floor"	a particular part of a facility that provides casino games consisting of slot machines, table games, poker and other casino games
"gaming revenue"	revenue of casino gaming activities after deferring the liabilities arising from customer loyalty programs based on the relevant accounting policy before deduction of gaming tax
"gaming tax"	the percentage level of tax levied on GGR: (i) in the Czech Republic, 35% on slot machine and 23% on live games during the financial years, and the percentage level of tax levied on GGR on live games increased from 23% to 30% on 1 January 2024; (ii) in Malta, 5% on all GGR plus a compliance contribution on global GGR on all slots games and live games, calculated on a sliding scale, with the annual compliance contribution becoming due ranging between EUR15,000 (equivalent to HK$128,250) and EUR375,000 (equivalent to HK$3,206,250)
"GFA"	gross floor area
"GGR" or "gross gaming revenue"	gross revenue from casino gaming activities (i.e. slot machine gross win and table game gross win), calculated before deduction of gaming tax
"live game"	live games are played by players against dealer, or against each other at land-based gaming tables or online websites
"occupancy rate"	(i) for hotel and catering operations, the number of rooms in use divided by the number of available rooms for a given period (ii) for gaming operations, number of slot machines that are actively being used by players divided by total number of slot machines available for a given period 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 PAC card
"RevPAR"	revenue per available room, calculated by room revenue during a period divided by the number of available rooms of such hotel during the same period

Glossary

"slot machine drop"	the total amount of slot machine bets made (coin in) in the slot machines
"slot machine gross win"	the total amount of slot machine bets made (coin in) minus slot machine bets paid out (coin out) that is retained as winnings
"slot machine hold percentage"	slot machine gross win divided by slot machine drop
"slot machines"	electromechanical game machines including mainly traditional slot machines, electromechanical roulettes and electromechanical dices
"sq.m."	square meter
"table game drop"	the total amount of drop collected in the table games drop boxes plus any cash exchanged for chips at the cage
"table game gross win"	the amount of drop that is retained as winnings
"table games"	typical casino games played by players against dealer, including roulette and card games such as blackjack, or against each other in poker cash games or tournament

PALASINO