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Palasino Holdings Limited

百樂皇宮控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2536)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

INTERIM RESULTS

The board of directors (the “Board”) of Palasino Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2024 (“1H FY2025”) together with the comparative figures for the six months ended 30 September 2023 (“1H FY2024”). These unaudited consolidated financial statements have been reviewed by the Company’s audit committee (the “Audit Committee”) prior to recommending them to the Board for approval.

BUSINESS OVERVIEW

- The Group is a gaming and leisure group operating in Central Europe in the Czech Republic, Germany and Austria with over 25 years of operating experience in the industry under the leadership of our senior management. The Group currently has two key business areas: land-based gaming, accounting for approximately 70% for both 1H FY2025 and 1H FY2024, and hotel, catering and related services, accounting for 30% of the Group’s total revenue for both periods. The Group currently operates one integrated land-based casino and resort and two full-service land-based casinos in the Czech Republic, offering primarily slot machines and table games. The Group also owns and operates three hotels in Germany and one hotel in Austria, which offer accommodation, catering, conference facilities and leisure services.
- The casinos are strategically located in the heart of Central Europe, specifically in the Czech Republic, making it convenient for guests from all corners of the continent to visit. Specifically, our casinos are close to the borders of the Czech Republic and Austria, and the Czech Republic and Germany. Such strategic presence enables our casinos to attract customers from different countries, such as Austria and Germany, as well as from Poland, Hungary, Slovakia and Slovenia.

- The hotels are also strategically located in Germany and Austria, and each has its own unique features and advantages, including being easily accessible by public transport from neighbouring countries. The strategic location of our hotels allows us to serve as gateways to customer traffic from multiple European countries.
- In February 2024, the Group completed the acquisition of a property in Mikulov, Czech Republic (the “Mikulov Property”). The Mikulov Property is currently operating as a shopping mall. During 1H FY2025, the Group has started preparations to convert it into a casino which would be the Group’s fourth in the Czech Republic.
- Palasino Poland Sp. z.o.o. (“Palasino Poland”), which was acquired in July 2023, continues to search for and consider potential acquisition and partnership opportunities to further pursue the strategy of entering into the casino market in Poland.
- The Group is also actively looking at other European and Asian jurisdictions for similar land-based casino opportunities to expand the business.
- The number of slot machines in the Group’s casinos increased from 568 units as of 31 March 2024 to 630 units as of 30 September 2024, with the aim of capitalizing on the growth in the gaming industry.
- During 1H FY2025, approximately HK\$12 million of the net proceeds from the Company’s global offering and over-allotment was utilized for the purchase of slot machines and for general working capital, which is in line with the Company’s planned use of net proceeds.

FINANCIAL HIGHLIGHTS

- The Group recorded a 1% growth in revenue in 1H FY2025 as compared to 1H FY2024 which was mainly driven by the growth of revenue from slot machine operation of 1%.
- The Group’s profit attributable to the owners of the Company for 1H FY2025 was approximately HK\$16 million (1H FY2024: HK\$15 million).

- The Group continued to closely monitor the development of its online gaming business. The Group incurred total expenses of approximately HK\$12 million in 1H FY2025 (1H FY2024: HK\$8 million) in relation to its online gaming business which primarily consists of operating expenses, employee benefits expenses, gaming operation expenses relating to platform licence, cloud service and office expenses. The online gaming business generated no revenue for both 1H FY2025 and 1H FY2024. To demonstrate the operating performance of the Group’s land based casinos and hotels and for illustrative purpose only, by excluding (i) the online gaming revenue and expenses; and (ii) foreign exchange gain or loss, the adjusted earnings before interest income, finance costs, income tax and depreciation and amortisation (“Adjusted EBITDA”), a non-HKFRS measure, would amount to approximately HK\$43 million in 1H FY2025 (1H FY2024: HK\$52 million). The decrease of approximately HK\$9 million was due to the increase in (i) gaming tax of approximately HK\$4 million due to higher applicable tax rates; (ii) listing maintenance costs of approximately HK\$3 million; and (iii) utilities expenses of approximately HK\$2 million, driven by higher energy unit price under the new contracts. For a detailed discussion of the non-HKFRS measures, please see below “Management Discussion and Analysis – Financial Review – Non-HKFRS Financial Measures”.
- The value of the Group’s total equity increased to approximately HK\$550 million as at 30 September 2024 as compared to approximately HK\$503 million as at 31 March 2024, primarily attributable to the allotment and issuance of shares of the Company under over-allotment in the global offering in April 2024 of approximately HK\$16 million and the total comprehensive income of approximately HK\$25 million recorded for 1H FY2025.
- The Group’s net cash (defined as cash and cash equivalents minus bank and other borrowings) decreased slightly by approximately HK\$6 million from approximately HK\$244 million as at 31 March 2024 to approximately HK\$238 million as at 30 September 2024. This change is primarily attributable to the Group placing a restricted bank deposit of approximately HK\$18 million while receiving net proceeds of approximately HK\$15 million from the over-allotment in the global offering in April 2024. The restricted bank deposit is placed to secure a bank guarantee as additional refundable gaming deposit in compliance with the requirement of New Czech Gambling Act.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) HIGHLIGHTS

- In line with the Group’s sustainability governance framework, the ESG committee, reporting directly to the Board, has continued to steer the Group towards well-defined strategic objectives.
- The Group has proactively established key performance indicators and other relevant measurements used to evaluate and address the Group’s ESG-related risks in accordance with the European Sustainability Reporting Standards, as appropriate.
- During 1H FY2025, the Group completed photovoltaic power plant projects and implemented other energy-saving projects, enhanced focus on scope 3 emission, particularly through detailed analysis of other indirect greenhouse gas emissions, in particular a more detailed breakdown of external supply to better identify steps to reduce its carbon footprint.
- The Group continues to implement responsible gaming practices and adhere to regulatory requirements governing casino operations.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

		Six months ended	
		30 September	
		2024	2023
<i>NOTE</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Profit for the period attributable to:			
	Owners of the Company	15,693	15,349
	Non-controlling interests	–	1,705
		<u>15,693</u>	<u>17,054</u>
Total comprehensive income (expense) for the period attributable to:			
	Owners of the Company	24,777	(2,126)
	Non-controlling interests	–	(236)
		<u>24,777</u>	<u>(2,362)</u>
Earnings per share	9		
	Basic (HK cents)	1.95	2.15
	Diluted (HK cents)	1.95	N/A
		<u>1.95</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2024

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

Application of amendments to HKFRSs

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

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

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

3. SEGMENT INFORMATION

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

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

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

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

Revenue and segment information about these businesses is presented below:

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

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Segment revenue		
Gaming operations:		
recognised at a point in time	196,118	194,279
Hotel, catering and leasing operations:		
Hotel operations:		
recognised over time	49,589	48,379
Catering operations:		
recognised at a point in time	35,955	35,629
Leasing operations:		
revenue from operating lease	431	–
	282,093	278,287
Revenue from contracts with customers:		
recognised at a point in time	232,073	229,908
recognised over time	49,589	48,379
	281,662	278,287
Revenue from operating leases:		
lease payments	431	–
	282,093	278,287
Segment results		
Gaming operations	36,406	41,617
Hotel, catering and leasing operations	6,595	5,847
Unallocated corporate income	6,330	11,084
Unallocated corporate expenses	(27,465)	(31,650)
Profit before taxation	21,866	26,898

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

(b) Geographical information

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

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

(c) Information about major customers

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

4. REVENUE

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

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

5. OTHER INCOME/OTHER GAINS AND LOSSES

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

6. FINANCE COSTS

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

7. INCOME TAX EXPENSE

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

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

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

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

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

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

8. PROFIT BEFORE TAXATION

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

9. EARNINGS PER SHARE

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

Earnings:

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

Number of shares:

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

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

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

10. DIVIDENDS

The Group

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

Dividend payables of HK\$79,529,000 was offset by the amount due from FEC Overseas Investment (UK) Limited (“FEC UK”), the former holding company of the Company and the fellow subsidiary of the Group, during the six months ended 30 September 2023.

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

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

The Company

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

11. TRADE RECEIVABLES

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

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

12. TRADE PAYABLES

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

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

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

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

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

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

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

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

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

Gaming tax

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

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

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

**The below table summarises the selected results of the Group's casino operation:
(continued)**

Notes:

1. Average slot win per machine per day = $\text{Slot machine gross win} / ((\text{opening number of machines} + \text{closing number of machines}) / 2) / \text{number of open days}$

Average daily gross win per table = $\text{Table games gross win} / ((\text{opening number of tables} + \text{closing number of tables}) / 2) / \text{number of open days}$

2. A – slot machine drop
B – table game drop
C – slot machine gross win
D – table game gross win
Slot machine hold percentage = $(C/A) \times 100\%$
Table games hold percentage = $(D/B) \times 100\%$
3. Occupancy rate = $(\text{number of slot machines that are actively being used by players} / \text{total number of slot machines available}) \times 100\%$

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.

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

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

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

	1H FY2025 <i>HK\$'000</i>	1H FY2024 <i>HK\$'000</i>	% Change
Hotel, catering and related service revenue from:			
– hotel operations	49,589	48,379	3%
– catering operations	35,955	35,629	1%
	85,544	84,008	
	1H FY2025	1H FY2024	% Change
Average Daily Room Rate (HK\$) ^(Note 1)			
<i>Hotel Columbus</i>	613	664	
<i>Hotel Auefeld</i>	765	730	
<i>Hotel Kranichhöhe</i>	714	717	
<i>Hotel Donauwelle</i>	814	745	
<i>Hotel Savannah</i>	658	659	
Average of all hotels	731	703	4%
Average occupancy rate (%) ^(Note 2)			
<i>Hotel Columbus</i>	46	40	
<i>Hotel Auefeld</i>	60	61	
<i>Hotel Kranichhöhe</i>	59	62	
<i>Hotel Donauwelle</i>	63	63	
<i>Hotel Savannah</i>	64	65	
Average of all hotels	58	58	0%
Room Revenue (HK\$'000) ^(Note 3)			
<i>Hotel Columbus</i>	6,056	5,670	
<i>Hotel Auefeld</i>	7,864	7,508	
<i>Hotel Kranichhöhe</i>	8,220	8,651	
<i>Hotel Donauwelle</i>	16,428	15,141	
<i>Hotel Savannah</i>	6,116	6,199	
Average of all hotels	8,937	8,634	4%
RevPAR (HK\$) ^(Note 4)			
<i>Hotel Columbus</i>	283	265	
<i>Hotel Auefeld</i>	462	441	
<i>Hotel Kranichhöhe</i>	420	442	
<i>Hotel Donauwelle</i>	510	470	
<i>Hotel Savannah</i>	423	429	
Average of all hotels	420	409	3%

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

Notes:

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

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

Other income

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

Other gains and losses

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

Operating expenses

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

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

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

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

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

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

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

For 1H FY2024, listing expenses of approximately HK\$14 million were related to the professional fees and other costs in connection with the global offering. From cashflow perspective, Far East Consortium International Limited (“FEC”), a controlling shareholder of the Company, on a pro rata basis, shared 40% of the listing expenses in accordance with their sale share percentage under the global offering. For 1H FY2025, listing expenses of approximately HK\$2 million were mainly incurred 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 capitalized to the share premium account.

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

Profit for the Period

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

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

Bank and other borrowings denominated in:

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

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

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

FOREIGN EXCHANGE MANAGEMENT

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

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

CAPITAL EXPENDITURE

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

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

CAPITAL COMMITMENTS

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

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

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

CHARGES ON COMPANY ASSETS

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

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

GEARING RATIO

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

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

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

CONTINGENT LIABILITIES

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

EMPLOYEES AND REMUNERATION POLICIES

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

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

USE OF LISTING PROCEEDS

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

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

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

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

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

PROSPECTS AND OUTLOOK

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

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

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

NON-HKFRS FINANCIAL MEASURES

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

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

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

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

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

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

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

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

SUBSEQUENT EVENT

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

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

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

AUDIT COMMITTEE

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at *www.hkexnews.hk* and on the website of the Company at *www.palasinoholdings.com*. The interim report of the Company for the six months ended 30 September 2024 will be despatched to the Shareholders, if necessary, and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 26 November 2024

As at the date of this announcement, the Board comprises (i) Mr. Pavel MARŠÍK as executive director; (ii) Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG and Mr. Mengbi LI as non-executive directors; and (iii) Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM, Ms. Sin Kiu NG and Ms. Jie JIAO as independent non-executive directors.