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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 FINANCIAL YEAR ENDED 31 MARCH 2024

RESULTS

The board of directors (the “Board”) of Palasino Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the financial year ended 31 March 2024 (“FY2024”) together with the comparative figures for the financial year ended 31 March 2023 (“FY2023”) as follows:

BUSINESS OVERVIEW

- The Group successfully listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 March 2024 (the “Listing Date”), marking an important milestone for the Group.
- 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 74% and 71% of the Group’s total revenue for the years ended 31 March 2023 and 2024, respectively, and hotel, catering and related services, accounting for 26% and 29% of the Group’s total revenue for the years ended 31 March 2023 and 2024, respectively. 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 hospitality business which owns and operates three hotels in Germany and one hotel in Austria, offers 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.
- The Group's revenue has continued to grow despite the challenging economic situation of the last couple of years, such as COVID-19 restrictions on our operations during the height of the pandemic, the Ukraine-Russia war and increasing interest rates. The Group has also maintained a healthy balance sheet with cash positions exceeding debt. This position has been further strengthened through the equity capital raised from the Group's listing in March 2024.
- 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 and the Group intends to convert it into a casino which would be the Group's fourth in the Czech Republic.
- In April 2024, Palasino Poland Sp. z.o.o. ("Palasino Poland") lodged the first casino licence tender application in the region of Lubuskie. Palasino Poland is also continually looking for other potential casino license tenders and potential acquisition opportunities in Poland to further pursue the strategy of entering into the casino market in Poland.
- The Group will continue to expand its online gaming business using the license approved by the Malta Gaming Authority in November 2022 and has plans to apply for an online gaming license in the Czech Republic during the financial year ending 31 March 2025 to support the land based casino operations. In addition to business to customers ("B2C") business, the Group is also exploring business to business ("B2B") opportunities. In this regard, post FY2024, the Group incorporated a wholly owned subsidiary, Palasino Technology (HK) Limited ("Palasino Technology") to target this business. Palasino Technology signed a non-legally binding memorandum of understanding ("MOU") with GameSparks Co., Ltd. in May 2024 to license online game content to target opportunities in Asia.
- The Group's success can be attributed to its diversified portfolio of gaming products and hospitality services operated through a self-operated and managed operating model with self-owned land and buildings providing stability and cost control.

FINANCIAL HIGHLIGHTS

- The Group recorded a 7% growth in revenue in FY2024 as compared to FY2023 which was mainly driven by the growth of hotel, catering and related services revenue of 17% and the growth of revenue from slot machine operation of 7%.
- The Group's profit for FY2024 was HK\$9 million (FY2023: HK\$44 million) while adjusted net profit^(Note), a non-Hong Kong Financial Reporting Standard ("non-HKFRS") measure, was HK\$41 million (FY2023: HK\$44 million). The profitability of the business was mainly affected by several one-off expenses and online gaming expenses as detailed below.
- The Group's adjusted earnings before interest income, finance costs, income tax and depreciation and amortization ("Adjusted EBITDA")^(Note), a non-HKFRS measure, for FY2024 was HK\$85 million (FY2023: HK\$85 million).
- The Group's profitability for FY2024 has been impacted by several one-off expenses incurred during FY2024 for the global offering in March 2024, including (i) the listing expenses of approximately HK\$24 million; and (ii) the real estate transfer tax on reorganisation of approximately HK\$8 million. It is worth noting that the real estate transfer tax on reorganisation has no overall cashflow impact on the Group given such amount is indemnified by Far East Consortium International Limited ("FEC") and Ample Bonus Limited ("Ample Bonus") and will be recognised under equity upon the settlement of the amount.
- The Group continued to closely monitor the development of its online gaming business. The Group incurred total expenses of approximately HK\$21 million in FY2024 (FY2023: HK\$13 million) in relation to its online gaming business which primarily consists of operating expenses, including employee benefits expenses, gaming operation expenses relating to platform licence, licence application, cloud service and office expenses. The online gaming business generated no revenue in FY2023 and only an immaterial amount of revenue in FY2024. To demonstrate the performance of the Group's land based casinos and hotels and for illustrative purpose only, by excluding the online gaming revenue and expenses, the Adjusted EBITDA, a non-HKFRS measure, would amount to approximately HK\$106 million in FY2024 (FY2023: HK\$99 million). The increase of approximately HK\$7 million represented a growth of approximately 7% which was in line with the total revenue growth.
- The value of the Group's total equity increased significantly to approximately HK\$503 million as at 31 March 2024 as compared with approximately HK\$388 million as at 31 March 2023, primarily due to the increase by the issue of new shares under the global offering of approximately HK\$223 million and a decrease by the dividends recognized as distribution of approximately HK\$94 million.

Note:

For a detailed discussion of the non-HKFRS measures, please see below "Management Discussion and Analysis – Financial Review – Non-HKFRS Financial Measures."

- The Group’s net cash increased significantly from approximately HK\$16 million as at 31 March 2023 to approximately HK\$244 million as at 31 March 2024 due to the listing proceeds from the global offering. The Group maintained a strong cash position of approximately HK\$305 million as at 31 March 2024.

POST FINANCIAL YEAR END EVENTS

- As stated in the prospectus of the Company dated 18 March 2024, pursuant to the new Czech Gambling Act, the Group is required to apply for the initial licence and, as a new condition, to provide an increase of security deposit from CZK30 million (equivalent to approximately HK\$10.5 million) to CZK150 million (equivalent to approximately HK\$54 million) to the Ministry of Finance in the Czech Republic. On 15 April 2024, the Group placed a restricted bank deposit of CZK53 million (equivalent to approximately HK\$17 million) and pledged certain land and buildings with a bank as the security in order to instruct a bank to issue a guarantee of CZK120 million (equivalent to approximately HK\$40 million) as additional refundable gaming deposit in compliance with the requirement of new Czech Gambling Act.
- On 23 April 2024, the Company additionally issued 6,594,000 shares at HK\$2.6 per share for the over-allotment option under the global offering. The net proceeds to the Company are approximately HK\$15 million.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) HIGHLIGHTS

- Defended data and IT security ISO27001:2014 certification: Underwent a successful audit and recertification process, ensuring the information security policies, procedures, and controls continue to meet the rigorous requirements of this internationally recognized certification.
- Renewed Czech Casino License for another six years: This renewal reflects the Group’s strength of the operations, adherence to regulatory requirements, and the position as a trusted and responsible gaming provider in the market.
- Generated 31.5 MWh of renewable energy during the first three months of 2024: This represents a contribution to the overall energy mix and supports the corporate sustainability goals of reducing the environmental impact and reliance on fossil fuels.
- Reduced non-hazardous waste intensity by over 30% and energy intensity by nearly 9% compared to FY2023, despite the resumption of operations: These results demonstrate the Group’s commitment to sustainable business practices and ability to drive continuous environmental improvements.
- Donated approximately CZK1 million to charity: This contribution supports the Group’s commitment to giving back to the communities in which the Group operate and making a positive impact on the lives of those in need.
- Provided an average of 25 training hours to all employees: These training programs cover a range of topics, enabling the employees to enhance their competencies and contribute more effectively to the Group’s success.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gaming revenue		402,403	390,403
Hotel, catering, leasing and related services revenue		161,938	138,618
Gaming, hotel, catering, leasing and related services revenues	4	564,341	529,021
Gaming tax		(141,562)	(133,097)
Other income	5(a)	2,988	5,172
Other gains and losses	5(b)	11,324	(12,192)
Inventories consumed		(31,311)	(25,076)
Depreciation and amortisation		(24,513)	(23,180)
Employee benefits expenses		(198,009)	(170,182)
Other operating expenses		(119,506)	(105,274)
Listing expenses		(23,537)	–
Real estate transfer tax on reorganisation		(7,927)	–
Finance costs	6	(4,121)	(3,576)
Profit before taxation	8	28,167	61,616
Income tax expense	7	(18,675)	(17,462)
Profit for the year		9,492	44,154
Other comprehensive (expense) income			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange difference arising from translation of functional currency to presentation currency		(19,313)	(9,275)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(4,691)	4,638
Total comprehensive (expense) income for the year		(14,512)	39,517

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		8,542	44,154
Non-controlling interests		950	–
		<u>9,492</u>	<u>44,154</u>
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(13,069)	39,517
Non-controlling interests		(1,443)	–
		<u>(14,512)</u>	<u>39,517</u>
Earnings per share	9		
Basic (HK cents)		<u>1.19</u>	<u>6.18</u>
Diluted (HK cents)		<u>1.19</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	<i>NOTES</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Investment properties		14,597	–
Property and equipment		347,137	365,500
Deposits for acquisition of equipment		2,965	2,696
Deposits for gaming licence		9,900	10,800
Intangible assets		2,855	4,046
Right-of-use assets		29,619	25,853
Loan to a related party		–	39,165
Pledged bank deposits		4,256	4,059
		411,329	452,119
Current assets			
Inventories		2,052	2,277
Financial assets at fair value through profit or loss		–	21,089
Trade receivables	<i>11</i>	10,188	7,058
Other receivables, deposits and prepayments		10,012	13,175
Amount due from a fellow subsidiary		–	35,013
Amount due from an intermediate holding company		–	–*
Cash and cash equivalents		305,122	86,084
		327,374	164,696
Current liabilities			
Trade payables	<i>12</i>	6,125	6,294
Other payables		88,734	66,646
Income tax payable		4,614	9,255
Contract liabilities		2,159	1,955
Lease liabilities		1,558	1,446
Bank and other borrowings		8,862	31,191
		112,052	116,787
Net current assets		215,322	47,909
Total assets less current liabilities		626,651	500,028

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities		
Bank and other borrowings	52,674	38,998
Lease liabilities	63,353	63,420
Other payables	1,843	4,038
Deferred tax liabilities	5,927	5,810
	<u>123,797</u>	<u>112,266</u>
Net assets	<u>502,854</u>	<u>387,762</u>
Capital and reserves		
Share capital	8,000	37,000
Reserves	494,854	311,986
	<u>502,854</u>	<u>348,986</u>
Equity attributable to owner of the Company	502,854	348,986
Non-controlling interests	–	38,776
	<u>502,854</u>	<u>387,762</u>

NOTES

FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands on 6 July 2023 and its shares are listed on The Stock Exchange on 26 March 2024. The Company and its subsidiaries are together referred to as the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants, including those new and amendments to HKFRSs that are mandatorily effective for the Group’s annual period beginning on 1 April 2023.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but not yet effective:

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 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for the Group’s annual periods beginning on or after a date to be determined

² Effective for the Group’s annual periods beginning on or after 1 April 2024

³ Effective for the Group’s annual periods beginning on or after 1 April 2025

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".

Segment information about these businesses is presented below:

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Segment revenue		
Gaming operations:		
recognised at a point in time	402,403	390,403
Hotel, catering and leasing operations:		
Catering operations:		
recognised at a point in time	71,011	62,380
Hotel operations:		
recognised over time	90,800	76,238
Leasing operations:		
revenue from operating lease	127	–
	564,341	529,021
Revenue from contracts with customers:		
recognised at a point in time	473,414	452,783
recognised over time	90,800	76,238
	564,214	529,021
Revenue from operating leases:		
lease payments	127	–
	564,341	529,021
Segment results		
Gaming operations	103,656	102,691
Hotel, catering and leasing operations	4,499	4,317
Unallocated corporate income	14,282	3,064
Unallocated corporate expenses	(94,270)	(48,456)
Profit before taxation	28,167	61,616

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.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS		
Segment assets:		
– gaming operations	139,086	124,269
– hotel, catering and leasing operations	250,009	255,142
	389,095	379,411
Other unallocated assets	349,608	237,404
Group's total	738,703	616,815
LIABILITIES		
Bank and other borrowings:		
– gaming operations	285	724
– hotel, catering and leasing operations	61,251	69,465
	61,536	70,189
Other segment liabilities:		
– gaming operations	6,773	11,199
– hotel, catering and leasing operations	144,224	141,855
	150,997	153,054
Total segment liabilities	212,533	223,243
Unallocated liabilities	23,316	5,810
Group's total	235,849	229,053

4. REVENUE

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gaming revenue from:		
– slot machine operations	321,505	300,124
– table gaming operations	80,898	90,279
	402,403	390,403
Hotel, catering, leasing and related service income from:		
– catering operations	71,011	62,380
– hotel operations	90,800	76,238
– leasing operations	127	–
	161,938	138,618
	564,341	529,021

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 2024, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period (2023: same). As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OTHER INCOME/OTHER GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(a) Other income		
Bank interest income	131	661
Interest income from related parties	2,641	2,296
Government grants (<i>note</i>)	15	2,215
Others	201	–
	<u>2,988</u>	<u>5,172</u>
(b) Other gains and losses		
Fair value change on financial assets at fair value through profit or loss	1,108	(3,107)
Foreign exchange gain (loss), net	9,680	(9,523)
Gain on disposal of property and equipment	506	107
Impairment losses reversed under expected credit loss model, net	30	331
	<u>11,324</u>	<u>(12,192)</u>

Note: During the year ended 31 March 2024, the Group recognised government grants from the government of the Czech Republic, Germany and Austria mainly to subsidise the business operations of respective entities incorporated in these countries for the COVID-19 impact (2023: same). All (2023: all) of government grants recognised during the year ended 31 March 2024 are unconditional.

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	1,456	1,401
Interest on bank and other borrowings	2,665	2,175
	<u>4,121</u>	<u>3,576</u>

7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
– The Czech Republic Corporation Tax	18,042	17,731
– Austria Corporation Tax	4	15
	<u>18,046</u>	<u>17,746</u>
Deferred tax	<u>629</u>	<u>(284)</u>
Income tax expense	<u>18,675</u>	<u>17,462</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 31 March 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\$517,622,000 (2023: HK\$576,433,000). 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 2024, the Czech Republic Corporation Tax is calculated at a rate of 19% (2023: 19%) on the estimated assessable profits.

No provision (2023: no provision) for Germany corporation tax for the year ended 31 March 2024 as the Group either incurred tax loss or utilised tax loss for offsetting the income tax payable.

No provision (2023: no provision) for Austria Corporation Tax during the year ended 31 March 2024 as the Group incurred tax loss, however, there is a minimum Corporation Tax of EUR 500 for a year (2023: EUR437.5 for each quarter) during the year ended 31 March 2024 for entities in a tax loss position.

8. PROFIT BEFORE TAXATION

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	2,400	836
Directors' emoluments	2,613	2,434
Staff costs		
– Salaries, allowances and other benefits	195,303	167,665
– Pension schemes contributions	93	83
Total staff costs	<u>198,009</u>	<u>170,182</u>
Amortisation of intangible assets	1,738	–
Depreciation of property and equipment	21,600	22,181
Depreciation of right-of-use assets	1,175	999
Real estate transfer tax on reorganisation (<i>note</i>)	<u>7,927</u>	<u>–</u>

Note: Upon the completion of transfer of the entire equity interest of Trans World 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 German real estate transfer tax of approximately EUR910,000 (equivalent to approximately HK\$7,927,000) (subject to the finalisation from German tax authorities), which has been recognised in profit or loss for the year ended 31 March 2024. Such amount is indemnified by FEC and Ample Bonus and will be recognised under equity upon the settlement of the amount to tax authorities.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share being profit for the year attributable to owners of the Company	8,542	44,154

Number of shares:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	715,691	714,286
Effect of dilutive potential ordinary share Over-allotment option of the global offering	211	N/A
Weighted average number of ordinary shares for the purpose of dilutive earning per share	715,902	N/A

The weighted average number of ordinary shares for the purpose of basic and dilutive earnings per share for the year ended 31 March 2024 has been taken into account the share subdivision and share capitalisation.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 March 2023 has been taken into account the share subdivision and share capitalisation. No diluted earnings per share for the year ended 31 March 2023 was presented as there were no potential ordinary shares in issue for 2023.

10. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for equity shareholders of Palasino Group recognised as distribution during the year	93,563	–

11. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	10,241	7,141
Less: allowance for credit losses	(53)	(83)
	10,188	7,058

As at 1 April 2022, trade receivables from contracts with customers amounted to HK\$4,876,000.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	9,752	5,913
31 days to 60 days	61	413
Over 60 days	375	732
	10,188	7,058

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 60 days	5,535	6,133
61 to 90 days	590	161
	6,125	6,294

13. SUBSEQUENT EVENTS

Subsequent events of the Group are detailed as below.

On 15 April 2024, the Group placed a restricted bank deposit of CZK52,680,000 (equivalent to approximately HK\$17,384,000) 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\$39,600,000) as additional refundable gaming deposit in compliance with the requirement of New Czech Gambling Act.

On 23 April 2024, the Company additionally issued 6,594,000 shares at HK\$2.6 per share for the over-allotment option of the global offering. The net proceeds are approximately HK\$15,200,000.

FINAL DIVIDEND

The Board did not recommend the distribution of a final dividend for the year ended 31 March 2024.

CLOSURE OF REGISTER OF MEMBERS

The Board proposed to convene the annual general meeting of the Company on Wednesday, 28 August 2024 (the “2024 AGM”).

For determining the eligibility to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Friday, 23 August 2024 to Wednesday, 28 August 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2024 AGM, all transfer of shares documents, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch 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, 22 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK\$35 million or 7% from approximately HK\$529 million for the year ended 31 March 2023 to approximately HK\$564 million for the year ended 31 March 2024. This was mainly attributable to the increase in the number of slot machines and the continued recovery of the hotel and related business after the COVID-19 pandemic.

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

	2024	2023	% Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Gaming revenue	402,403	390,403	3%
Hotel, catering and related services revenue	161,811	138,618	17%
Leasing revenue	127	–	N/A
	<u>564,341</u>	<u>529,021</u>	7%
Gaming tax	(141,562)	(133,097)	6%
Total Net Revenue	<u>422,779</u>	<u>395,924</u>	7%

Gaming revenue is generated from the three casinos in the Czech Republic, which mainly offer slot machines and table games. For the year ended 31 March 2024, gaming revenue amounted to approximately HK\$402 million (FY2023: HK\$390 million), representing 71% (FY2023: 74%) of total revenue for the same year. The increase in gaming revenue by approximately HK\$12 million or 3% 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 the year ended 31 March 2024, revenue from hotel, catering and related services amounted to approximately HK\$162 million (FY2023: HK\$139 million), representing 29% (FY2023: 26%) of total revenue. The increase of approximately HK\$23 million or 17% comes from both the hotel operation and catering operation.

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

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

Gaming tax

For the year ended 31 March 2024, 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 the year ended 31 March 2024 amounted to approximately HK\$142 million (FY2023: HK\$133 million), representing 35% (FY2023: 34%) of the gross gaming revenue. The gaming tax increased by approximately HK\$9 million or 6% from approximately HK\$133 million for the year ended 31 March 2023 to approximately HK\$142 million for the year ended 31 March 2024 which is consistent with (i) the growth of GGR; and (ii) the increase in the gaming tax rate under the relevant Czech laws of table games from 23% to 30% since 1 January 2024.

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

	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
Gaming revenue from:		
– slot machine operations	321,505	300,124
– table gaming operations	80,898	90,279
	402,403	390,403

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Drop		
Slot machine drop	6,618,494	6,271,933
Table games drop	402,789	448,503
Total	7,021,283	6,720,436
Gross gaming revenue		
Slot machine gross win	339,135	304,160
Table games gross win	91,786	95,508
Total	430,921	399,668
	<i>HK\$</i>	<i>HK\$</i>
Average slot win per machine per day ^(Note 1)	1,631	1,657
Average daily gross win per table	4,045	4,220
Slot machine hold percentage ^(Note 2)	5.1%	4.8%
Table hold percentage ^(Note 2)	22.8%	21.3%
Occupancy rates of slot machines		
– Overall ^(Note 3)	21.7%	22.5%
– Peak hours (8 p.m. to 12 a.m.) ^(Note 4)	72.5%	75.4%

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.

Revenue generated from slot machines operation amounted to approximately HK\$322 million (FY2023: HK\$300 million), representing 80% (FY2023: 77%) of total gaming revenue for the year ended 31 March 2024. The increase in revenue generated from slot machines operation of approximately HK\$21 million or 7% was mainly attributable to the increase in the number of slot machines to meet post-COVID-19 pent-up demand for entertainment and social experiences. The number of slot machines increased from 446 as at 31 March 2022 to 560 as at 31 March 2023 and further increased to 568 as at 31 March 2024. As such, the full year effect of such increase is fully reflected during the year ended 31 March 2024. The gaming appetite and spending of patrons further increased, which is consistent with the growing trend.

While there were slight decreases in the average slot win per machine per day and average daily gross win per table in FY2024 when compared to FY2023, 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 slightly 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:

	2024	2023	% Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Hotel, catering and related service revenue from:			
– hotel operations	90,800	76,238	19%
– catering operations	71,011	62,380	14%
	161,811	138,618	

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

	2024	2023	% Change
Average Daily Room Rate (HK\$)^(Note 1)			
<i>Hotel Columbus</i>	685	680	
<i>Hotel Auefeld</i>	741	693	
<i>Hotel Kranichhöhe</i>	751	685	
<i>Hotel Donauwelle</i>	756	668	
<i>Hotel Savannah</i>	618	568	
Average of all hotels	710	659	8%
Average occupancy rate (%)^(Note 2)			
<i>Hotel Columbus</i>	40	35	
<i>Hotel Auefeld</i>	54	47	
<i>Hotel Kranichhöhe</i>	57	62	
<i>Hotel Donauwelle</i>	51	43	
<i>Hotel Savannah</i>	60	58	
Average of all hotels	52	49	6%
Room Revenue (HK\$'000)^(Note 3)			
<i>Hotel Columbus</i>	11,664	10,211	
<i>Hotel Auefeld</i>	13,616	11,467	
<i>Hotel Kranichhöhe</i>	16,795	16,560	
<i>Hotel Donauwelle</i>	24,908	18,589	
<i>Hotel Savannah</i>	10,652	9,487	
Average of all hotels	15,527	13,263	17%
RevPAR (HK\$)^(Note 4)			
<i>Hotel Columbus</i>	273	239	
<i>Hotel Auefeld</i>	401	338	
<i>Hotel Kranichhöhe</i>	430	424	
<i>Hotel Donauwelle</i>	388	289	
<i>Hotel Savannah</i>	369	329	
Average of all hotels	372	324	15%

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\$15 million or 19% in revenue from hotel operations and an increase of approximately HK\$9 million or 14% in revenue from catering operations. The increase in revenue from hotel operations was mainly due to (i) the increase in average room rate from HK\$659 in FY2023 to HK\$710 in FY2024, representing a 8% increase; and (ii) the improvement of the average occupancy rate from 49% in FY2023 to 52% in FY2024, which is consistent with the growing trend demonstrated in the past years as a result of the gradual recovery from the impact of the COVID-19 pandemic.

Other income

Other income primarily consisted of (i) interest income from related parties; and (ii) bank interest income. For the year ended 31 March 2024, other income amounted to approximately HK\$3 million (FY2023: HK\$5 million). The decrease of approximately HK\$2 million or 42% from the previous financial year was mainly attributable to the reduction in government grants in relation to the COVID-19 pandemic.

Other gains and losses

Other gains and losses for the year ended 31 March 2024 represented a gain of approximately HK\$11 million as compared to a loss of approximately HK\$12 million for the year ended 31 March 2023, representing an increase of approximately HK\$23 million, and mainly consists of net foreign exchange gain/loss. The majority of the revenue of the Group is denominated in EUR while costs are largely denominated in EUR and CZK. The increase in net foreign exchange loss during the year ended 31 March 2023 was due to the depreciation of EUR against CZK. The foreign exchange gain for the year ended 31 March 2024 was primarily due to the appreciation of EUR against CZK.

Operating expenses

Total operating expenses increased by approximately HK\$82 million or 25% from approximately HK\$327 million for the year ended 31 March 2023 to approximately HK\$409 million for the year ended 31 March 2024. This was mainly attributable to the increase in revenue, inflationary pressure and one-off expenses relating to the reorganisation and listing of the Group as detailed below. A breakdown of the operating expenses is set out below.

Operating expenses (continued)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	% Change
Employee benefits expenses	198,009	170,182	16%
Other operating expenses	97,090	86,146	13%
Inventories consumed	31,311	25,076	25%
Depreciation and amortisation	24,513	23,180	6%
Listing expenses	23,537	–	N/A
Rental expenses of slot machines	22,416	19,128	17%
Real estate transfer tax on reorganisation	7,927	–	N/A
Finance costs	4,121	3,576	15%
Total operating expenses	408,924	327,288	25%

Employee benefit expenses increased by approximately HK\$28 million or 16% from approximately HK\$170 million for the year ended 31 March 2023 to approximately HK\$198 million for the year ended 31 March 2024. This was mainly attributable to the increase in total headcount from 649 as at 31 March 2023 to 690 as at 31 March 2024 and the salary increase with the inflationary pressure.

Other operating expenses increased by approximately HK\$11 million or 13% from approximately HK\$86 million for the year ended 31 March 2023 to approximately HK\$97 million for the year ended 31 March 2024. This was mainly attributable to the increase in (i) the hotel and catering operating expenses; (ii) the gaming operating expenses; and (iii) the audit and professional fee. 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 operation, 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 operation. For the year ended 31 March 2024, the cost of inventories consumed amounted to approximately HK\$31 million, compared to HK\$25 million for the year ended 31 March 2023. This increase of approximately HK\$6 million, or 25%, was in line with the 14% year-over-year increase in revenue from catering operations, which grew from approximately HK\$62 million in FY2023 to HK\$71 million in FY2024. The higher inventory costs were also influenced by inflationary pressures during the period.

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 the year ended 31 March 2024, depreciation and amortisation amounted to approximately HK\$25 million (FY2023: HK\$23 million). Depreciation and amortisation expenses increased by approximately HK\$2 million or 6% which was mainly due to the amortisation of intangible assets.

Listing expenses of approximately HK\$24 million are related to the professional fees and other costs in connection with the global offering which was reflected in the profit and loss account for FY2024. An amount of approximately HK\$9 million has been capitalized to the share premium account. From cashflow perspective, FEC, the controlling shareholder, on a pro rata basis, shared 40% of the listing expenses in accordance with their sale share percentage under the global offering.

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\$19 million in FY2023 to HK\$22 million in FY2024 or approximately 17% was mainly attributable to the full year effect of the increase in the number of slot machines leased.

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 have agreed to indemnify the Group for this expense.

Finance costs increased by approximately HK\$1 million or 15% from approximately HK\$3 million for the year ended 31 March 2023 to approximately HK\$4 million for the year ended 31 March 2024. This was mainly attributable to the increase in interest rates across Europe.

Profit for the Year

Profit before tax decreased by approximately HK\$33 million or 54% from approximately HK\$61 million for the year ended 31 March 2023 to approximately HK\$28 million for the year ended 31 March 2024. This was mainly attributable to one-off and non-recurring expenses, being the listing expenses and real estate transfer tax on reorganisation. To reflect the actual operating profit of the Group, adjusted net profit, a non-HKFRS measure, excluding these two expenses for the year ended 31 March 2024, was approximately HK\$41 million, representing a decrease of approximately HK\$3 million when compared to approximately HK\$44 million in FY2023. Such decrease was mainly due to the increase of approximately HK\$8 million in online gaming expenses from approximately HK\$13 million in FY2023 to approximately HK\$21 million in FY2024. Please refer to paragraph headed "Non-HKFRS Financial Measures" for details.

LIQUIDITY AND FINANCIAL RESOURCES

The equity attributable to owners of the Company as at 31 March 2024 increased to approximately HK\$503 million, representing an increase of 44% from approximately HK\$349 million as at 31 March 2023 while the Group's total assets employed increased to approximately HK\$739 million as at 31 March 2024 as compared to approximately HK\$617 million as at 31 March 2023.

The Company's total cash and bank balances (including fixed deposits) were approximately HK\$305 million as at 31 March 2024 compared to approximately HK\$86 million as at 31 March 2023 while total borrowings were approximately HK\$62 million as at 31 March 2024 as compared to approximately HK\$70 million as at 31 March 2023. The Group had a net positive cash position as at 31 March 2024 and 31 March 2023.

The following table sets out the Group's bank and cash balances and bank and other borrowings as at 31 March 2024.

Consolidated statement of financial position

	As at 31 March 2024 HK\$'000	As at 31 March 2023 HK\$'000
Bank and other borrowings		
Due within 1 year	8,862	31,191
Due 1-2 years	8,187	6,025
Due 2-5 years	37,164	18,047
Due more than 5 years	7,323	14,926
	<hr/>	<hr/>
Total bank loans and other borrowings	61,536	70,189
	<hr/>	<hr/>
Bank and cash balances	305,122	86,084
Liquidity position	305,122	86,084
Net cash	243,586	15,895
Bank and other borrowings denominated in:		
	As at 31 March 2024	As at 31 March 2023
EUR	99%	99%
CZK	1%	1%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>

As at 31 March 2024, the Group had a total of approximately HK\$62 million of bank and other borrowings, of which HK\$61 million were denominated in EUR and HK\$1 million were denominated in CZK, and 37% 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\$10 million was recorded for the year ended 31 March 2024. 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 the year ended 31 March 2024, the Group incurred capital expenditure of HK\$24 million, including (i) the general renovation and maintenance of the hotels and casinos, (ii) the upgrade and replacement of property and equipment and (iii) purchase of IT-related equipment of HK\$12 million, HK\$11 million and HK\$1 million, respectively. Such amounts of capital expenditure were funded by cash generated from operations.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments of approximately HK\$6 million (as at 31 March 2023: HK\$6 million), which will be funded through cash and cash equivalents and the listing proceeds from the global offering.

The capital commitments are 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 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 2024, the Group has approximately HK\$4 million and HK\$116 million of bank deposits and property and equipment pledged as securities respectively for bank loans entered into in Germany and Austria.

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 2024.

GEARING RATIO

As at 31 March 2024, the Group had a gearing ratio of approximately 12% (as at 31 March 2023: approximately 18%). 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 2024 resulted primarily from the increase in total equity from HK\$388 million as at 31 March 2023 to HK\$503 million as at 31 March 2024, which was primarily attributable to the allotment and issuance of shares of the Company during the global offering in the current year.

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

Save as disclosed in this annual results announcement, during the year ended 31 March 2024, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed 690 employees (as at 31 March 2023: 649) mainly in Czech Republic, Germany, Austria and Malta. Employee costs amounted to approximately HK\$198 million (FY2023: HK\$170 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 level 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 announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual results announcement, during the year ended 31 March 2024, the Group did not have any plans for material investments or capital assets which are legally binding.

PROSPECTS AND OUTLOOK

The Group expects the macro-economic environment for 2025 to be challenging with expected relatively high inflation and interest rates as well as the continuation of the Ukraine – Russia war, all of which will have some impact on the Group’s development and financial results. The increase in the gaming tax rate which came into effect on 1 January 2024 is also expected to impact the Group’s profitability.

To solidify its market position, the Group intends to maintain and further consolidate the Group’s market presence in the gaming industry in the Czech Republic and Central Europe through asset rejuvenation including the overhaul of the gaming area facilities, back-of-house areas, guest rooms and other hospitality offerings at Palasino Savannah Resort and Palasino Wulowitz. In addition, the number of slot machines will be increased to further increase our gaming revenue stream.

The Group will continue to seek new opportunities to expand the Group’s gaming business in the Czech Republic, Central Europe and other markets through acquisition of business or asset and/or 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 (an 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 year 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 year, 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:

	2024	2023
	HK\$'000	HK\$'000
Profit for the year	9,492	44,154
Add:		
Listing expenses	23,537	–
Real estate transfer tax on reorganisation	7,927	–
Adjusted net profit (non-HKFRS measure)	40,956	44,154
Add:		
Depreciation and amortisation	24,513	23,180
Income tax	18,675	17,462
Finance costs	4,121	3,576
Less:		
Interest income from related parties	2,641	2,296
Bank interest income	131	661
Adjusted EBITDA (non-HKFRS measure)	85,493	85,415

The Group recorded Adjusted EBITDA (non-HKFRS measure) of approximately HK\$85 million for both years ended 31 March 2023 and 31 March 2024.

There was an increase of approximately HK\$8 million in online gaming expenses from approximately HK\$13 million in FY2023 to approximately HK\$21 million in FY2024, while no revenue was generated from online gaming business in FY2023 and only an immaterial amount of revenue was generated from online gaming business in FY2024. To demonstrate the performance of the Group's land based casinos and hotels and for illustrative purpose only, by excluding the online gaming revenue and expenses, the Adjusted EBITDA, a non-HKFRS measure, would amount to approximately HK\$106 million in FY2024 and approximately HK\$99 million in FY2023. The increase of approximately HK\$7 million represented a growth of approximately 7% which was in line with the total revenue growth.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 “CG Code”) as the basis of the Company’s corporate governance practices.

The Company has complied with the principles and the applicable code provisions as set out in Part 2 of the CG Code since the Listing Date and up to 31 March 2024.

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

Full details of the Company’s corporate governance practices will be set out in the Company’s annual report for FY2024.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”), comprising all of the Company’s three independent non-executive directors, namely Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM and Ms. Sin Kiu NG, 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 audited consolidated results of the Group for FY2024.

The financial information as set out in this announcement is based on the amounts set out in the audited financial statements which has been reviewed by the Audit Committee, approved by the Board and agreed by the Group’s external auditor, Deloitte Touche Tohmatsu.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

From the Listing Date and up to the date of this annual results announcement, neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company’s listed securities.

USE OF LISTING PROCEEDS

Subsequent to the Listing Date, there was no material utilization of the listing proceeds up to 31 March 2024. As of the date of this annual results announcement, it is also expected that there will be no material change to the use of proceeds as detailed in the prospectus of the Company dated 18 March 2024.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This annual 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 annual report of the Company for FY2024 and the notice of 2024 AGM will be despatched to the Shareholders 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 June 2024

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