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 2025; AND RESIGNATION OF NON-EXECUTIVE DIRECTOR

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Palasino Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2025 ("1H FY2026"). These unaudited condensed 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

- During 1H FY2026, approximately HK$10 million of the net proceeds from the Company's global offering and the partial exercise of the over-allotment option was utilised for asset rejuvenation, development of Palasino Mikulov and general working capital, which is in line with the Company's planned use of net proceeds.

- The number of slot machines in the Group's casinos increased from 630 units as of 31 March 2025 to 638 units as of 30 September 2025, with the aim of capitalising on the growth in the gaming industry.

- The Group is actively looking at other European and Asian jurisdictions for land-based casino opportunities to expand the business.

FINANCIAL HIGHLIGHTS

- Gaming, hotel, catering, leasing and related services revenues were approximately HK$305 million for the 1H FY2026, which represented an increase of approximately HK$23 million or 8%, compared to approximately HK$282 million for the six months ended 30 September 2024 ("1H FY2025"). The increase in gaming, hotel, catering, leasing and related services revenues was primarily attributable to the improved performance in gaming operations.

- Profit attributable to owners of the Company was approximately HK$12 million for the 1H FY2026, compared to profit attributable to owners of the Company of approximately HK$16 million for the 1H FY2025.

- Total comprehensive income was approximately HK$49 million for the 1H FY2026, compared to total comprehensive income of approximately HK$25 million for the 1H FY2025.

- Basic earnings per share attributable to owners of the Company was HK1.44 cents for the 1H FY2026, compared to basic earnings per share attributable to owners of the Company of HK1.95 cents for the 1H FY2025.

- The Group generated adjusted property EBITDA[(Note)], a non-HKFRS measure, of approximately HK$39 million for the 1H FY2026, compared to HK$44 million for the 1H FY2025.

- The Board did not recommend the payment of an interim dividend in respect of 1H FY2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		Six months ended 30 September	
		2025	2024
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Gaming revenue		**218,447**	196,118
Hotel, catering, leasing and related services revenue		**86,772**	85,975
Gaming, hotel, catering, leasing and related services revenues	*4*	**305,219**	282,093
Gaming tax		**(79,702)**	(71,727)
Other income	*5(a)*	**2,975**	6,771
Other gains and losses	*5(b)*	**(1,551)**	(340)
Inventories consumed		**(14,797)**	(13,078)
Depreciation and amortisation		**(15,490)**	(11,447)
Employee benefits expenses		**(104,379)**	(95,179)
Other operating expenses		**(73,731)**	(71,405)
Listing expenses		**–**	(1,949)
Finance costs	*6*	**(1,671)**	(1,873)
Profit before taxation	*8*	**16,873**	21,866
Income tax expense	*7*	**(5,268)**	(6,173)
Profit for the period		**11,605**	15,693
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Exchange difference arising from translation of functional currency to presentation currency		**40,391**	8,574
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,241)**	510
Total comprehensive income for the period		**48,755**	24,777
Earnings per share	*9*		
Basic (HK cents)		**1.44**	1.95
Diluted (HK cents)		**1.44**	1.95

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2025

	NOTES	At 30 September 2025 HK$'000 (Unaudited)	At 31 March 2025 HK$'000 (Audited)
Non-current assets			
Investment properties		**4,686**	4,966
Property and equipment		**403,796**	368,106
Deposits for acquisition of equipment		**3,113**	284
Deposits for gaming licence		**11,400**	10,200
Intangible assets		**–**	1,758
Right-of-use assets		**32,985**	32,011
Pledged bank deposits		**4,752**	4,355
Restricted bank deposit		**20,018**	17,911
Bank balances		**462**	4,668
		481,212	444,259
Current assets			
Inventories		**2,402**	2,265
Financial assets at fair value through profit or loss ("FVTPL")		**35,799**	6,213
Trade receivables	*11*	**7,822**	8,399
Tax recoverable		**7,372**	2,656
Other receivables, deposits and prepayments		**9,140**	10,192
Bank deposits, bank balances and cash		**249,078**	286,855
		311,613	316,580
Current liabilities			
Trade payables	*12*	**11,247**	9,441
Other payables		**73,270**	68,321
Income tax payable		**–**	28
Contract liabilities		**2,288**	3,642
Lease liabilities		**1,370**	1,714
Bank borrowings		**9,161**	8,322
		97,336	91,468
Net current assets		**214,277**	225,112
Total assets less current liabilities		**695,489**	669,371

	At 30 September 2025 *HK$'000* (Unaudited)	At 31 March 2025 *HK$'000* (Audited)
Non-current liabilities		
Bank borrowings	**40,082**	45,243
Lease liabilities	**71,242**	66,277
Other payables	**1,553**	1,443
Deferred tax liabilities	**7,982**	7,142
	120,859	120,105
Net assets	**574,630**	549,266
Capital and reserves		
Share capital	**8,066**	8,066
Reserves	**566,564**	541,200
Total Equity	**574,630**	549,266

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

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 a HKFRS Accounting Standard, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard 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	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Segment revenue		
Gaming operations:		
recognised at a point in time	**218,447**	196,118
Hotel, catering and leasing operations:		
Hotel operations:		
recognised over time	**49,735**	49,589
Catering operations:		
recognised at a point in time	**36,940**	35,955
Leasing operations:		
revenue from operating lease	**97**	431
	305,219	282,093
Revenue from contracts with customers:		
recognised at a point in time	**255,387**	232,073
recognised over time	**49,735**	49,589
	305,122	281,662
Revenue from operating leases:		
lease payments	**97**	431
	305,219	282,093
Segment results		
Gaming operations	**40,337**	36,406
Hotel, catering and leasing operations	**(28)**	6,595
Unallocated corporate income	**3,877**	6,329
Unallocated corporate expenses	**(27,313)**	(27,464)
Profit before taxation	**16,873**	21,866
Hotel, catering and leasing operations before interest expense, depreciation and income tax expense	**7,934**	14,813

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, reversal of the 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	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from external customers:		
The Czech Republic	**242,849**	219,861
Germany	**40,576**	39,619
Austria	**21,794**	22,613
	305,219	282,093

	At 30 September 2025	At 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets:		
The Czech Republic	**281,513**	251,383
Germany	**119,113**	112,871
Austria	**43,954**	42,871
	444,580	407,125

Non-current assets exclude financial instruments.

(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 2025 (six months ended 30 September 2024: no customer who contributes more than 10%).

4. REVENUE

	Six months ended 30 September	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Gaming revenue from:		
– slot machine operations	**171,026**	157,974
– table gaming operations	**47,421**	38,144
	218,447	196,118
Hotel, catering, leasing and related service income from:		
– hotel operations	**49,735**	49,589
– catering operations	**36,940**	35,955
– leasing operations	**97**	431
	86,772	85,975
	305,219	282,093

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 2025, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period (30 September 2024: all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period). As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

5. OTHER INCOME/OTHER GAINS AND LOSSES

		Six months ended 30 September	
		2025	2024
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
(a)	Other income		
	Bank interest income	**2,788**	4,246
	Government grants	**68**	23
	Reversal of the over-provision of on the real estate transfer tax on reorganisation	**–**	2,502
	Others	**119**	–
		2,975	6,771

	Six months ended 30 September	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(b) Other gains and losses		
Fair value change on investment property	**(834)**	–
Fair value change on financial assets at FVTPL	**902**	–
Foreign exchange loss, net	**(1,665)**	(442)
(Loss) gain on disposal of property and equipment	**(278)**	55
Impairment losses reversed under expected credit loss model, net	**1**	47
Recovery of bad debts written off	**323**	–
	(1,551)	(340)

6. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**728**	695
Interest on bank and other borrowings	**943**	1,178
	1,671	1,873

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
– The Czech Republic Corporation Tax	**5,266**	6,171
– Austria Corporation Tax	**2**	2
	5,268	6,173

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 2025, the amount of distributable earnings for the Group's subsidiary incorporated in the Czech Republic in respect of which the Group has not provided for dividend withholding tax amounted to HK$621,425,000 (31 March 2025: HK$551,931,000). 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 2025, the Czech Republic Corporation Tax is calculated at a rate of 21% (six months ended 30 September 2024: 21%) on the estimated assessable profits.

No provision (six months ended 30 September 2024: no provision) for Germany corporation tax for the six months ended 30 September 2025 as the Group either incurred tax loss or utilised tax loss for offsetting the income tax payable.

No provision (six months ended 30 September 2024: no provision) for Austria Corporation Tax during the six months ended 30 September 2025 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 2024: EUR500 for a year) during the six months ended 30 September 2025 for entities in a tax loss position.

8. PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	**1,814**	569
Depreciation of property and equipment	**13,147**	10,273
Depreciation of right-of-use assets	**529**	605

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	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic and diluted earnings per share being profit for the period attributable to owners of the Company	**11,605**	15,693

Number of shares:

	Six months ended 30 September	
	2025	2024
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earning per share	**806,594**	805,801
Effect of dilutive potential share over-allotment option of the global offering	**–**	775
Weighted average number of ordinary shares for the purpose of diluted earning per share	**806,594**	806,576

10. DIVIDENDS

	Six months ended 30 September	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2025 of HK 2.9 cents (six months ended 30 September 2024: no final dividend for the year ended 31 March 2024)	**23,391**	–

11. TRADE RECEIVABLES

	At 30 September 2025	At 31 March 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**7,822**	8,400
Less: allowance for credit losses	**–**	(1)
	7,822	8,399

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 2025	At 31 March 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**7,002**	7,557
31 days to 60 days	**318**	379
Over 60 days	**502**	463
	7,822	8,399

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 2025	At 31 March 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 60 days	**8,128**	5,644
61 to 90 days	**3,119**	3,797
	11,247	9,441

13. EVENTS AFTER THE REPORTING PERIOD

As disclosed in the 2025 Annual Report, the Group had entered into an agreement with Prosperous Bull Holdings Limited ("Prosperous Bull") to dispose of 70% of its interests in Palasino Malta Limited to Prosperous Bull. As the parties intend to transition to a different online gaming platform, on 7 October 2025, the Group paid an early termination fee of EUR800,000 (equivalent to approximately HK$7,010,000) on behalf of Prosperous Bull to early terminate the existing platform services agreement. Prior to the payment, the Group received the commitment letter from Prosperous Bull to remit the payment back to the Group.

Up to the date of this announcement, the Group has not received the remittance.

FINANCIAL REVIEW

Net Revenues

Our net revenues consisted of the following:

	1H FY2026	1H FY2025	% Change
	HK$'000	*HK$'000*	
Gaming	**218,447**	196,118	11%
Hotel, catering and related services	**86,675**	85,544	1%
Leasing	**97**	431	(77%)
	305,219	282,093	8%
Gaming tax	**(79,702)**	(71,727)	11%
Total net revenues	**225,517**	210,366	7%

Total net revenues were approximately HK$226 million for 1H FY2026, an increase of 7%, compared to approximately HK$210 million for 1H FY2025. The increase was mainly driven by increases in gaming revenues.

Our gaming revenues for 1H FY2026 were approximately HK$218 million, an increase of 11%, compared to approximately HK$196 million for 1H FY2025. The increase was primarily due to increased visitation as a result of the successful marketing campaign launched in Austria.

The following table summarises the results of our casino operation:

	1H FY2026	1H FY2025
	HK$'000	*HK$'000*
Gaming revenue from:		
– slot machine operations	**171,026**	157,974
– table gaming operations	**47,421**	38,144
	218,447	196,118
Slot Machines		
Handle	**3,468,233**	3,150,962
Gross win	**175,183**	167,110
Average slot win per machine per day *(Note 1)*	**1,510**	1,524
House edge percentage *(Note 2)*	**5.1%**	5.3%
Tables		
Drop	**186,583**	182,996
Gross win	**50,276**	43,123
Average daily gross win per table *(Note 1)*	**4,820**	3,801
Hold percentage *(Note 2)*	**26.9%**	23.6%
Occupancy rates of slot machines		
– Overall *(Note 3)*	**20.3%**	20.2%
– Peak hours (8 p.m. to 12 a.m.) *(Note 4)*	**70.4%**	67.3%

The following table summarises the results of our casino operation: (continued)

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 handle (total bets made on slot machines)
   B – table game drop (total cash deposited on table games plus chips bought with cash at casino cage)
   C – slot machine gross win (slot machine bet – slot machine payout)
   D – table game gross win (total cash deposited – chips exchanged for cash)
   Slot machine house edge 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

Our hotel, catering and related service revenue consisted of the following:

	1H FY2026	1H FY2025	% Change
	HK$'000	*HK$'000*	
Hotel operations	**49,735**	49,589	0%*
Catering operations	**36,940**	35,955	3%
Total hotel, catering and related service revenue	**86,675**	85,544	1%

* Change is less than 1%.

Our revenues from hotel operations, consisted of room revenue and hotel-related service revenue, for 1H FY2026 were approximately HK$49.7 million, largely consistent compared to approximately HK$49.6 million for 1H FY2025, due to the combined effect of the decreases in room revenue driven by decreases in the number of rooms available and increases in hotel-related service revenue.

The following table summarises the results of our hotel operation:

	1H FY2026	1H FY2025	% Change
Average Daily Room Rate (HK$)[(Note 1)]			
Hotel Columbus	**681**	613	
Hotel Auefeld	**736**	765	
Hotel Kranichhöhe	**734**	714	
Hotel Donauwelle	**797**	814	
Hotel Savannah	**663**	658	
Average of all hotels	**722**	713	1%
Average occupancy rate (%)[(Note 2)]			
Hotel Columbus	**38**	46	
Hotel Auefeld	**61**	60	
Hotel Kranichhöhe	**66**	59	
Hotel Donauwelle	**63**	63	
Hotel Savannah	**66**	64	
Average of all hotels	**59**	58	2%
Room Revenue (HK$'000)[(Note 3)]			
Hotel Columbus	**5,354**	6,056	
Hotel Auefeld	**7,349**	7,864	
Hotel Kranichhöhe	**9,182**	8,220	
Hotel Donauwelle	**15,284**	16,428	
Hotel Savannah	**4,867**	6,116	
Average of all hotels	**8,407**	8,937	(6%)
RevPAR (HK$)[(Note 4)]			
Hotel Columbus	**261**	283	
Hotel Auefeld	**449**	462	
Hotel Kranichhöhe	**487**	420	
Hotel Donauwelle	**505**	510	
Hotel Savannah	**439**	423	
Average of all hotels	**428**	420	2%

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 rooms available) x 100%

3. Rate of hotel rooms paid by hotel guest

4. RevPAR = room revenue/the number of rooms available

Other income

Other income primarily consisted of interest income. Our other income for 1H FY2026 was approximately HK$3 million, a decrease of 56%, compared to approximately HK$7 million for 1H FY2025. The decrease was mainly due to lower interest rates and the absence of the reversal of the over-provision of real estate transfer tax on reorganisation.

Other gains and losses

Other gains and losses mainly consisted of net foreign exchange losses and fair value change on financial assets at FVTPL and investment property. Other gains and losses for 1H FY2026 were approximately HK$1.6 million, as compared to approximately HK$0.3 million for 1H FY2025. The increase was primarily driven by appreciation of CZK against EUR where majority of the Group's revenue was denominated in EUR while costs were largely denominated in EUR and CZK, as well as fair value change on investment property which is partially offset by the fair value change on financial assets at FVTPL.

Operating expenses

Operating expenses were approximately HK$210 million for 1H FY2026, an increase of 8%, compared to approximately HK$195 million for 1H FY2025. The increase was primarily driven by increases in employee benefits expenses. A breakdown of the operating expenses is set out below.

	1H FY2026	1H FY2025	% Change
	HK$'000	*HK$'000*	
Employee benefits expenses	**104,379**	95,179	10%
Other operating expenses	**61,909**	60,181	3%
Inventories consumed	**14,797**	13,078	13%
Depreciation and amortisation	**15,490**	11,447	35%
Listing expenses	**–**	1,949	N.M.
Rental expenses of slot machines	**11,822**	11,224	5%
Finance costs	**1,671**	1,873	(11%)
Total operating expenses	**210,068**	194,931	8%

N.M. — Not meaningful

Employee benefits expenses were approximately HK$104 million for 1H FY2026, an increase of 10%, compared to approximately HK$95 million for 1H FY2025. The increase was primarily driven by the exchange impact of appreciation of CZK against HKD.

Other operating expenses were approximately HK$62 million for 1H FY2026, as compared to approximately HK$60 million for 1H FY2025. The increase was primarily due to marketing costs incurred for the marketing campaign launched in Austria.

Inventories consumed consisted primarily of the cost of food and beverage for the catering operations. The cost of inventories consumed was approximately HK$15 million for 1H FY2026, an increase of 13%, compared to approximately HK$13 million for 1H FY2025. The increase was primarily due to elevated food inflation rates in the Czech Republic, compounded by the exchange impact of appreciation of CZK against HKD.

Depreciation and amortisation for 1H FY2026 were approximately HK$15 million, an increase of 35%, compared to approximately HK$11 million for 1H FY2025. The increase was primarily reflecting the depreciation of the slot machines acquired near the end of 1H FY2025.

Rental expenses of slot machines were approximately HK$12 million for 1H FY2026, largely consistent compared to approximately HK$11 million for 1H FY2025.

Finance costs were approximately HK$1.7 million for 1H FY2026, largely consistent compared to approximately HK$1.9 million for 1H FY2025.

Profit for the period

As a result of the combined effect of the above factors, profit for 1H FY2026 was approximately HK$12 million, a decrease of 26%, compared to approximately HK$16 million for 1H FY2025.

LIQUIDITY AND FINANCIAL RESOURCES

The equity attributable to owners of the Company as at 30 September 2025 was approximately HK$575 million, an increase of 5%, compared to approximately HK$549 million as at 31 March 2025, while the Group's total assets increased to approximately HK$793 million as at 30 September 2025 as compared to approximately HK$761 million as at 31 March 2025.

The following table sets out the Group's bank and cash balances and bank borrowings as at 30 September 2025.

	As at 30 September 2025	As at 31 March 2025
	HK$'000	*HK$'000*
Bank borrowings		
Due within 1 year	**9,161**	8,322
Due 1-2 years	**9,354**	8,461
Due 2-5 years	**30,000**	35,472
Due more than 5 years	**728**	1,310
Total bank loans borrowings	**49,243**	53,565
Bank and cash balances	**249,540**	291,523
Liquidity position	**249,078**	286,855
Net cash	**199,835**	233,290

As at 30 September 2025, the Group had a total of approximately HK$49 million of bank borrowings denominated in EUR, and 34% of the bank borrowings were with floating rates while the remaining had fixed rates.

The Group had a restricted bank deposit of approximately HK$20 million and certain land and buildings pledged with a bank as security in order to instruct a bank to issue a guarantee of approximately HK$46 million as additional refundable gaming deposit in compliance with the requirement of the 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, and as such, the amount is classified as non-current assets. The restricted bank deposit carried fixed interest rate of 0.75% per annum as at 30 September 2025.

FOREIGN EXCHANGE MANAGEMENT

The majority of revenue is denominated in EUR while costs are largely denominated in EUR and CZK. 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. With the recent appreciation of the CZK, the management of the Group is in discussions with a bank to explore hedging options, as appropriate.

CAPITAL EXPENDITURE

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

During 1H FY2026, the Group incurred capital expenditure of approximately HK$6.5 million, including (i) the general renovation and maintenance of the hotels and casinos of approximately HK$1 million; (ii) the upgrade and replacement of property and equipment of approximately HK$3 million; and (iii) the development of Palasino Mikulov of approximately HK$2.5 million. Such amounts of capital expenditure were funded by cash generated from operations and net proceeds from IPO in accordance with the planned use of proceeds, as appropriate.

CAPITAL COMMITMENTS

The capital commitments were mainly capital expenditure for the acquisition of property and equipment contracted for but not provided in the consolidated financial statements. As at 30 September 2025, the Group's capital commitments amounted to approximately HK$24 million, primarily attributable to the addition of gaming machines and development of Palasino Mikulov. The capital commitments will be financed through cash and cash equivalents, bank loan and the listing proceeds from the global offering in accordance with the planned use of proceeds, as appropriate.

CHARGES ON COMPANY ASSETS

As at 30 September 2025, the Group had approximately HK$5 million and approximately HK$216 million of bank deposits and property and equipment pledged as security, respectively, for bank loans entered into in Germany and Austria and a bank guarantee entered into in the Czech Republic in compliance with the requirement of the Czech Gambling Act.

Apart from the above pledged assets, the Group also pledged the entire shareholding of Trans World Hotels Austria GmbH for bank borrowings as at 30 September 2025.

GEARING RATIO

As at 30 September 2025, the Group had a gearing ratio of approximately 9% (as at 31 March 2025: approximately 10%). Gearing ratio is calculated based on the total bank 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 2025 resulted primarily from the increase in total equity as a result of the total comprehensive income earned for 1H FY2026.

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 2025, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 30 September 2025, the Group did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2025, the Group employed 683 employees (as at 31 March 2025: 697) mainly in the Czech Republic, Germany and Austria. Employee costs amounted to approximately HK$104 million for 1H FY2026 (1H FY2025: HK$95 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 2025, the Group did not have any plans for material investments or capital assets which are legally binding.

USE OF LISTING PROCEEDS

The net proceeds (the "Net Proceeds") from the global offering and the exercise of over-allotment options amounted to approximately HK$209.4 million after deduction of the underwriting commission and other expenses borne by the Company. As at 31 March 2025, the unutilised Net Proceeds were approximately HK$193.6 million. During the 1H FY2026, the Company had utilised approximately HK$8.1 million of the Net Proceeds in accordance with the revised intended use set out in the annual report of the Company dated 26 June 2025 (the "2025 Annual Report"), and there are currently no concrete plans to utilise the Net Proceeds otherwise than as stated in the 2025 Annual Report. The following table sets out a breakdown of the use of proceeds:

		Planned allocation of Unutilised Net Proceeds as of 31 March 2025 (HK$ million)	**Actual usage during 1H FY2026 (HK$ million)**	**Unutilised Net Proceeds as at 30 September 2025 (HK$ million)**	**Expected timeline for utilisation of the remaining proceeds (HK$ million)** For the year ending 31 March			
Major Categories		Total	**Total**	**Total**	2026	2027	2028	**Total**
Maintain and further consolidate our market presence in the gaming industry in the Czech Republic through asset rejuvenation	27%	51.7	3.0	48.7	2.2	5.2	41.3	48.7
Continue to expand our gaming business in the Czech Republic, Central Europe or other markets through acquisition of business or asset and/or bidding for new gaming licence	32%	62.8	–	62.8	36.5	16.0	10.3	62.8
Additional working capital and other general corporate purposes of which:								
– Development of Palasino Mikulov	31%	59.8	4.0	55.8	34.5	–	21.3	55.8
– General working capital and other general corporate purposes	10%	19.3	3.2	16.1	6.5	9.6	–	16.1
	100%	193.6	10.2	183.4	79.7	30.8	72.9	183.4

As outlined in the prospectus of the Company dated 18 March 2024 (the "Prospectus"), to the extent that the listing proceeds are not immediately utilised for the aforementioned purposes and in accordance with applicable laws and regulations, we will hold these funds in short-term deposits with licensed banks and/or authorised financial institutions as defined by the Securities & Futures Ordinance ("SFO") or relevant laws in jurisdictions outside Hong Kong for non-Hong Kong based deposits.

Following the decline in interest rates, yields on short-term deposits have fallen noticeably. To optimise investment returns, we allocated a portion of the unutilised Net Proceeds to listed debt securities and money market fund, and exchanged for USD to capitalise on comparatively higher interest rates. In order to enhance overall investment returns, we plan to allocate certain portion of the remaining unutilised Net Proceeds to comparatively higher-risk investments, such as high yield bonds, while allocating remaining portion to lower risk investment including structured deposits like dual currency investments and fixed-income instruments, to diversify our investment portfolio and yield enhancement. We remain mindful that higher yields typically come with increased risk. To ensure a balanced approach between risk and reward, we will closely monitor the evolving market conditions.

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

PROSPECTS AND OUTLOOK

The last six months have proven to be challenging. Despite the Group achieving satisfactory results in the gaming segment, the downturn in the hotel segment has continued to impact the Group's financial performance.

Given the volatility of the global economic landscape, the Group is adopting a cautious approach. To address rising operating expenses, the Group is actively implementing measures to mitigate these challenges. Prioritising cost control in conjunction with executing the monetisation strategy remain the key objectives.

In expansion of the Group's business, the Group is preparing to open its fourth casino in Mikulov (i.e. Palasino Mikulov) in the Czech Republic. Palasino Mikulov is scheduled to commence operations in late December 2025, subject to obtaining final government approval upon completion, and in any event no later than the fourth quarter of the fiscal year. Concurrently, the Group is actively seeking new opportunities to further expand the Group's gaming business in the Europe, Asia and other markets through acquisition of business 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 net profit, adjusted EBITDA and adjusted property EBITDA are presented as additional financial measures, which are unaudited and not required by, or presented in accordance with HKFRS. These financial measures are presented because they are used by the management to evaluate the financial performance by eliminating the impact of items that they do not consider indicative of the business performance. It is also believed that these non-HKFRS measures provide additional information to investors in understanding and evaluating the consolidated results of operations in the same manner as they help the management compare financial results across accounting periods.

Adjusted net profit (non-HKFRS measure) is calculated as net profit (HKFRS measure) after elimination of listing expenses and real estate transfer tax on reorganisation. Adjusted EBITDA (non-HKFRS measure) is defined by the Company as profit/loss for the year without considering depreciation and amortization, income tax, finance costs and interest income. Adjusted property EBITDA (non-HKFRS measure) is calculated as adjusted EBITDA (non-HKFRS measure) after elimination of online gaming expenses to demonstrate the performance of the Group's land-based casinos and hotels.

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

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

	1H FY2026	1H FY2025
	HK$'000	*HK$'000*
Profit for the period	**11,605**	15,693
Add:		
Listing expenses	**–**	1,949
Less:		
Reversal of over-provision on the real estate transfer tax on reorganisation	**–**	2,502
Adjusted net profit (non-HKFRS measure)	**11,605**	15,140
Add:		
Depreciation and amortisation	**15,490**	11,447
Income tax	**5,268**	6,173
Finance costs	**1,671**	1,873
Less:		
Bank Interest income	**2,788**	4,246
Adjusted EBITDA (non-HKFRS measure)	**31,246**	30,387
Add:		
Online gaming expenses	**7,526**	13,209
Adjusted property EBITDA (non-HKFRS measure)	**38,772**	43,596

The Group recorded adjusted property EBITDA (non-HKFRS measure) of approximately HK$39 million for 1H FY2026, a decrease of 11%, compared to approximately HK$44 million for 1H FY2025.

The decrease was primarily driven by the declines in the hotel, catering and leasing operations and foreign exchange loss for 1H FY2026. In response, the Group has launched targeted performance improvement programs for the segment, including but not limited to temporarily suspending food and beverage services during non-peak hours, centralising and streamlining procurement process across the Group and deploying internal resources more effectively to drive revenue growth and optimise the cost structure. The Group will monitor the performance improvement programs closely. Concurrently, the Group has entered into a non-legally binding mandate to explore the opportunities for capital recycling, with a view to redeploying proceeds into the core business segment.

SUBSEQUENT EVENT

As disclosed in the 2025 Annual Report, the Group had entered into an agreement with Prosperous Bull Holdings Limited ("Prosperous Bull") to dispose of 70% of its interests in Palasino Malta Limited to Prosperous Bull. As the parties intend to transition to a different online gaming platform, on 7 October 2025, the Group paid an early termination fee of EUR800,000 (equivalent to approximately HK$7,010,000) on behalf of Prosperous Bull to early terminate the existing platform services agreement. Prior to the payment, we have received the commitment letter from Prosperous Bull to remit the payment back to the Group.

Up to the date of this interim results announcement, the Group has not received the remittance.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

The Company has adopted the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "Corporate Governance Code" or the "CG Code") as the basis of the Company's corporate governance practices. The Company has complied with the principles and the applicable code provisions as set out in Part 2 of the Corporate Governance Code during the six months ended 30 September 2025.

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

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's four independent non-executive directors, namely Dr. Ngai Wing LIU, Mr. Kam Choi Rox LAM, Ms. Sin Kiu NG and Ms Jie JIAO, has reviewed the accounting principles, standards and practices adopted by the Company, and discussed matters relating to auditing, risk management and internal control and financial reporting, including the review of the unaudited consolidated interim results of the Group for the six months ended 30 September 2025.

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 2025. As at 30 September 2025 and the date of this announcement, there were no treasury shares (as defined in the Listing Rules) held by the Company.

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 2025 will be despatched to the Shareholders, if necessary, and published on the websites of the Stock Exchange and the Company in due course.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board hereby announces that Mr. Mengbi LI ("Mr. LI") has resigned as a non-executive Director due to changes in work arrangement with effect from 27 November 2025.

Mr. LI has confirmed that he has no disagreement with the Board and that there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited. The Board would like to express its sincere gratitude and appreciation to Mr. LI for his valuable contributions to the Company during his tenure of office.

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

Hong Kong, 27 November 2025

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, Ms. Sin Kiu NG and Ms. Jie JIAO as independent non-executive directors.