PALASINO GROUP, A.S.
(FORMERLY KNOWN AS TRANS WORLD HOTELS & ENTERTAINMENT, A.S.)

Consolidated financial statements
For each of the three years ended 31 March 2023
and the six months ended 30 September 2023

Deloitte. 德勤

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PALASINO GROUP, A.S.
(incorporated in Czech Republic with limited liability)

Opinion

We have audited the consolidated financial statements of Palasino Group, a.s. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 4 to 70, which comprise the consolidated statements of financial position of the Group as at 31 March 2021, 2022, 2023 and 30 September 2023 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 March 2023 and six months ended 30 September 2023, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements of the Group for each of the three years ended 31 March 2023 and six months ended 30 September 2023 are prepared, in all material respects, in accordance with the basis of preparation set out in note 1 to the consolidated financial statements.

Basis for Opinion

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

Other Matter

The comparative financial information for the six months ended 30 September 2022 has not been audited.

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Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to note 1 to the consolidated financial statements, which describe the basis of accounting. The consolidated financial statements are prepared solely for the purpose of inclusion in the financial information of the Company to be incorporated in the prospectus of the Palasino Holdings Limited (the "Holding Company") dated 18 March 2024 in connection with the initial listing of shares of the Holding Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Holding Company and the Company and should not be distributed to or used by parties other than the Holding Company and the Company without our prior written consent. All duties and liabilities (including, without limitation, those arising from negligence or otherwise) to any third party are specifically disclaimed. As explained in our engagement letter governing this engagement, the Contracts (Right of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter have any rights under it.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements in accordance with the basis of preparation set out in note 1 to the consolidated financial statements, this includes determining that the basis of accounting is an acceptable basis for the preparation of the consolidated financial statements in the circumstances, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PALASINO GROUP, A.S. - continued
(incorporated in Czech Republics with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - continued

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 March 2024

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 March 2021 HK$'000	Year ended 31 March 2022 HK$'000	Year ended 31 March 2023 HK$'000	Six months ended 30 September 2022 HK$'000 (Unaudited)	Six months ended 30 September 2023 HK$'000
Gaming revenue		107,914	278,458	390,403	172,074	194,279
Hotel, catering and related services revenue		37,857	72,738	138,618	68,679	84,008
Gaming, hotel, catering and related services revenues	6	145,771	351,196	529,021	240,753	278,287
Gaming tax		(36,964)	(94,965)	(133,097)	(58,448)	(67,351)
Inventories consumed		(4,919)	(13,090)	(25,076)	(11,324)	(14,520)
Other income	7(a)	76,413	42,235	5,172	3,019	2,946
Other gains and losses	7(b)	4,048	(6,605)	(12,192)	(6,288)	8,186
Depreciation and amortisation		(24,974)	(24,493)	(23,180)	(10,962)	(11,810)
Employee benefits expenses		(109,322)	(126,951)	(170,182)	(74,874)	(95,758)
Other operating expenses		(42,883)	(74,788)	(105,274)	(47,593)	(56,397)
Finance costs	8	(3,651)	(3,489)	(3,576)	(1,583)	(1,974)
Profit before taxation	10	3,519	49,050	61,616	32,700	41,609
Income tax expense	9	(962)	(8,967)	(17,462)	(10,400)	(9,844)
Profit for the year/period		2,557	40,083	44,154	22,300	31,765
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		37,640	(7,296)	(9,275)	(48,952)	(19,085)
Item that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations		4,571	8,259	4,638	(560)	(331)
Total comprehensive income (expense) for the year/period		44,768	41,046	39,517	(27,212)	12,349
Profit for the year/period attributable to:						
Owners of the Company		2,557	40,083	44,154	22,300	31,765
Non-controlling interests		-	-	-	-	-
		2,557	40,083	44,154	22,300	31,765
Total comprehensive income (expense) for the year/period attributable to:						
Owners of the Company		44,768	41,046	39,517	(27,212)	12,349
Non-controlling interests		-	-	-	-	-
		44,768	41,046	39,517	(27,212)	12,349

PALASINO GROUP, A.S.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at 31 March 2021 HK$'000	As at 31 March 2022 HK$'000	As at 31 March 2023 HK$'000	As at 30 September 2023 HK$'000
Non-current assets					
Property and equipment	12	399,514	378,596	365,500	355,266
Deposits for acquisition of equipment	18	-	1,883	2,696	-
Deposits for gaming licence	18	10,500	10,800	10,800	10,200
Intangible assets	13	-	870	4,046	3,172
Right-of-use assets	14	19,022	21,149	25,853	23,944
Loan to a related party	19(b)	-	-	39,165	-
Pledged bank deposits	20	6,002	4,212	4,059	4,202
Deferred tax assets	26	-	-	-	35
		435,038	417,510	452,119	396,819
Current assets					
Inventories	15	1,358	1,805	2,277	2,067
Financial assets at fair value through profit or loss	16	26,984	41,047	21,089	21,378
Trade receivables	17	916	4,876	7,058	9,386
Other receivables, deposits and prepayments	18	25,790	17,382	13,175	18,274
Amounts due from fellow subsidiaries	19(a)	-	-	35,013	767
Amount due from an intermediate holding company	19(c)	-	-	-	1,404
Cash and cash equivalents	20	31,349	94,537	86,084	77,549
		86,397	159,647	164,696	130,825
Current liabilities					
Trade payables	21	5,770	7,024	6,294	6,007
Other payables	22	41,271	58,390	66,646	73,997
Income tax payable		347	7,768	9,255	3,418
Contract liabilities	23	300	1,642	1,955	2,355
Lease liabilities	24	869	1,312	1,446	1,392
Bank and other borrowings	25	8,757	8,575	31,191	8,825
		57,314	84,711	116,787	95,994
Net current assets		29,083	74,936	47,909	34,831
Total assets less current liabilities		464,121	492,446	500,028	431,650

	NOTES	2021 HK$'000	As at 31 March 2022 HK$'000	2023 HK$'000	As at 30 September 2023 HK$'000
Non-current liabilities					
Bank and other borrowings	25	84,781	72,835	38,998	56,293
Lease liabilities	24	56,580	58,884	63,420	59,196
Other payables	22	8,732	6,388	4,038	3,532
Deferred tax liabilities	26	6,829	6,094	5,810	6,081
		156,922	144,201	112,266	125,102
Net assets		307,199	348,245	387,762	306,548
Capital and reserves					
Share capital	27	37,000	37,000	37,000	37,000
Reserves		270,199	311,245	350,762	269,548
Total equity		307,199	348,245	387,762	306,548

The consolidated financial statements on pages 4 to 70 were approved by the Board of Directors on 18 March 2024 and are signed on its behalf by:

Pavel Maršík
DIRECTOR

Colin Chapman Stewart
DIRECTOR

PALASINO GROUP, A.S.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Share capital HK$'000 (note 27)	Foreign exchange reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2020	37,000	(96,107)	-	399,519	340,412
Profit for the year	-	-	-	2,557	2,557
Exchange difference arising from translation of functional currency to presentation currency	-	37,640	-	-	37,640
Exchange differences arising on translation of foreign operations	-	4,571	-	-	4,571
Total comprehensive income for the year	-	42,211	-	2,557	44,768
Amalgamation with holding companies (note 1)	-	-	(77,981)	-	(77,981)
At 31 March 2021	37,000	(53,896)	(77,981)	402,076	307,199
Profit for the year	-	-	-	40,083	40,083
Exchange difference arising from translation of functional currency to presentation currency	-	(7,296)	-	-	(7,296)
Exchange differences arising on translation of foreign operations	-	8,259	-	-	8,259
Total comprehensive income for the year	-	963	-	40,083	41,046
At 31 March 2022	37,000	(52,933)	(77,981)	442,159	348,245
Profit for the year	-	-	-	44,154	44,154
Exchange difference arising from translation of functional currency to presentation currency	-	(9,275)	-	-	(9,275)
Exchange differences arising on translation of foreign operations	-	4,638	-	-	4,638
Total comprehensive (expense) income for the year	-	(4,637)	-	44,154	39,517
At 31 March 2023	37,000	(57,570)	(77,981)	486,313	387,762
At 1 April 2023	37,000	(57,570)	(77,981)	486,313	387,762
Profit for the period	-	-	-	31,765	31,765
Exchange difference arising from translation of functional currency to presentation currency	-	(19,085)	-	-	(19,085)
Exchange differences arising from translation of foreign operations	-	(331)	-	-	(331)
Total comprehensive (expense) income for the period	-	(19,416)	-	31,765	12,349
Dividends recognised as distribution (note 11)	-	-	-	(93,563)	(93,563)
At 30 September 2023	37,000	(76,986)	(77,981)	424,515	306,548
At 1 April 2022	37,000	(52,933)	(77,981)	442,159	348,245
Profit for the period (unaudited)	-	-	-	22,300	22,300
Exchange difference arising from translation of functional currency to presentation currency (unaudited)	-	(48,952)	-	-	(48,952)
Exchange differences arising from translation of foreign operations (unaudited)	-	(560)	-	-	(560)
Total comprehensive (expense) income for the period (unaudited)	-	(49,512)	-	22,300	(27,212)
At 30 September 2022 (unaudited)	37,000	(102,445)	(77,981)	464,459	321,033

Notes:

1. On 1 April 2020, the then holding companies of Palasino Group, a.s. (the "Company") amalgamated with the Company and they ceased to exist as separate entities after completion of the amalgamation ("Amalgamation"). The Company became the surviving amalgamated company with HK$77,981,000 recognised as a deemed distribution for net liabilities assumed from the holding companies.

PALASINO GROUP, A.S.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
OPERATING ACTIVITIES					
Profit before taxation	3,519	49,050	61,616	32,700	41,609
Adjustments for:					
Finance costs	3,651	3,489	3,576	1,583	1,974
Interest income	-	(52)	(2,957)	(714)	(2,931)
Amortisation of intangible assets	-	-	-	-	1,077
Acquisition cost for bidding casino licence in Poland (Note 33(d))	-	-	-	-	130
Depreciation of property and equipment	24,593	24,083	22,181	10,566	10,247
Depreciation of right-of-use assets	381	410	999	396	486
Fair value change on financial assets at fair value through profit or loss	(4,518)	1,533	3,107	4,708	(17)
(Reversal of) impairment losses under credit loss model, net of reversal	(612)	324	(331)	2	-
Net loss (gain) on disposal of property and equipment	38	(143)	(107)	(106)	(17)
Net unrealised foreign exchange loss (gain)	6,642	2,270	10,035	(11,605)	(4,463)
Operating cashflows before movements in working capital	33,694	80,964	98,119	37,530	48,095
Decrease (increase) in trade receivables	3,459	(4,185)	(1,863)	129	(2,720)
(Increase) decrease in other receivables, deposits and prepayments	(6,076)	8,198	4,207	(4,280)	(5,784)
Decrease (increase) in inventories	763	(408)	(472)	(264)	83
Increase (decrease) in trade payables	5,770	1,089	(730)	(3,090)	63
(Decrease) increase in other payables	(21,116)	16,759	8,152	2,595	(2,304)
(Decrease) increase in contract liabilities	(980)	1,333	313	146	509
Cash generated from operations	15,514	103,750	107,726	32,766	37,942
Income taxes refund (paid)	4,313	(2,486)	(16,258)	(10,729)	(15,811)
NET CASH FROM OPERATING ACTIVITIES	19,827	101,264	91,468	22,037	22,131

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
INVESTING ACTIVITIES					
Interest received from banks	-	52	661	351	12
Interest received from related parties	-	-	2,296	363	2,152
Placement of deposits for acquisition of property and equipment	-	(1,883)	(2,696)	(238)	-
Purchase of property and equipment	(13,566)	(2,202)	(24,303)	(3,831)	(15,480)
Purchase of intangible assets	-	(870)	(3,176)	(1,847)	(266)
Advance to a related party	-	-	(39,165)	(34,825)	-
Repayment from a fellow subsidiary	-	-	-	-	12,911
Proceed of disposals of property and equipment	-	2,185	4,374	629	17
Net cash outflow on acquisition of a subsidiary (Note 33(d))	-	-	-	-	(176)
Advance to a fellow subsidiary	-	-	(35,013)	-	(17,327)
Advance to the intermediate holding company	-	-	-	-	(1,404)
Purchase of financial assets at fair value through profit or loss	(6,904)	(19,052)	(60,912)	(23,706)	(18,843)
Withdrawal of financial assets at fair value through profit or loss	8,630	2,598	76,464	39,492	17,357
Release of pledged bank deposits	-	1,961	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(11,840)	(17,211)	(81,470)	(23,612)	(21,047)
FINANCING ACTIVITIES					
Repayments of lease liabilities	(850)	(894)	(1,033)	(523)	(674)
Repayments of bank and other borrowings	(11,472)	(14,801)	(11,221)	(3,237)	(3,754)
Settlement of consideration payable	(2,724)	(2,588)	(2,246)	(954)	(959)
Interest paid	(3,651)	(3,489)	(3,576)	(1,583)	(1,974)
NET CASH USED IN FINANCING ACTIVITIES	(18,697)	(21,772)	(18,076)	(6,297)	(7,361)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,710)	62,281	(8,078)	(7,872)	(6,277)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	37,189	31,349	94,537	94,537	86,084
EFFECT OF FOREIGN RATE CHANGES	4,870	907	(375)	(4,441)	(2,258)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	31,349	94,537	86,084	82,224	77,549

NOTES TO THE FINANCIAL STATEMENTS OF PALASINO GROUP, A.S.

1. GENERAL, GROUP REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is a legal entity, a joint stock company, which was established at 6 September 1995 as LMJ Casino Rozvadov a.s. with registered office in Ceske Kubici 64, Ceska republika, Identification number 64358267. It is registered with the Regional Court in Pilsen under file number B 492. At the date of issuance of these consolidated financial statements, its immediate holding company is Palasino (Cayman) Limited ("Palasino Cayman"), a private company incorporated in the Cayman Islands with limited liability, its intermediate holding company is Palasino Holdings Limited (the "Holding Company"), a limited company incorporated in the Cayman Islands and its ultimate holding company is Far East Consortium International Limited ("the Ultimate Holding Company") which shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The ultimate controlling shareholder of the Company is Tan Sri Dato' David CHIU, who controls the Company through the Ultimate Holing Company.

The Company and its subsidiaries (collectively referred to as the "Group") is principally engaged in the hospitality and gaming business in Germany, Austria and the Czech Republic.

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

The consolidated financial statements are prepared solely for the preparation of the financial information of the Company to be incorporated in the prospectus of the Holding Company dated 18 March 2024 in connection with the initial listing of shares of the Holding Company on the Stock Exchange. Accordingly, the comparative figures for the year ended 31 March 2021 have not been presented.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing the consolidated financial statements for each of the three years ended 31 March 2023 and six months ended 30 September 2023, the Group has consistently applied the accounting policies which conform with HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's financial year beginning 1 April 2023 and throughout each of the three years ended 31 March 2023 and six months ended 30 September 2023.

The Group has not early applied the following amendments to HKFRSs in issue which are 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

The management of the Group anticipate that the application of all amendments to HKFRSs will have no material impact on the Group's financial position and financial performance in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements has been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period (as explained in the accounting policies below) and in accordance with the following accounting policies which conform with HKFRSs issued by the HKICPA.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of HKFRS 16 "Leases", and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred overtime and revenue is recognised overtime by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Revenue from contracts with customers - continued

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations including obligation to provide goods or services to patrons on complementary basis and patron's options to acquire additional goods or services for free or at a discount in future granted under customer relationship programs, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Revenue recognition

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

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

For gaming operations that the Group provides award points to customers under loyalty programs, the Group allocates a portion of the gaming revenue to the loyalty programs liabilities based on its relative stand-alone selling price of such award points (less estimated breakage). Such allocated amount is deferred revenue and recognised as loyalty programs liabilities until customers redeem the award points for free goods and services. Upon redemption, the deferred consideration of each good and service is allocated to the respective type of revenue.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Revenue from contracts with customers - continued

Revenue recognition - continued

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

Foreign currencies

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

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

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

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

Borrowing costs

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Government grants

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

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

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include cash, which comprises of cash on hand and demand deposits.

Taxation

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Taxation - continued

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

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

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

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

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

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

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

Current and deferred tax are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Property and equipment

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

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

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

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

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

Intangible asset

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

Short-term leases and leases of low-value assets

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

The Group as lessee

Right-of-use assets

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

The cost of right-of-use asset includes:

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

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

Refundable rental deposits

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Leases - continued

The Group as lessee - continued

Lease liabilities

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

The lease payments include:

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

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

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

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

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

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible asset not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

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

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

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

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

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

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

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

Financial assets at FVTPL

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Financial assets at FVTPL - continued

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

Impairment of financial assets subject to impairment assessment under HKFRS 9

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

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

The Group always assesses lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 - continued

(i) Significant increase in credit risk - continued

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk. e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 - continued

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivable, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 - continued

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables, amount due to a subsidiary of the Company, and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Impairment assessment of the property and equipment and right-of-use assets related to Trans World Hotels Austria GmbH ("Trans World Austria")

In determining whether impairment loss of property and equipment and right-of-use assets related to Trans World Austria should be recognised or reversed, the management of the Group has to make estimation on the recoverable amounts of the property and equipment and right-of-use assets related to Trans World Austria. Changes in the key assumptions, including the pre-tax discount rate, terminal growth rate and expected changes in revenues and costs in the discounted cash flow projections, could materially affect the recoverable amounts.

The management of the Group considered there was indication (i.e. operating loss) for impairment for these property and equipment and right-of-use assets for the years ended 31 March 2021, 2022, 2023 and six months ended 30 September 2023 and prepared discounted cash flow projections for Trans World Austria based on the financial budget approved by the management of the Group and engaged an independent professional valuer to conduct impairment assessment on these property and equipment and right-of-use assets by estimating their recoverable amounts. At 31 March 2021, 2022, 2023 and 30 September 2023, the carrying amounts of the property and equipment and right-of-use assets related to Trans World Austria were approximately HK$32,848,000 and HK$11,475,000, HK$28,068,000 and HK$11,507,000, HK$24,405,000 and HK$16,808,000 and HK$21,516,000 and HK$15,665,000, respectively, after taking into account the accumulated impairment of HK$53,186,000 and HK$16,087,796, HK$54,706,000 and HK$16,547,000, HK$54,706,000 and HK$16,547,000 and HK$51,660,000 and HK$15,556,000 respectively. The Group estimated the recoverable amount of the property and equipment and right-of-use assets related to Trans World Austria based on value in use and concluded that the carrying amount of these assets does not materially differ from their recoverable amount. Accordingly, no impairment loss or reversal was recognised during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

Deferred tax assets

As at 31 March 2021, 2022, 2023 and 30 September 2023, no deferred tax asset has been recognised on the tax losses of HK$121,759,000, HK$129,787,000, HK$134,708,000 and HK$125,750,000 and deductible temporary difference of HK$88,622,000, HK$88,703,000, HK$85,225,000 and HK$79,568,000 due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits will be available in the future, which is a key source of estimation uncertainty especially the uncertainty on how the economic condition in Europe. In cases where the actual future taxable profits generated are more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

5. SEGMENT INFORMATION

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

(i) Gaming operations - operation of casinos

(ii) Hotel and catering 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 (the "CEO") 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 and catering 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 and catering operations".

5. SEGMENT INFORMATION - continued

Segment information about these businesses is presented below:

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

	Year ended 31 March			Six months ended 30 September	
	2021 HK$'000	2022 HK$'000	2023 HK$'000	2022 HK$'000 (unaudited)	2023 HK$'000
Segment revenue					
Gaming operations: recognised at a point in time	107,914	278,458	390,403	172,074	194,279
Hotel and catering operations:					
Catering operations: recognised at a point in time	14,274	31,071	62,380	28,910	35,629
Hotel operations: recognised over time	23,583	41,667	76,238	39,769	48,379
Revenue from contracts with customers:					
recognised at a point in time	122,188	309,529	452,783	200,984	229,908
recognised over time	23,583	41,667	76,238	39,769	48,379
	145,771	351,196	529,021	240,753	278,287
Segment results					
Gaming operations	17,097	73,087	102,691	48,852	41,617
Hotel and catering operations	2,208	6,899	4,317	7,742	5,847
Unallocated corporate income	4,518	195	3,064	819	11,084
Unallocated corporate expenses	(20,304)	(31,131)	(48,456)	(24,713)	(16,939)
Profit before taxation	3,519	49,050	61,616	32,700	41,609

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 and corporate income and expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

5. SEGMENT INFORMATION - continued

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

		As at 31 March		As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS				
Segment assets:				
- gaming operations	139,920	133,874	124,269	147,471
- hotel and catering operations	265,065	269,072	255,142	227,270
	404,985	402,946	379,411	374,741
Other unallocated assets	116,450	174,211	237,404	152,903
Group's total	521,435	577,157	616,815	527,644
LIABILITIES				
Bank and other borrowings:				
- gaming operations	1,554	1,160	724	490
- hotel and catering operations	91,984	80,250	69,465	64,628
	93,538	81,410	70,189	65,118
Other segment liabilities:				
- gaming operations	636	9,398	11,199	5,392
- hotel and catering operations	113,233	130,010	141,855	144,504
	113,869	139,408	153,054	149,896
Total segment liabilities	207,407	220,818	223,243	215,014
Unallocated liabilities	6,829	8,094	5,810	6,082
Group's total	214,236	228,912	229,053	221,096

5. SEGMENT INFORMATION - continued

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

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

(i) other unallocated assets include mainly certain property and equipment, deposits for acquisition of equipment, intangible assets, certain right-of-use assets, loan to a related party, financial assets at FVTPL, certain other receivables, deposits and prepayments, amounts due from fellow subsidiaries, amount due from an intermediate holding company, deferred tax assets and certain cash and cash equivalents.

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

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

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

(c) Other segment information of the Group

Amounts included in the measurement of segment profit or loss:

For the year ended 31 March 2021

	Gaming operations HK$'000	Hotel and catering operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	-	381	-	381
Depreciation of property and equipment	9,820	5,678	9,095	24,593
Net loss on disposal of property and equipment	-	-	38	38
Finance costs	-	3,651	-	3,651
Income tax expense	947	15	-	962
Impairment losses reversed	-	(612)	-	(612)

5. SEGMENT INFORMATION - continued

(c) Other segment information of the Group - continued

For the year ended 31 March 2022

	Gaming operations HK$'000	Hotel and catering operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	-	410	-	410
Depreciation of property and equipment	9,544	6,058	8,481	24,083
Net gain on disposal of property and equipment	-	-	(143)	(143)
Bank interest income	-	-	(52)	(52)
Finance costs	-	3,489	-	3,489
Income tax expense	8,952	15	-	8,967
Impairment losses recognised	-	324	-	324

For the year ended 31 March 2023

	Gaming operations HK$'000	Hotel and catering operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	-	563	436	999
Depreciation of property and equipment	7,406	6,005	8,770	22,181
Net gain on disposal of property and equipment	-	-	(107)	(107)
Bank interest income	-	-	(661)	(661)
Interest income from related parties	-	-	(2,296)	(2,296)
Finance costs	-	3,504	72	3,576
Income tax expense	17,447	15	-	17,462
Impairment losses reversed	-	(331)	-	(331)

5. SEGMENT INFORMATION - continued

(c) Other segment information of the Group - continued

For the six months ended 30 September 2022 (Unaudited)

	Gaming operations HK$'000	Hotel and catering operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	-	396	-	396
Depreciation of property and equipment	3,487	3,020	4,059	10,566
Net gain on disposal of property and equipment	-	-	(106)	(106)
Bank interest income	-	-	(351)	(351)
Finance costs	-	1,548	35	1,583
Interest income from a related party	-	-	(363)	(363)
Income tax expense	10,392	8	-	10,400
Impairment losses recognised	-	2	-	2

For the six months ended 30 September 2023

	Gaming operations HK$'000	Hotel and catering operations HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of right-of-use assets	-	274	212	486
Depreciation of property and equipment	3,619	2,993	3,635	10,247
Amortisation of intangible assets	1,077	-	-	1,077
Net gain on disposal of property and equipment	-	-	(17)	(17)
Bank interest income	-	-	(12)	(12)
Finance costs	-	1,945	29	1,974
Interest income from related parties	-	-	(2,919)	(2,919)
Income tax expense (credit)	9,864	(16)	(4)	9,844

5. SEGMENT INFORMATION - continued

(c) Other segment information of the Group - continued

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Additions to non-current assets (other than financial instruments)					
- gaming operations	5,267	878	4,124	483	13,380
- hotel and catering operations	1,528	92	2,088	1,134	75
- corporate level*	6,771	5,985	23,963	1,388	2,291
	13,566	6,955	30,175	3,005	15,746

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

(d) Geographical information

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

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Revenue from external customers:					
The Czech Republic	116,991	302,574	430,966	190,558	217,992
Germany	23,263	36,060	71,845	36,771	38,758
Austria	5,517	12,562	26,210	13,424	21,537
	145,771	351,196	529,021	240,753	278,287

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets:				
The Czech Republic	233,648	235,555	240,116	239,457
Germany	140,531	127,337	116,740	105,787
Austria	44,357	39,606	41,239	37,138
	418,536	402,498	398,095	382,382

Non-current assets exclude financial instruments and deferred tax assets.

5. SEGMENT INFORMATION - continued

(e) Information about major customers

There is no customer who contributes more than 10% of the total revenue of the Group during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

6. REVENUE

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Gaming revenue from:					
- slot machine operations	81,611	212,943	300,124	130,546	155,896
- table gaming operations	26,303	65,515	90,279	41,528	38,383
	107,914	278,458	390,403	172,074	194,279
Hotel, catering and related service income from:					
- catering operations	14,274	31,071	62,380	28,910	35,629
- hotel operations	23,583	41,667	76,238	39,769	48,379
	37,857	72,738	138,618	68,679	84,008
	145,771	351,196	529,021	240,753	278,287

For hotel and catering transactions, the Group generally grants credit terms ranging from 30 to 60 days to its corporate customers from the date of invoices. Other than that, transactions with patrons and individual customers are settled by cash or credit cards through payment gateways, which will generally settle the amounts with the Group within 2 days after the date of transactions. As at 31 March 2021, 2022, 2023 and 30 September 2023, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of each reporting period. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

7. OTHER INCOME/OTHER GAINS AND LOSSES

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
(a) Other income					
Bank interest income	-	52	661	351	12
Interest income from related parties	-	-	2,296	363	2,919
Government grants (Note)	76,413	42,183	2,215	2,305	15
	76,413	42,235	5,172	3,019	2,946
(b) Other gains and losses					
Fair value change on financial assets at FVTPL	4,518	(1,533)	(3,107)	(4,708)	17
Foreign exchange (loss) gain, net	(1,044)	(4,891)	(9,523)	(1,684)	8,152
(Loss) gain on disposal of property and equipment	(38)	143	107	106	17
Impairment losses reversed (recognised) under expected credit loss model, net	612	(324)	331	(2)	-
	4,048	(6,605)	(12,192)	(6,288)	8,186

Note: During each of the three years ended 31 March 2023 and six months ended 30 September 2023, 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. All of government grants recognised during each of the three years ended 31 March 2023 and six months ended 30 September 2023 are unconditional.

8. FINANCE COSTS

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Interest on lease liabilities	1,137	1,205	1,401	597	668
Interest on bank and other borrowings	2,514	2,284	2,175	986	1,306
	3,651	3,489	3,576	1,583	1,974

9. INCOME TAX EXPENSE

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Current tax:					
- The Czech Republic Corporation Tax	560	9,869	17,731	10,427	9,261
- Austria Corporation Tax	15	15	15	8	8
	575	9,884	17,746	10,435	9,269
Deferred tax (Note 26)	387	(917)	(284)	(35)	575
Income tax expense	962	8,967	17,462	10,400	9,844

During each of the three years ended 31 March 2023 and six months ended 30 September 2023, the Czech Republic Corporation Tax is calculated at a rate of 19% on the estimated assessable profits.

No provision for Germany corporation tax for each of the three years ended 31 March 2023 and six months ended 30 September 2023 as the Group either incurred tax loss or utilised tax loss for offsetting the income tax payable.

No provision for Austria Corporation Tax during each of the three years ended 31 March 2023 and six months ended 30 September 2023 as the Group incurred tax loss, however, there is a minimum Corporation Tax of EUR 437.5 for each quarter during each of the three years ended 31 March 2023 and six months ended 30 September 2023 for entities in a tax loss position.

9. INCOME TAX EXPENSE - continued

The income tax expense for the each of the three years ended 31 March 2023 and six months ended 30 September 2023 can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Profit before taxation	3,519	49,050	61,616	32,700	41,609
Tax at the statutory tax rate of 19% in the Czech Republic	669	9,320	11,707	6,213	7,906
Tax effect of expenses not deductible for tax purpose	238	3,213	5,589	5,210	2,464
Tax effect of income not taxable for tax purpose	(64)	(3,021)	(148)	(69)	(24)
Tax effect of tax losses not recognised	931	141	771	-	-
Effect of tax exemptions granted to Czech subsidiary (note)	(50)	(108)	(75)	-	-
Utilisation of tax losses previously not recognised	(9)	(264)	-	(693)	(288)
Utilisation of deductible temporary difference previously not recognised	(768)	(579)	(457)	(269)	(222)
Tax effect of deductible temporary differences not recognised	-	250	60	-	-
Minimum tax to Austria subsidiary	15	15	15	8	8
Income tax expense	962	8,967	17,462	10,400	9,844

Note: Tax exemption of approximately CZK151,000, CZK304,000, CZK208,000, CZK nil (unaudited) and CZK nil has been granted to Czech subsidiary for the years ended 31 March 2021, 2022 and 2023 and the six months ended 30 September 2022 and 2023, respectively.

10. PROFIT BEFORE TAXATION

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Profit before taxation has been arrived at after charging:					
Auditor's remuneration	751	777	836	-	-
Staff costs					
- Salaries, allowances and other benefits	109,245	126,854	170,099	74,830	95,677
- Pension schemes contributions	77	97	83	44	81
Total staff costs	109,322	126,951	170,182	74,874	95,758
Amortisation of intangible assets	-	-	-	-	1,077
Depreciation of property and equipment	24,593	24,083	22,181	10,566	10,247
Depreciation of right-of-use assets	381	410	999	396	486

11. DIVIDENDS

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Dividends for equity shareholders of the Company recognised as distribution during the year/period	-	-	-	-	93,563

As set out in Note 36, dividend payables of HK$79,529,000 was offset by the amount due from FEC Overseas Investment (UK) Limited ("FEC UK"), the former holding company of the Company and the fellow subsidiary of the Group, during the six months ended 30 September 2023.

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

12. PROPERTY AND EQUIPMENT

	Freehold land HK$'000	Buildings under freehold land HK$'000	Buildings under leasehold land HK$'000	Office furniture, fixtures and equipment HK$'000	Motor vehicle HK$'000	Gaming equipments HK$'000	Total HK$'000
COST							
At 1 April 2020	20,844	326,230	172,945	110,874	6,282	57,971	695,146
Additions	-	2,186	-	6,771	-	4,609	13,566
Disposals	-	-	-	(530)	(263)	(26)	(819)
Exchange adjustments	2,690	35,370	14,985	14,306	795	7,509	75,655
At 31 March 2021	23,534	363,786	187,930	131,421	6,814	70,063	783,548
Additions	92	605	-	859	373	273	2,202
Disposals	-	-	-	(12,082)	(4,650)	(4,541)	(21,273)
Exchange adjustments	(1,007)	2,755	2,877	1,314	195	2,002	8,136
At 31 March 2022	22,619	367,146	190,807	121,512	2,732	67,797	772,613
Additions	-	5,528	39	16,437	3,537	645	26,186
Disposals	-	-	-	(745)	(236)	(4,896)	(5,877)
Exchange adjustments	(807)	(5,937)	(14,271)	(4,654)	(78)	(2,598)	(28,345)
At 31 March 2023	21,812	366,737	176,575	132,550	5,955	60,948	764,577
Additions	-	12,744	74	661	1,365	3,332	18,176
Disposals	-	-	-	(750)	(303)	-	(1,053)
Exchange adjustments	(488)	(18,000)	(9,027)	(7,976)	(444)	(3,447)	(39,382)
At 30 September 2023	21,324	361,481	167,622	124,485	6,573	60,833	742,318
DEPRECIATION AND IMPAIRMENT							
At 1 April 2020	-	65,345	156,011	62,951	2,310	36,661	323,278
Provided for the year	-	7,616	479	8,212	883	7,403	24,593
Eliminated on disposal	-	-	-	(530)	(225)	(26)	(781)
Exchange adjustments	-	8,082	14,983	8,548	298	5,033	36,944
At 31 March 2021	-	81,043	171,473	79,181	3,266	49,071	384,034
Provided for the year	-	8,212	461	7,670	811	6,929	24,083
Eliminated on disposal	-	-	-	(12,013)	(3,360)	(3,858)	(19,231)
Exchange adjustments	-	536	2,764	396	33	1,402	5,131
At 31 March 2022	-	89,791	174,698	75,234	750	53,544	394,017
Provided for the year	-	8,243	440	7,826	944	4,728	22,181
Eliminated on disposal	-	-	-	(745)	(236)	(629)	(1,610)
Exchange adjustments	-	(1,610)	(12,371)	(478)	(29)	(1,023)	(15,511)
At 31 March 2023	-	96,424	162,767	81,837	1,429	56,620	399,077
Provided for the period	-	4,604	271	2,983	652	1,737	10,247
Eliminated on disposal	-	-	-	(750)	(303)	-	(1,053)
Exchange adjustments	-	(5,488)	(8,111)	(5,539)	(29)	(2,052)	(21,219)
At 30 September 2023	-	95,540	154,927	78,531	1,749	56,305	387,052

	Freehold land HK$'000	Buildings under freehold land HK$'000	Buildings under leasehold land HK$'000	Office furniture, fixtures and equipment HK$'000	Motor vehicle HK$'000	Gaming equipments HK$'000	Total HK$'000
CARRYING VALUES							
At 31 March 2021	23,534	282,743	16,457	52,240	3,548	20,992	399,514
At 31 March 2022	22,619	277,355	16,109	46,278	1,982	14,253	378,596
At 31 March 2023	21,812	270,313	13,808	50,713	4,526	4,328	365,500
At 30 September 2023	21,324	265,941	12,695	45,954	4,824	4,528	355,266

12. PROPERTY AND EQUIPMENT - continued

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum, taking into account the residual value:

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

13. INTANGIBLE ASSETS

	Search engine platform HK$'000	Search engine platform under construction HK$'000	Total HK$'000
COST			
At 1 April 2020 and 31 March 2021	-	-	-
Additions	-	870	870
At 31 March 2022	-	870	870
Additions	-	3,176	3,176
At 31 March 2023	-	4,046	4,046
Transfer	4,046	(4,046)	-
Additions	266	-	266
Exchange adjustments	(78)	-	(78)
At 30 September 2023	4,234	-	4,234
AMORTISATION			
At 1 April 2020, 31 March 2021, 2022 and 2023	-	-	-
Provided for the period	1,077	-	1,077
Exchange adjustments	(15)	-	(15)
At 30 September 2023	1,062	-	1,062
CARRYING VALUES			
At 31 March 2021	-	-	-
At 31 March 2022	-	870	870
At 31 March 2023	-	4,046	4,046
At 30 September 2023	3,172	-	3,172

Note: As at 31 March 2022, 2023 and 30 September 2023, the intangible asset represents the development cost incurred for the search engine optimisation platform. The development cost starts to amortise during the six months ended 30 September 2023 on a straight-line basis at 33% per annum.

14. RIGHT-OF-USE ASSETS

	Office premises HK$'000	Leasehold land HK$'000	Total HK$'000
COST			
At 1 April 2020	-	32,162	32,162
Exchange adjustments	-	4,150	4,150
At 31 March 2021	-	36,312	36,312
Additions	2,000	-	2,000
Exchange adjustments	-	1,037	1,037
At 31 March 2022	2,000	37,349	39,349
Lease reassessment	-	5,742	5,742
Exchange adjustments	(39)	-	(39)
At 31 March 2023	1,961	43,091	45,052
Exchange adjustments	(110)	(2,392)	(2,502)
At 30 September 2023	1,851	40,699	42,550
DEPRECIATION AND IMPAIRMENT			
At 1 April 2020	-	14,956	14,956
Provided for the year	-	381	381
Exchange adjustments	-	1,953	1,953
At 31 March 2021	-	17,290	17,290
Provided for the year	-	410	410
Exchange adjustments	-	500	500
At 31 March 2022	-	18,200	18,200
Provided for the year	436	563	999
At 31 March 2023	436	18,763	19,199
Provided for the period	212	274	486
Exchange adjustments	(31)	(1,048)	(1,079)
At 30 September 2023	617	17,989	18,606
CARRYING VALUES			
At 31 March 2021	-	19,022	19,022
At 31 March 2022	2,000	19,149	21,149
At 31 March 2023	1,525	24,328	25,853
At 30 September 2023	1,234	22,710	23,944

14. RIGHT-OF-USE ASSETS - continued

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Expense relating to short-term leases	-	327	147	74	941
Expense relating to lease of low-value assets	66	74	76	40	112
Total cash outflow for leases	2,053	2,500	2,657	1,234	2,395

The Group leases office premises and pieces of land of hotel buildings during each of the three years ended 31 March 2023 and six months ended 30 September 2023. Lease contracts for office premises and leasehold land are entered into for fixed term of 4 years and 42 to 66 years, without any extension nor termination options, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31 March 2022, the Group entered into new lease agreements for the use of office premises for 4.5 years. On the lease commencement, the Group recognised HK$2,000,000 of right-of-use assets and HK$2,000,000 of lease liabilities respectively.

The lease payment of the leasehold land in Austria is charged at fixed amount on a monthly basis. During the year ended 31 March 2023, lease reassessment of HK$5,742,000 has been recognised as right-of-use assets and lease liabilities using the initial discount rate. The lease payment for the remaining years will be adjusted by the inflation rate at the end of each calendar year provided that the inflation rate of Austria exceeds 5% per annum.

Restrictions or covenants on leases

In addition, lease liabilities of HK$57,449,000, HK$60,196,000, HK$64,866,000 and HK$60,588,000 are recognised with related right-of-use assets of HK$19,022,000, HK$21,149,000, HK$25,853,000 and HK$23,944,000 as at 31 March 2021, 2022, 2023 and 30 September 2023, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

15. INVENTORIES

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Food and beverage held for sale	1,358	1,805	2,277	2,067

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets at FVTPL	26,984	41,047	21,089	21,378

Financial assets at FVTPL represents the investment held and managed by Singford Holdings Limited ("Singford"), a fellow subsidiary of the Group. The investment fund mainly consisted of cash and cash equivalents, over-the-counter currency bonds as well as listed equity instruments as at 31 March 2021, 2022, 2023 and 30 September 2023. The balance is classified as current asset as the management of the Group expects to realise within 12 months from the end of reporting period.

17. TRADE RECEIVABLES

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Trade receivables	1,006	5,290	7,141	9,464
Less: allowance for credit losses	(90)	(414)	(83)	(78)
	916	4,876	7,058	9,386

As at 1 April 2020, trade receivables from contracts with customers amounted to HK$3,821,000.

17. TRADE RECEIVABLES - continued

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

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Within 30 days	637	3,097	5,913	8,223
31 days to 60 days	-	286	413	147
Over 60 days	279	1,493	732	1,016
	916	4,876	7,058	9,386

The Group provides ECL of trade receivables as prescribed by HKFRS 9. Details of impairment assessment of trade receivables as at 31 March 2021, 2022, 2023 and 30 September 2023 are set out in Note 31.

As at 31 March 2021, 2022, 2023 and 30 September 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$279,000, HK$1,779,000, HK$1,145,000 and HK$1,163,000, respectively, which are past due as at the reporting date. As at the end of each reporting period, no balance has been past due 90 days or more. The Group does not hold any collateral over these balances.

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS/DEFERRED ISSUE COSTS AND OTHER PREPAYMENTS

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Rental and utilities deposits	41	93	362	439
Deposits for acquisition of equipment	-	1,883	2,696	-
Deposits for gaming licence (note i)	10,500	10,800	10,800	20,400
Government grants receivables (note ii)	21,264	10,680	6,638	53
Other receivables, deposits and prepayments	4,485	6,609	6,175	7,582
Total	36,290	30,065	26,671	28,474
Presented as:				
Current	25,790	17,382	13,175	18,274
Non-current	10,500	12,683	13,496	10,200
	36,290	30,065	26,671	28,474

Notes:

(i) Deposits of CZK30,000,000 (equivalents to approximately HK$10,500,000, HK$10,800,000, HK$10,800,000 and HK$10,200,000 as at 31 March 2021, 2022, 2023 and 30 September 2023, respectively) have been placed on a special account of the Ministry of Finance of the Czech Republic as surety deposit for the casino operations. Such deposit is refundable upon the gaming licence is conclusively withdrawn or ceased and will not be realised within 12 months from the end of reporting period, therefore, the amount is classified as non-current assets.

During the six months ended 30 September 2023, additional deposit of CZK30,000,000 (equivalents to approximately HK$10,200,000) has been placed for the purpose of renewal of gaming licence (the "Additional Deposit"). The Additional Deposit will be refunded upon the successful renewal of gaming licence, which is expected to be realised by end of December 2023 therefore, the Additional Deposit is classified as current assets as at 30 September 2023.

(ii) The balance mainly represents the grants receivables from the government of the Czech Republic, Germany and Austria for reimbursing the Group's staff costs as at 31 March 2021, 2022, 2023 and 30 September 2023.

Details of impairment assessment of other receivables and deposits as at 31 March 2021, 2022, 2023 and 30 September 2023 are set out in Note 31.

19. AMOUNTS DUE FROM FELLOW SUBSIDIARIES/LOAN TO A RELATED PARTY/AMOUNT DUE FROM AN INTERMEDIATE HOLDING COMPANY/AMOUNTS DUE FROM (TO) SUBSIDIARIES

(a) Amounts due from fellow subsidiaries

The amounts represent (i) amount due from Singford amounting to HK$35,013,000, which is non-trade in nature, unsecured, interest bearing at 4.5% per annum and recoverable on demand as at 31 March 2023 and (ii) amount due from Far East Consortium Limited ("FECL") amounting to HK$767,000 as of 30 September 2023, which is non-trade in nature, unsecured, interest-free and recoverable on demand as at 30 September 2023.

As disclosed in Note 36, the obligation and interest of the entire balance due from Singford have been novated to FEC UK and the entire balance was then offset by dividend payables during the six months ended 30 September 2023.

(b) Loan to a related party

The balance represents loan to BC Mortgage Service Asia Limited ("BC Mortgage"), which is non-trade in nature, interest bearing at 5.95% plus Sterling Overnight Index Average, secured by the property of the borrower and with maturity on 30 June 2025. As the amount will not be realised within 12 months from the end of each reporting period, the amount is classified as non-current asset as at 31 March 2023.

BC Mortgage is a joint venture of FEC.

As disclosed in Note 36, the right and obligation of the entire balance have been novated to FECL and HK$12,911,000 was settled in cash whereas the right and obligation of remaining balance amounting to HK$26,254,000 was further novated by FECL to FEC UK and then offset by dividend payables during the six months ended 30 September 2023.

(c) Amount due from an intermediate holding company

The amount is non-trade in nature, unsecured, interest-free and recoverable on demand as at 30 September 2023.

As represented by the management of the Group, the outstanding amount due from an intermediate holding company would be settled prior to the listing of the Holding Company.

Details of impairment assessment of amounts due from fellow subsidiaries and an intermediate holding company and a loan to a related party are set out in Note 31.

20. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

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

Bank balances carry variable interest at average market rates of 0.5% per annum, 3.5% per annum, 6% per annum and 0.5% per annum as at 31 March 2021, 2022, 2023 and 30 September 2023, respectively.

Pledged bank deposits carry fixed interest rate of 0.5%, 0.5%, 0.5% and 0.5% as at 31 March 2021, 2022, 2023 and 30 September 2023, respectively and represent deposits pledged to banks to secure long-term bank borrowings granted to the Group, and are therefore classified as non-current assets. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

Details of impairment assessment of bank balances and pledged bank deposits are set out in Note 31.

21. 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 each reporting period is as follows:

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Within 60 days	2,441	7,024	6,133	5,762
61 to 90 days	3,329	-	161	245
	5,770	7,024	6,294	6,007

22. OTHER PAYABLES

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Chips in circulation	571	1,358	1,405	1,736
Other payables and accruals	1,940	4,161	7,355	4,402
Refundable government subsidy	140	2,687	2,520	2,217
Deferred income (note i)	1,702	1,719	1,601	1,567
Other tax payables	29,154	34,797	37,602	38,372
Dividend payable (note iii)	-	-	-	14,034
Salaries payables	7,325	13,271	15,662	11,759
Consideration payable (note ii)	9,171	6,785	4,539	3,442
	50,003	64,778	70,684	77,529
Less: Non-current portion of consideration payable	(7,073)	(4,712)	(2,480)	(2,045)
Non-current portion of deferred income	(1,659)	(1,676)	(1,558)	(1,487)
	41,271	58,390	66,646	73,997

Notes:

(i) Trans World Austria was granted by the Austria Government for subsiding the construction cost of hotel building at amount of EUR200,000 (equivalent to approximately HK$1,800,000). The government grant will be amortised over the useful life of the hotel building.

(ii) The balance represents the consideration payable arising from the acquisition of a hotel building in 2015, the amount is repayable on a monthly basis from year 2015 to 2025, interest bearing at 3% per annum and secured by the property held by the Group.

(iii) The balance was fully settled subsequently.

23. CONTRACT LIABILITIES

		As at 31 March		As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Advances received in relation to the service of hotel accommodation	267	352	790	381
Customer loyalty programme	33	1,290	1,165	1,974
	300	1,642	1,955	2,355

As at 1 April 2020, the contract liabilities amounted to HK$1,134,000.

For the contract liabilities as at 1 April 2020, 31 March 2021, 2022, 2023 and 30 September 2023, approximate 90% of the balances were/will be recognised as revenue during the years ended/ending 31 March 2021, 2022, 2023 and 2024, respectively.

Advances received in relation to the service of hotel accommodation

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

Customer loyalty programme

The Group offers customer loyalty programme in the Group's gaming operations. Basically, the customers can earn points from slot machine gaming and table gaming. The customers can use the points as cashable credit on any slot machine gaming and table gaming or use to purchase non-gaming products by utilising the award points earned under the customer loyalty programme. All award points can be accumulated and will be expired in the following 6 months since the last gaming. The expiry date of the award points will be automatically extended if there is a gaming betted by the customers during the 6-month period. Contract liabilities in relation to customer loyalty programme represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The increase in contract liabilities from (i) year ended 31 March 2021 to 31 March 2022 was mainly due to more awards points granted after the release of the COVID-19 related operation restrictions and (ii) year ended 31 March 2023 to six months ended 30 September 2023 was mainly due to many award points granted have not yet been redeemed by the customers.

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

24. LEASE LIABILITIES

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Lease liabilities payable				
Within one year	869	1,312	1,446	1,392
More than one year, but not more than two years	887	1,331	1,503	1,447
More than two years, but not more than five years	1,893	4,113	4,045	3,632
More than five years	53,800	53,440	57,872	54,117
	57,449	60,196	64,866	60,588
Less: Amount due for settlement within 12 months shown under current liabilities	(869)	(1,312)	(1,446)	(1,392)
Amount due for settlement after 12 months shown under non-current liabilities	56,580	58,884	63,420	59,196

The weighted average incremental borrowing rates applied to lease liabilities is 2.1%, 2.1%, 2.2% and 2.2% as at 31 March 2021, 2022, 2023 and 30 September 2023, respectively.

25. BANK AND OTHER BORROWINGS

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Bank borrowings	91,984	80,250	69,465	64,628
Other borrowings	1,554	1,160	724	490
	93,538	81,410	70,189	65,118
Analysed as:				
Secured	91,984	80,250	69,465	64,628
Unsecured	1,554	1,160	724	490
	93,538	81,410	70,189	65,118
The carrying amount of the bank borrowings are repayable:				
-Within one year	8,331	8,139	7,987	8,427
- Within a period of more than one year, but not exceeding two years	8,485	8,291	8,137	8,038
- Within a period of more than two years, but not more than five years	26,419	25,824	25,351	24,994
- Within a period of more than five years	48,749	37,996	27,990	23,169
	91,984	80,250	69,465	64,628
Less: The carrying amount of above bank borrowings that are repayable on demand due to breach of loan covenants (for which the Group has obtained a letter from the relevant bank to waive the relevant term subsequent to respective year end) (shown under current liabilities)	-	-	(22,790)	-
	91,984	80,250	46,675	64,628
Amount due within one year shown under current liabilities based on scheduled repayment dates	(8,331)	(8,139)	(7,987)	(8,427)
Amount shown under non-current liabilities	83,653	72,111	38,688	56,201
The carrying amount of the other borrowings are repayable:				
- Within one year	426	436	414	398
- Within a period of more than one year, but not exceeding two years	424	414	310	92
- Within a period of more than two years, but not more than five years	704	310	-	-
	1,554	1,160	724	490
Less: Amount due within one year shown under current liabilities based on scheduled repayment dates	(426)	(436)	(414)	(398)
Amount shown under non-current liabilities	1,128	724	310	92

25. BANK AND OTHER BORROWINGS - continued

Interest rate	As at 31 March 2021 HK$'000	2022 HK$'000	2023 HK$'000	As at 30 September 2023 HK$'000
Fixed rate	61,739	53,187	45,200	41,202
Variable rate	31,799	28,223	24,989	23,916
	93,538	81,410	70,189	65,118

For the bank and other borrowings as at 31 March 2021, 2022, 2023 and 30 September 2023, the bank borrowings amounted of HK$31,799,000, HK$28,223,000, HK$24,989,000 and HK$23,916,000, respectively are variable-rate borrowing which carrying interest at 3-month EURIBOR + 1.95% per annum. The remaining bank and other borrowings amounted to HK$61,739,000, HK$53,187,000, HK$45,200,000 and HK$41,202,000, respectively carry fixed interest rates was range from 1.95% to 3.7%.

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

	Year ended 31 March 2021	2022	2023	Six months ended 30 September 2023
Effective interest rates:				
Bank borrowings	1.41% to 3.10%	1.49% to 3.10%	1.95% to 4.99%	1.95% to 5.90%
Other borrowings	3.7%	3.7%	3.7%	3.7%

All bank borrowings are denominated in EUR as at the end of each of the three years ended 31 March 2023 and six months ended 30 September 2023. All other borrowings are denominated in CZK as at the end of each of the three years ended 31 March 2023 and six months ended 30 September 2023.

In respect of a bank loan with a carrying amount of HK$24,989,000 as at 31 March 2023, Trans World Austria breached the term of a bank borrowing, which is primarily related to the debt service cover ratio of Trans World Austria. On discovery of the breach, the directors of Trans World Austria immediately informed the bank and commenced a renegotiation of the term of the borrowing with the relevant banker. A letter has been issued by the bank to Trans World Austria to waive its right as at 31 March 2023 to demand immediate payment after 31 March 2023. As such, the management of the Group reclassified the non-current portion of the bank borrowing as a current liability as at 31 March 2023. As a letter has been issued by the bank to Trans World Austria to waive its right as at 31 March 2023 during the six months ended 30 September 2023 and the bank will only examine the covenants at the end of each financial year end, the non-current portion of such bank borrowing has been reclassified as non-current liability as at 30 September 2023.

26. DEFERRED TAX LIABILITIES

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

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Deferred tax liabilities	6,829	6,094	5,810	6,081
Deferred tax assets	-	-	-	(35)
	6,829	6,094	5,810	6,046

The following are the major deferred tax (assets) liabilities recognised by the Group and movements during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

	Lease liabilities	Right-of-use assets	Accelerated tax allowance	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2020	(7,235)	7,235	5,717	5,717
Exchange adjustments	(934)	934	725	725
Charge to profit or loss	-	-	387	387
At 31 March 2021	(8,169)	8,169	6,829	6,829
Exchange adjustments	(233)	233	182	182
Credit to profit or loss	-	-	(917)	(917)
At 31 March 2022	(8,402)	8,402	6,094	6,094
Credit to profit or loss	-	-	(284)	(284)
At 31 March 2023	(8,402)	8,402	5,810	5,810
Exchange adjustments	489	(488)	(340)	(339)
(Credit) charge to profit or loss	(766)	746	595	575
At 30 September 2023	(8,679)	8,660	6,065	6,046

26. DEFERRED TAX LIABILITIES - continued

The Group's unrecognised tax losses are as follows:

	Year ended 31 March			Six months ended 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Tax losses carry forward	121,759	129,787	134,708	125,750

During each of the three years ended 31 March 2023 and six months ended 30 September 2023, all tax losses may be carried forward indefinitely. No deferred tax asset in respect of tax losses has been recognised because the amount of future taxable profit that will be available to realise such assets is uncertain.

As at 31 March 2021, 2022, 2023 and 30 September 2023, the Group has deductible temporary differences of HK$88,622,000, HK$88,703,000, HK$85,225,000 and HK$79,568,000, respectively. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

27. SHARE CAPITAL

The balance of share capital as at 31 March 2021, 2022, 2023 and 30 September 2023 represented the share capital of the Company.

	Amount
	HK$'000
At 1 April 2020, 31 March 2021, 31 March 2022, 31 March 2023 and 30 September 2023	37,000

28. RELATED PARTY DISCLOSURES

(i) Transactions

The Group had the following transactions with related parties during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

Name of related parties	Nature of transactions	Year ended 31 March 2021 HK$'000	Year ended 31 March 2022 HK$'000	Year ended 31 March 2023 HK$'000	Six months ended 30 September 2022 HK$'000 (unaudited)	Six months ended 30 September 2023 HK$'000
BC Mortgage	(i) Interest income	-	-	2,188	363	2,033
Singford	(ii) Interest income	-	-	108	-	886
TWG International U.S. Corporation	(iii) Management fee paid	(2,582)	-	-	-	-

Notes:

(i) BC Mortgage is a joint venture of FEC.

(ii) Singford is a fellow subsidiary of the Group.

(iii) TWG International U.S. Corporation is a fellow subsidiary of the Group, which was dissolved during the year ended 31 March 2022.

As set out in Note 16, Singford managed the Group's investment without charging any service fee during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

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

Saved as the above transactions and balances as disclosed in Note 19 to the consolidated financial statements, the Group did not have any other related party transactions during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

28. RELATED PARTY DISCLOSURES - continued

(ii) Compensation of key management personnel

The remuneration of key management during each of the three years ended 31 March 2023 and six months ended 30 September 2023 was as follows:

	Year ended 31 March			Six months ended 30 September	
	2021	2022	2023	2022	2023
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Short-term benefits	6,759	6,709	7,877	3,929	4,817

29. RETIREMENT BENEFIT SCHEMES

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

For members of the Austria Pension, the Group contributes 1.53% of relevant monthly payroll costs per person during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

The only obligation of the Group with respect to the Austria Pension is to make the specified contributions. During each of the three years ended 31 March 2023 and six months ended 30 September 2023, the total amounts contributed by the Group to such scheme and costs charged to the profit or loss represents contributions paid or payable to the scheme by the Group at rates specified in the rules of the scheme. The retirement benefits scheme contributions made by the Group amounted to HK$77,000, HK$97,000, HK$83,000, HK$44,000 (unaudited) and HK$81,000 for the years ended 31 March 2021, 2022 and 2023 and six months ended 30 September 2022 and 2023, respectively.

These is no statutory requirement for the Group to participate any retirement benefit scheme for the employees in the Czech Republic and Germany during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

The Group is not obligated for any payment to the retirement benefit schemes in Germany and the Czech Republic during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged throughout the each of the three years ended 31 March 2023 and six months ended 30 September 2023.

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

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

31. FINANCIAL INSTRUMENTS

Categories of financial instrument

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets				
Amortised cost	51,257	119,396	186,664	117,779
Financial assets at FVTPL	26,984	41,047	21,089	21,378
Financial liabilities				
Amortised cost	109,386	97,429	84,120	92,220

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, amounts due from fellow subsidiaries, amount due from an intermediate holding company, loan to a related party, financial assets at FVTPL, cash and cash equivalents, pledged bank deposits, trade payables, other payables, bank and other borrowings and lease liabilities.

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

Currency risk

The Group has transactions denominated in foreign currencies for its casino and hotel operations, which expose the Group to foreign currency risk. All of the Group's receipt of its casino operations are denominated in EUR and some of the financial assets are denominated in USD and GBP, other than the functional currency of the group entity, during each of the three years ended 31 March 2023 and six months ended 30 September 2023.

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

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

	As at 31 March			As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
Assets				
EUR	46,659	81,506	38,300	48,898
USD	2,551	2,096	50,698	8,735
GBP	-	-	40,382	1,596
Liabilities				
EUR	101,154	87,036	74,002	72,777

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Currency risk - continued

Sensitivity analysis - continued

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

	(Decrease) increase in profit after tax			
		As at 31 March		As at 30 September
	2021	2022	2023	2023
	HK$'000	HK$'000	HK$'000	HK$'000
EUR	(2,207)	(224)	(1,446)	(967)
USD	103	85	2,053	354
GBP	-	-	1,635	65

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the Group's fixed-rate pledged bank deposits, lease liabilities, and bank and other borrowings as at 31 March 2021, 2022, 2023 and 30 September 2023 and amount due from a fellow subsidiary as at 31 March 2023.

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and variable-rate bank borrowing as at 31 March 2021, 2022, 2023 and 30 September 2023 and loan to a related party as at 31 March 2023.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the Czech Republic and Germany deposit rate arising from the Group's bank balances, the Sterling Overnight Index Average arising from the Group's loan to a related party and the 3-month EURIBOR rate arising from bank borrowings.

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

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Interest rate risk - continued

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for loan to a related party, variable-rate bank deposits and bank borrowing for each of the three years ended 31 March 2023 and six months ended 30 September 2023. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents directors' assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended 31 March 2021, 2022 and 2023 and six months ended 30 September 2022 and 2023 would increase/decrease by HK$89,000, HK$294,000, HK$424,000, HK$407,000 (unaudited) and HK$226,000 respectively as a result of the Group's exposure to interest rates on its loan to a related company and variable-rate bank deposits.

If interest rates had been increased/decreased by 50 basis points and all other variables were held constant, the Group's post-tax profit for the years ended 31 March 2021, 2022 and 2023 and six months ended 30 September 2022 and 2023 would decrease/increase by HK$129,000, HK$114,000, HK$101,000, HK$95,000 (unaudited) and HK$97,000 respectively as a result of the Group's exposure to interest rate on its variable-rate bank borrowings.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade receivables, other receivables and deposits, amounts due from fellow subsidiaries, loan to a related party, amount due from an intermediate holding company, pledged bank deposits and bank balances.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of each reporting period. Except for the loan from a related party, the Group do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Credit risk and impairment assessment - continued

Trade receivables

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

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

As at 31 March 2021, 2022, 2023 and 30 September 2023, the Group fully provided HK$90,000 and HK$414,000 and HK$83,000 and HK$78,000 impairment allowance for credit-impaired trade receivables.

The Group's concentration of credit risk on the top five largest debtors accounted for 90%, 64%, 49% and 46%, respectively of the total trade receivables as at 31 March 2021, 2022, 2023 and 30 September 2023, respectively.

Other receivables and deposits (including deposits for gaming licence)

The management of the Group make periodic individual assessment on the recoverability of significant balances based on historical settlement records (if any), past experience, and also available reasonable and supportive forward-looking information. The management of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits having considered the historical settlement records, past experience, and also available reasonable and supportive forward-looking information. For the deposits for gaming licence, the amount is refundable by the Government of the Czech Republic. As at 31 March 2021, 2022, 2023 and 30 September 2023, the Group assessed that the ECL for other receivables and deposits and deposits for gaming licence was insignificant.

Loan to a related party/amounts due from fellow subsidiaries and an intermediate holding company

The Group has concentration of credit risk on the loan to a related party and amount due from a fellow subsidiary as at 31 March 2023.

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Credit risk and impairment assessment - continued

Loan to a related party/amounts due from fellow subsidiaries and an intermediate holding company - continued

The Group performs impairment assessment under 12-month ECL model. The management of the Group continuously monitor the credit quality and financial position of the related company and the level of exposure to ensure that the follow-up action is taken to recover the debt. In the opinion of the management of the Group, the risk of default by the related company is not significant taking into consideration of the collateral value of the loan to a related party and the Group assessed that the ECL on the balance is insignificant as at 31 March 2023 and thus no impairment loss allowance was recognised.

For amounts due from fellow subsidiaries, in the opinion of the management of the Group, the probability of default is negligible as the fellow subsidiaries are financially supported by the ultimate holding company, and concluded that the credit risk is insignificant. Accordingly, the ECL on the balances is insignificant as at 31 March 2023 and 30 September 2023 and thus no impairment loss allowance was recognised.

Bank balances/pledged bank deposits

The credit risk for bank balances and pledged bank deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no history of default in relation to these banks. The Group performs impairment assessment on the bank balances and pledged bank deposits under 12-month ECL model. The management of the Group considers the risk of default is regarded as low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. As at 31 March 2021, 2022, 2023 and 30 September 2023, the Group assessed that the ECL for bank balances and pledged bank deposits were insignificant.

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Credit risk and impairment assessment - continued

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

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

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

					Gross carrying amount			
						As at 31 March		As at 30 September
	Notes	External credit rating	Internal credit rating	12-month of lifetime ECL	2021 HK$'000	2022 HK$'000	2023 HK$'000	2023 HK$'000
Amortised cost								
Trade receivables	17	N/A	Low risk	Lifetime ECL	916	4,876	7,058	9,386
			Loss	Lifetime ECL	90	414	83	78
Other receivables and deposits	18	N/A	Low risk	12-month ECL	2,490	4,971	4,485	4,071
Deposits for gaming licence	18	N/A	Low risk	12-month ECL	10,500	10,800	10,800	20,400
Amounts due from fellow subsidiaries	19(a)	N/A	Low risk	12-month ECL	-	-	35,013	767
Amount due from an intermediate holding company	19(c)	N/A	Low risk	12-month ECL	-	-	-	1,404
Loan to a related party	19(b)	N/A	Low risk	12-month ECL	-	-	39,165	-
Bank balances	20	A1-Aa2	N/A	12-month ECL	21,870	72,635	65,458	55,918
Pledged bank deposits	20	A1-Aa2	N/A	12-month ECL	6,002	4,212	4,059	4,202

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Liquidity risk

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

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

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

Liquidity tables

The Group

	Interest rate %	Less than 1 year HK$'000	1 and 2 years HK$'000	2 - 5 years HK$'000	Over 5 years HK$'000	Undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2021							
Non-derivative financial liabilities							
Trade payables	N/A	5,770	-	-	-	5,770	5,770
Other payables	N/A	907	-	-	-	907	907
Consideration payable (included in other payables)	3.00	2,344	2,344	5,078	-	9,766	9,171
Bank and other borrowings	2.38	14,249	9,808	29,423	50,361	103,841	93,538
		23,270	12,152	34,501	50,361	120,284	109,386
Lease liabilities	2.10	2,056	2,056	6,169	77,056	87,337	57,449
As at 31 March 2022							
Non-derivative financial liabilities							
Trade payables	N/A	7,024	-	-	-	7,024	7,024
Other payables	N/A	2,210	-	-	-	2,210	2,210
Consideration payable (included in other payables)	3.00	2,249	2,249	2,623	-	7,121	6,785
Bank and other borrowings	2.37	10,569	9,409	28,226	38,904	87,108	81,410
		22,052	11,658	30,849	38,904	103,463	97,429
Lease liabilities	2.10	2,134	2,135	6,398	77,142	87,809	60,196
As at 31 March 2023							
Non-derivative financial liabilities							
Trade payables	N/A	6,294	-	-	-	6,294	6,294
Other payables	N/A	3,098	-	-	-	3,098	3,098
Consideration payable (included in other payables)	3.00	2,167	2,167	360	-	4,694	4,539
Bank and other borrowings	3.44	9,788	9,203	27,190	28,412	74,593	70,189
		21,347	11,370	27,550	28,412	88,679	84,120
Lease liabilities	2.15	2,810	2,828	7,792	82,546	95,976	64,866

31. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued

Liquidity risk - continued

Liquidity tables - continued

The Group - continued

	Interest rate %	Less than 1 year HK$'000	1 and 2 years HK$'000	2 - 5 years HK$'000	Over 5 years HK$'000	Undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 30 September 2023							
Non-derivative financial liabilities							
Trade payables	N/A	6,007	-	-	-	6,007	6,007
Other payables	N/A	17,653	-	-	-	17,653	17,653
Consideration payable (included in other payables)	3.00	2,120	1,413	-	-	3,533	3,442
Bank and other borrowings	3 25	9,409	8,962	26,609	23,370	68,350	65,118
		35,189	10,375	26,609	23,370	95,543	92,220
Lease liabilities	2.15	2,662	2,680	7,126	76,746	87,214	60,588

Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

In determining the fair value of the investment fund, the management of the Group have made reference to the quotation from the counterparties and used market-observables data to the extent it is available.

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

Relationships	As at 31 March 2021 HK$'000	As at 31 March 2022 HK$'000	As at 31 March 2023 HK$'000	As at 30 September 2023 HK$'000	Fair value hierarchy	Valuation technique(s) and key input(s)
Investment fund	26,984	41,047	21,089	21,378	Level 2	Based on the net asset values of the fund, determined with reference to the observable (quoted) prices of underlying investment portfolio.

31. FINANCIAL INSTRUMENTS - continued

Fair value measurements of financial instruments - continued

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

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

	31/03/2021			31/03/2022			31/03/2023			30/09/2023		
	Carrying amount HK$'000	Fair value HK$'000	Fair value hierarchy Level	Carrying amount HK$'000	Fair value HK$'000	Fair value hierarchy Level	Carrying amount HK$'000	Fair value HK$'000	Fair value hierarchy Level	Carrying amount HK$'000	Fair value HK$'000	Fair value hierarchy Level
Financial liabilities												
Bank borrowings												
- Fixed rate	60,183	59,052	Level 2	52,027	46,484	Level 2	44,476	38,658	Level 2	40,712	36,093	Level 2

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

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

	Dividend payable HK$'000	Consideration payable HK$'000	Bank and other borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2020	-	10,374	93,009	51,636	155,019
Financing cash flows	-	(2,724)	(13,986)	(1,987)	(18,697)
Finance costs	-	-	2,514	1,137	3,651
Exchange adjustments	-	1,521	12,001	6,663	20,185
At 31 March 2021	-	(9,171)	93,538	57,449	160,158
Financing cash flows	-	(2,588)	(17,085)	(2,099)	(21,772)
Finance costs	-	-	2,284	1,205	3,489
Commencement of new leases	-	-	-	2,000	2,000
Exchange adjustments	-	202	2,673	1,641	4,516
As 31 March 2022	-	6,785	81,410	60,196	148,391
Financing cash flows	-	(2,246)	(13,396)	(2,434)	(18,076)
Finance costs	-	-	2,175	1,401	3,576
Lease reassessment	-	-	-	5,742	5,742
Exchange adjustments	-	-	-	(39)	(39)
At 31 March 2023	-	4,539	70,189	64,866	139,594
Financing cash flows	-	(959)	(5,060)	(1,342)	(7,361)
Finance costs	-	-	1,306	668	1,974
Dividend declared	93,563	-	-	-	93,563
Non-cash transactions (Note 36)	(79,529)	-	-	-	(79,529)
Exchange adjustments	-	(138)	(1,317)	(3,604)	(5,059)
At 30 September 2023	14,034	3,442	65,118	60,588	143,212

32. MOVEMENT ON GROUP'S LIABILITIES ARISING FROM FINANCING ACTIVITIES - continued

	Consideration payable HK$'000	Bank and other borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
At 31 March 2022	6,785	81,410	60,196	148,391
Financing cash flows (unaudited)	(954)	(4,223)	(1,120)	(6,297)
Finance costs (unaudited)	-	986	597	1,583
Exchange adjustments (unaudited)	(654)	(11,307)	(8,360)	(20,321)
At 30 September 2022 (unaudited)	5,177	66,866	51,313	123,356

33. PARTICULARS OF SUBSIDIARIES

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

				Equity interest attributable to the Group						
Name of subsidiaries	Place and date of incorporation/ establishment	Place of operation	Issued and fully paid share capital	As at 31 March 2021 %	As at 31 March 2022 %	As at 31 March 2023 %	As at 30 September 2023 %	As at date of issuance of the consolidated financial statements %	Principal activities	Note
Trans World Germany	Germany	Germany	EUR25.000	100	100	100	100	-	Hotel operations	(a)
Trans World Austria	Austria	Austria	EUR40.000	100	100	100	100	100	Hotel operations	(b)
Palasino Malta Limited ("Palasino Malta")	Malta	Malta	EUR100.000	N/A	100	100	100	100	Development of online gaming	(c)
Palasino Poland Sp.z.o.o (formerly known as 2ConnectU sp.z.o.o) ("Palasino Poland")	Poland	Poland	Polish Zloty ("PLN") 5.000	N/A	N/A	N/A	100	100	Inactive	(d)
Retail Park Milulov s.r.o.	The Czech Republic	The Czech Republic	CZK200.000	N/A	N/A	N/A	N/A	100	Investment holding	(e)

Notes:

(a) The statutory financial statements of Trans World Germany for the years ended 31 March 2021, 2022 and 2023 were prepared in accordance with accounting principles generally accepted in Germany and were audited by Schaffer WP Partner GmbH, certified public accountants registered in Germany.

(b) The statutory financial statements of Trans World Austria for the years ended 31 March 2021, 2022 and 2023 were prepared in accordance with accounting principles generally accepted in Austria. Trans World Austria is exempted from the statutory audit requirement in accordance with Accounting Act of Austria.

(c) The statutory financial statements of Palasino Malta for the period from 8 July 2021 (date of incorporation) to 31 March 2022 and year ended 31 March 2023 were prepared in accordance with International Financial Reporting Standards and were audited by Sada Service Ltd, certified public accountants registered in Malta.

(d) During the six months ended 30 September 2023, the Group acquired the entire equity interest of Palasino Poland at cash consideration of approximately PLN99,000 (equivalent to approximately HK$188,000), the fair value of net assets acquired was approximately PLN30,000 (equivalent to approximately HK$58,000), and acquisition cost for bidding casino licence in Poland amounting to approximately PLN69,000 (equivalent to approximately HK$130,000) was recognised as other operating expenses. The bank balances and cash acquired were approximately PLN6,200 (equivalent to approximately HK$12,000), the net cash outflow arising on acquisition was approximately HK$176,000. Palasino Poland was licenced to conduct car lease brokerage business before the acquisition and such business was ceased on date of acquisition. The acquisition is not accounted for as a business combination, instead it is accounted for as an asset acquisition. The purpose of acquiring Palasino Poland is to bid for casino licences in Poland in the future.

No statutory financial statements of Palasino Poland have been prepared for the period from 11 May 2021 (date of incorporation) to 31 December 2021 and year ended 31 December 2022 as Palasino Poland is exempted from the statutory audit requirement in accordance with Article 64 of Polish Accounting Act.

(e) Retail Park Milulov s.r.o. is acquired after 30 September 2023, the details of the acquisition is stated in Note 33.

Except for Trans World Austria of which the Company holds 94% of the shares and Trans World Germany holds 6% of the shares, all other subsidiaries are directly held by the Company.

None of the subsidiaries had issued any debt securities at 31 March 2021, 2022, 2023 and 30 September 2023.

34. PLEDGE OF ASSETS

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

	2021	2022	2023	As at 30 September 2023
	HK$'000	HK$'000	HK$'000	HK$'000
Pledged bank deposits	6,002	4,212	4,059	4,202
Property and equipment	197,081	183,938	169,988	126,471
	203,083	188,150	174,047	130,673

Apart from above pledged assets, the Group also pledged the entire shareholding of Trans World Austria for the bank borrowings as at 31 March 2021, 2022, 2023 and 30 September 2023.

35. CAPITAL COMMITMENTS

	2021	2022	2023	As at 30 September 2023
	HK$'000	HK$'000	HK$'000	HK$'000
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the consolidated financial statements	-	-	5,885	5,749

36. NON CASH TRANSACTIONS

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

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

36. NON CASH TRANSACTIONS - continued

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

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

37. SUBSEQUENT EVENTS

Subsequent events of the Group are detailed as below.

As part of the reorganization for the listing of the Holding Company, the Company has subsequently disposed the investment in subsidiary of Trans world Germany at a considerations of EUR11,869,000 (equivalent to HK$113,942,000). Upon the completion of transfer of the entire equity interest of Trans World Germany on 22 January 2024, Trans World Germany becomes the wholly owned subsidiary of the Holding Company. The management of the Group is estimating the financial impact for the Group as of the date of issuance of the consolidated financial statements.

On 27 February 2024, the Group has entered into a share purchase agreement (the "SPA") with CAIAC Fund Management AG, an independent third party. Pursuant to the SPA, the Group has acquired the entire equity interest of Retail Park Mikulov s.r.o., at a cash consideration of approximately CZK42,000,000 (equivalent to approximately HK$14,700,000) (the "Transaction"). The principal activity of Retail Park Mikulov s.r.o. is holding an investment property in the Czech Republic. The transaction is accounted for as an asset acquisition. The transaction has been completed on 29 February 2024.

The amount due from FECL amounting to HK$767,000 has been subsequently settled as of the date of issuance of the consolidated financial statements.