

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Group has sought the following waivers from strict compliance with certain provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. We currently only have one executive Director, Mr. Pavel MARŠÍK, who is ordinarily resident in the Czech Republic.

Given that (i) our core business operations are principally located, managed and conducted in the Czech Republic, Germany and Austria; (ii) our executive Director and most of our senior management team principally reside in the Czech Republic, Germany and Austria; and (iii) the management and operations of the Company have mainly been under the supervision of our executive Director and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's businesses and it is important for them to remain in close proximity to our Group's operations, our Company considers that it would be more practical for our executive Director and most of our senior management to remain ordinarily resident in the places where our Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures to ensure that regular communication is maintained between the Stock Exchange and us:

- (a) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorised representatives are Mr. Cheong Thard HOONG and Mr. Kwok Tai LAW, who will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone and email;
- (b) each of the authorised representatives will have all necessary means to contact all our Directors (including the independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact our Directors on any matter;
- (c) each Director who is not ordinarily resident in Hong Kong possesses or is able to apply for valid travel documents to visit Hong Kong for business purposes and would be able to meet with the Stock Exchange upon reasonable notice;
- (d) Altus Capital Limited, our compliance adviser, will act as an additional channel of communication with the Stock Exchange; and

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) each Director will provide his or her contact details, including mobile phone numbers, office phone numbers, fax numbers and e-mail address to the Stock Exchange.

THE POST-TRACK RECORD PERIOD ACQUISITION

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

- (a) that all the percentage ratios (as defined under Rule 14.07 of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;
- (b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (c) (i) where a new applicant's principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rules 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, "control" means the ability to exercise or control the exercise of 30% (or any amount specified in the Hong Kong Code on Takeovers and Mergers as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or (ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

of the Listing Rules on each acquisition. In this regard, "unduly burdensome" will be assessed based on each new applicant's specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target's books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

On 27 February 2024, Palasino Group entered into a framework share purchase agreement with the Vendor, pursuant to which Palasino Group agreed to purchase 100% of the shareholding interest in Retail Park Mikulov held by the Vendor for a cash consideration of CZK42.0 million (equivalent to approximately HK\$14.7 million) (subject to adjustment by reference to net asset value less bank debt, which adjustment is estimated to be approximately CZK1.1 million (equivalent to approximately HK\$0.4 million)). The consideration was determined after arm's length negotiation with reference to, among others, the financial statements of Retail Park Mikulov (including but not limited to the net asset value), the location of the Property and the prevailing market price in the vicinity of the Property. Retail Park Mikulov is principally engaged in rental of real estate and non-residential premises, and management of own property. Retail Park Mikulov is the owner of the Property in Mikulov of the Břeclav District of the Czech Republic, which is situated on the main route between the Austrian capital, Vienna, and the second-largest city in the Czech Republic, Brno. Our Group intends to convert the Property into a land-based casino. Taking into account the prime location of the Property held by Retail Park Mikulov, which is in line with our Group's strategy of locating our casinos close to borders and major cities, it is believed that the Mikulov Acquisition represents a good opportunity for our Group to expand the footprint of its land-based casino operations in the Czech Republic. The Mikulov Acquisition was completed by the end of February 2024.

Based on the unaudited management accounts of Retail Park Mikulov provided by the Vendor, Retail Park Mikulov's total assets amounted to approximately CZK45,812,000 (equivalent to approximately HK\$15,962,369) as at 30 September 2023. Its net loss before tax was approximately CZK15,000 (equivalent to approximately HK\$5,226) for the year ended 31 March 2022 and its net loss after tax was approximately CZK276,000 (equivalent to approximately HK\$96,167) for the year ended 31 March 2022. Its net loss before tax was approximately CZK1,059,000 (equivalent to approximately HK\$368,990) for the year ended 31 March 2023 and its net loss after tax was approximately CZK924,000 (equivalent to approximately HK\$321,951) for the year ended 31 March 2023.

To the best of our Company's knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the Mikulov Acquisition on the following grounds:

- i. **Immateriality** — the scale of the business operated by Retail Park Mikulov as compared to that of our Group is not material. Based on the financial

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

information of Retail Park Mikulov available to our Company, each of the assets ratio, revenue ratio and consideration ratio in relation to the Mikulov Acquisition is below 5%. In addition, notwithstanding that the Mikulov Acquisition represents a suitable strategic acquisition target of our Group, the Mikulov Acquisition will not result in any significant change to our financial position since 31 March 2023 and all information that is reasonably necessary for the [REDACTED] to make an informed assessment of the activities or our financial position has been included in this document. As such, a waiver from compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [REDACTED] public.

- ii. **Impracticality** — Given the Mikulov Acquisition had only completed in end of February 2024, it would require considerable time and resources from our Company and our reporting accountants to fully familiarise themselves with the accounting system and accounting policies of Retail Park Mikulov to compile the necessary financial information for disclosure in this document, especially given Retail Park Mikulov had undergone a change in financial year end from 31 March to 31 December in 2023. Accordingly, having considered the immateriality of the Retail Park Mikulov as well as the time and resources required to obtain, compile and audit such historical information in conformity with our Company's accounting policies, it would be unduly burdensome for our Company to prepare and include the full historical financial information of Retail Park Mikulov in this document.
- iii. **Alternative disclosure** — with a view to allowing [REDACTED] to understand the Mikulov Acquisition in greater detail, we have included in this document the following information regarding the Mikulov Acquisition, which is comparable to the information that is required to be included in the announcement of a discloseable transaction under Chapter 14 of the Listing Rules, including: (a) general description of the scope of principal business activities of Retail Park Mikulov; (b) confirmation that the Vendor and its ultimate beneficial owner are Independent Third Parties; (c) the consideration of the Mikulov Acquisition; (d) the basis on which the consideration is determined; (e) how the consideration is expected to be satisfied; (f) the net loss (before and after tax) of Retail Park Mikulov for the two financial years immediately preceding the Mikulov Acquisition; (g) the total assets of Retail Park Mikulov as at 30 September 2023; and (h) reasons for and benefits of the Mikulov Acquisition.