Asia Orient Holdings Limited

Annual Report 2026

HKSE Stock Code: 214

Contents

Corporate Information

Directors

Executive

Mr. Fung Siu To, Clement *(Chairman)*
Mr. Poon Jing *(Managing Director and Chief Executive)*
Mr. Poon Hai
Ms. Poon Tsing, Rachel
Mr. Poon Yeung, Roderick
Mr. Kwan Po Lam, Phileas
Mr. Chu Wai Ming, Benson *(appointed on 13 January 2026)*

Independent Non-executive

Mr. Cheung Kwok Wah
Mr. Leung Wai Keung, *JP*
Mr. Ma Ho Fai, *GBS JP*
Mr. Wong Chi Keung

Audit Committee

Mr. Wong Chi Keung *(Chairman)*
Mr. Cheung Kwok Wah
Mr. Leung Wai Keung, *JP*
Mr. Ma Ho Fai, *GBS JP*

Remuneration Committee

Mr. Wong Chi Keung *(Chairman)*
Mr. Fung Siu To, Clement
Mr. Leung Wai Keung, *JP*

Nomination Committee

Mr. Fung Siu To, Clement *(Chairman)*
Ms. Poon Tsing, Rachel
Mr. Leung Wai Keung, *JP*
Mr. Ma Ho Fai, *GBS JP*
Mr. Wong Chi Keung

Authorised Representatives

Mr. Fung Siu To, Clement
Mr. Tung Kwok Lui

Company Secretary

Mr. Tung Kwok Lui

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31 Victoria Street,
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33 Lockhart Road,
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Facsimile 2866 3772
Website https://www.asiaorient.com.hk
E-mail aoinfo@asiastandard.com

Principal Bankers

HSBC
Bank of China (Hong Kong)
Chong Hing Bank
United Overseas Bank
Hang Seng Bank
The Bank of East Asia
Shanghai Commercial Bank
Huaxia Bank
Bank of Communications
Dah Sing Bank
Fubon Bank (Hong Kong)
CMB Wing Lung Bank
DBS Bank (Hong Kong)
Chiyu Banking Corporation

Legal Advisers

Stephenson Harwood
43/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

Appleby
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979 King's Road,
Quarry Bay, Hong Kong

Independent Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor, Prince's Building,
Central, Hong Kong

Share Registrar in Bermuda

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court,
22 Victoria Street,
PO Box HM 1179,
Hamilton HM EX,
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Financial Highlights

For the year ended 31 March (In HK$ million, except otherwise indicated)	2026	2025	Change
Consolidated profit and loss account			
Revenue	**6,421**	2,509	+156%
Loss attributable to shareholders	**(1,088)**	(2,235)	-51%
Loss per share — basic	**HK$(1.29)**	HK$(2.66)	-52%
Underlying loss attributable to shareholders*	**(183)**	(302)	-39%

* represents net loss attributable to shareholders, excluding change in fair value of investment properties, any realised or unrealised gains or losses on the financial investment portfolio, and their related tax effects.

Consolidated balance sheet			
Total assets	**29,333**	34,638	-15%
Net debt	**12,236**	14,229	-14%
Net assets	**13,772**	14,884	-7%
Shareholders' equity	**7,186**	7,765	-7%
Net assets attributable to shareholders per share	**HK$8.55**	HK$9.23	-7%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	**37,617**	42,578	-12%
Revalued net assets	**22,519**	23,300	-3%
Revalued shareholders' equity	**11,569**	12,025	-4%
Gearing — net debt to revalued net assets	**54%**	61%	-7%

Note: According to the Group's accounting policies, hotel properties were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of hotel properties and excluding the corresponding deferred income tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain tax.

The hotel properties were revalued by Vincorn Consulting and Appraisal Limited (2025: same), independent professional valuer, on an open market value basis.

Chairman's Statement

The Group reported a 156% increase in revenue to HK$6.4 billion this year mainly contributed from the sales recognition of our wholly-owned development project, High Park, in Hung Shui Kiu. Loss attributable to shareholders reduced by 51% to HK$1.1 billion, mainly due to non-cash investment properties revaluation loss and further expected credit loss provision for financial investments. Net cash generated from operations amounted to HK$2.9 billion for the year ended 31 March 2026.

Despite the challenging global conditions — characterised by persistent geopolitical tensions and regional conflicts — the Chinese Mainland and Hong Kong have shown remarkable resilience. This resilience has provided a supportive backdrop for our operations, enabling us to capitalise on emerging opportunities while navigating external headwinds.

The Group's hospitality segment has been a particular standout, capturing outsized gains from the structural recovery in Hong Kong's tourism sector. Our portfolio achieved an extraordinary average occupancy rate of 99% across the year, delivering 31% growth in Hotel net operating income compared to the previous year.

Concurrently, the Hong Kong property market has experienced a strong, structurally supported recovery. We are capitalising on this rebound through our premium development projects.

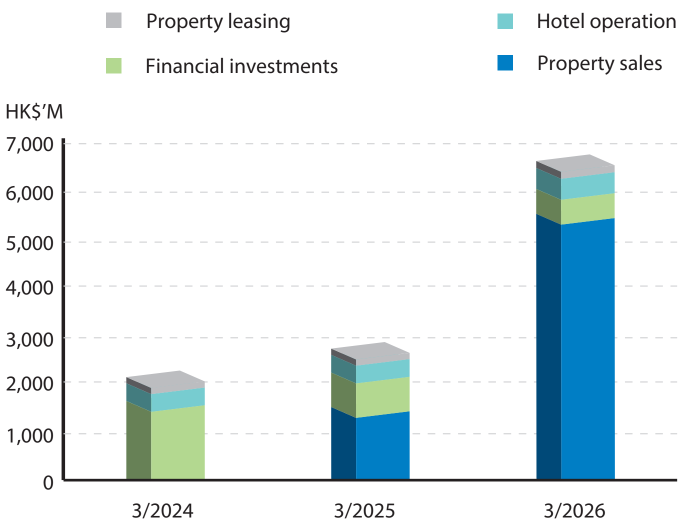
Financial prudence remains our absolute priority. The Group is fully committed to deleverage and lower the finance costs against prolonged macroeconomic volatility.

On behalf of the Board, I would like to express our sincere gratitude to our management team and all employees for their dedication and hard work. I also extend our appreciation to our principal bankers for their continued support and valued partnership throughout the year. Finally, I thank our shareholders, business partners, and other stakeholders for their enduring trust and support.

Fung Siu To, Clement
Chairman

Hong Kong, 29 June 2026

Segment revenue



Business Model and Strategies

With over 40 years of experience, the Group is principally engaged in the development and investment of properties in prime locations focusing in Hong Kong, Beijing, Shanghai, and Vancouver. It has established a well-diversified business model comprising three core operating segments: property development for sales, property leasing, and hotel operations. While our property development arm serves as the primary growth driver, rental income from our hotel group and investment properties provides the Group with a stable, reliable, and recurring income stream. This diversification enhances the Group's resilience by mitigating the adverse effects of market volatility and offsetting the cyclicality inherent in certain parts of our business.

The Group remains focused on enhancing the performance of its core business and will continue to generate shareholder value by pursuing investment opportunities aligned with the following strategies:

(i) Build-to-sell strategy to maximise shareholder returns and accelerate capital recycling

Having successfully anchored our balance sheet with premium, cash-generative recurring income assets, our strategic focus will shift toward an agile, high-velocity build-to-sell strategy designed to maximise shareholder returns and accelerate capital recycling.

(ii) Continue to grow our self-managed Empire Hotels pursuing excellence in management and operations

The Group owns and operates five hotels under the "Empire" brand, all of which are located in Hong Kong's prime visitor locations. Our hospitality chain benefits from a centralised management team that optimises revenue generation and ensures efficient resource deployment to maximise cost efficiency. The prime locations allow us to cater to both business and leisure travelers, which, combined with competitive pricing, consistently drives high occupancy rates.

(iii) Grade A office buildings in prime locations

The Group has two wholly-owned Grade A office buildings strategically located in Central and Wanchai, key commercial districts in Hong Kong. These prime assets generate stable and recurring rental income, underpinned by strong demand from multinational corporations, financial institutions, and professional services firms. We will continue to proactively upgrade building specifications, enhance energy efficiency, and improve tenant amenities to maintain a competitive edge. Our ongoing asset management initiatives are designed to preserve high occupancy rates, secure quality tenants, and drive sustainable rental growth over the long term.

(iv) Continue to manage risk effectively through a prudent financial management policy

As the Group operates in a capital-intensive industry, we have adopted a comprehensive risk management framework to monitor risk and manage debt exposures in a conservative and prudent manner. We seek to maintain a strong balance sheet with a reasonable level of gearing. Moving forward, we will continue to uphold a robust financial position supported by healthy liquidity.

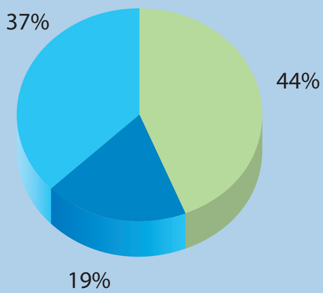
We are confident that these strategies will deliver maximum long-term value to our shareholders.

Management Discussion and Analysis

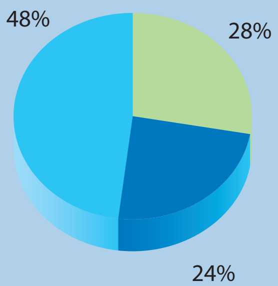
Annual Results Review FY2025/2026

Overall revenue of the Group for the financial year ended 31 March 2026 increased by 156% to HK$6,421 million and operating loss decreased by 69% to HK$905 million. The Group reported a net loss attributable to shareholders of HK$1,088 million (2025: loss of HK$2,235 million), mainly attributable to a net financial investment loss of HK$1,414 million (2025: HK$3,230 million), comprising both impairment charges and realised losses, and a revaluation loss on investment properties of HK$542 million (2025: HK$633 million).

Principal properties



Type	Attributable GFA (sq. ft.)
Residential	676,000
Office and retail	574,000
Hotel	291,000
Total	1,541,000



Region	Attributable GFA (sq. ft.)
HK	734,000
Mainland China	433,000
Canada	374,000
Total	1,541,000

*Residential development "**High Park**" in **Hung Shui Kiu***

Properties Sales, Leasing and Hotel

Sales and Development

Sales momentum continued across the Group's projects in **Hong Kong, Beijing, and Vancouver**. The Group's attributable contracted sales for the year amounted to HK$869 million (2025: HK$1,759 million).

Hong Kong

- **High Park:** Neighbouring the Hung Shui Kiu light-rail station, this wholly-owned development is a mixed-use project comprising 1,025 residential units, 60,300 square feet of retail space, and a basement car park. Following the issuance of the Certificate of Compliance in June 2025, the Group successfully completed the sale and delivery of 1,024 residential units. The project contributed a total revenue of HK$4.8 billion to the Group.

- **High Peak:** Located on Po Shan Road in the Mid-Levels of Hong Kong Island, this high-end luxury residential development comprises 16 prestigious units and is held through a 50%-owned joint venture. The development has achieved international recognitions, securing three accolades at the Asia Pacific Property Awards. During the financial year, a total of 8 units were sold, generating contracted sales of HK$1,648 million (2025 and 2024: 2 units with HK$473 million).

- **Dukes Place:** Situated in Jardine's Lookout, this luxury residential joint venture project is 20%-owned by the Group. The remaining prestige penthouse was successfully sold during the financial year for HK$420 million. Total sales for the project reached HK$3.8 billion.

Management Discussion and Analysis

*Residential development "**High Peak**" at **Po Shan Road***

- **Repulse Bay:** Located on a prime site in Repulse Bay, this super-luxury single-house development spans approximately 11,000 square feet. The Group holds a 50% ownership interest in the project, for which an occupation permit was obtained in May 2026.

- **Lam Tei, Tuen Mun:** The Group holds 100% ownership of this residential project, which has a gross floor area (GFA) of approximately 118,000 square feet. An application is currently pending review by the Government's Town Planning Board.

Beijing

- **Capital Cove (Beijing):** This 50%-owned mixed-use joint venture in Tongzhou spans a gross floor area of approximately 2.36 million square feet, featuring 964 residential units and two commercial towers. As of 31 March 2026, total 853 units (89%) have been sold, generating cumulative sales amounts of approximately RMB5.5 billion. While substructure works for the commercial towers are finished, the Group is currently advancing the superstructure's design and planning phases.

Vancouver

- **Landmark on Robson:** This wholly-owned development is a mixed-use project located in the prime downtown area of Vancouver, Canada. Out of 236 residential units, 147 units (62%) have been successfully sold, generating CAD293 million in cumulative contracted sales (2025: CAD252 million), with 96% of the sold units already delivered to buyers. The retail component continues to perform steadily, with 7 out of 10 strata retail units currently leased and generating stable cash flow, while the remaining 3 units are projected for occupancy within the next twelve months. In addition, 5 out of 13 office units have been sold, generating total revenue of CAD7.4 million.

*Development project **"Landmark on Robson"** in **Vancouver, Canada***

- **1468 Alberni Street:** The Group is actively refining the architectural and structural layout of this major redevelopment project to optimise efficiency and enhance long-term asset value. Strategic adjustments focus on maximising net saleable area (NSA) and optimizing unit configurations to precisely align with current market demand. Concurrently, the Group has submitted a proposal to the City of Vancouver to satisfy its Community Amenities Contribution (CAC) obligations via the provision of city-owned non-market rental housing instead of a cash settlement. This proposal is currently undergoing active municipal and public review.

- **1650 Alberni Street:** Management is strategically repositioning this development asset to capitalise on newly introduced Vancouver municipal building regulations. These updated zoning guidelines permit substantial increases in building height and significantly larger floor plates, with potential floor plate expansions growing from 5,500 square feet to 8,000 square feet per floor. This value-uplift strategy materially enhances the project's underlying economic viability. A formal rezoning application is targeted for submission in early 2027.

Leasing

During year, leasing income increased by 12% to HK$145 million (2025: HK$129 million), supported by improved occupancy levels across the portfolio. Notwithstanding this, the Group recorded a net revaluation loss of HK$743 million (2025: HK$809 million), which includes its share of losses from joint ventures and associated companies.

Hotel

Hong Kong's hotel sector experienced a robust recovery since 2025, underpinned by a significant increase in visitor arrivals. The city benefited from a diverse calendar of events and cultural activities actively promoted by the HKSAR Government.

Management Discussion and Analysis

For the year ended 31 March 2026, Hong Kong recorded approximately 52 million visitor arrivals, representing a year-on-year increase of 14%. Visitors from the Chinese Mainland remained the primary contributor, accounting for 76% of total arrivals, of which 39% were overnight visitors.

Benefiting from prime locations in key tourist districts including Tsim Sha Tsui, Wan Chai and Causeway Bay, the Group's five hotels achieved an average occupancy rate of 99% (2025: 93%) throughout the year. This strong operating performance resulted in a 18% increase in total revenue to HK$436 million (2025: HK$369 million) and a 31% increase in net operating income ("NOI") to HK$234 million (2025: HK$178 million).

Financial Investments

As at 31 March 2026, the Group's financial investment portfolio amounted to approximately HK$1,824 million (2025: HK$1,870 million). The investment portfolio comprised approximately 91% listed debt securities (predominantly issued by PRC-based real estate companies), 3% listed equity securities and 6% unlisted investments. The portfolio is denominated in multiple currencies, with approximately 50% in Renminbi, 47% in United States Dollars and 3% in other currencies (primarily Hong Kong dollars).

Under applicable accounting standards, income generated from the investment portfolio totalled HK$517 million (2025: HK$718 million). Provisions have been made against the recoverability of interest income. The year-on-year decrease was primarily attributable to debt restructuring and disposals, together with an increase in expected credit loss provisions on debt securities.

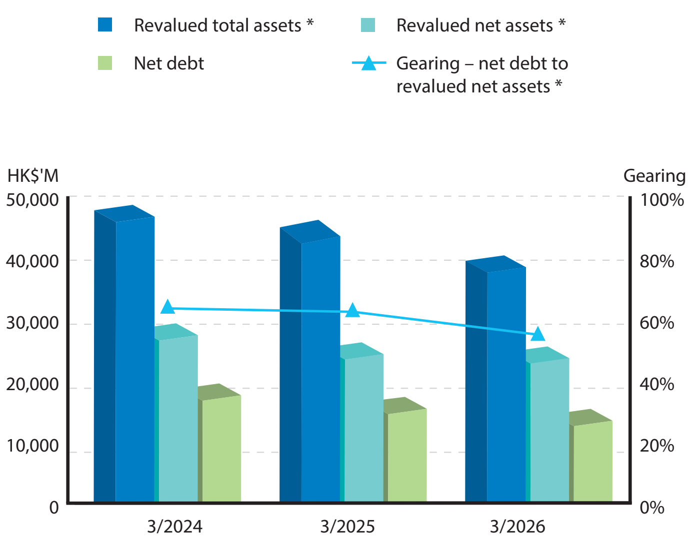
None of the Group's financial investments were pledged as security for borrowings or credit facilities. Furthermore, fair value adjustments and provisions for losses do not affect the Group's cash flow position.

Financial Management

The Group continues to adopt a prudent approach in managing its capital structure and regularly reviews its financial forecasts to ensure adequate liquidity and financial flexibility.

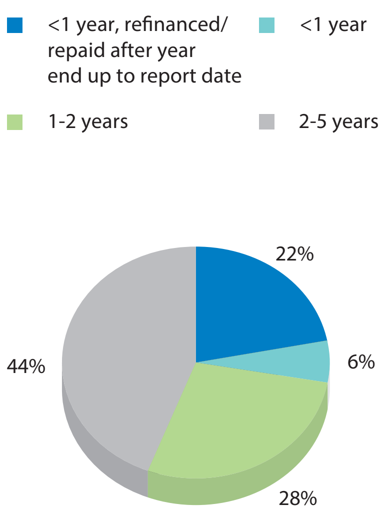
As at 31 March 2026, net debt decreased by 14% to HK$12.2 billion (2025: HK$14.2 billion). Accordingly, the gearing ratio (net debt to revalued net assets) improved to approximately 54% (2025: 61%).

Revalued total assets*, revalued net assets*, net debt and gearing



* with hotel properties at valuation

Debt maturity profile as at 31 March 2026



The maturity of the Group's gross borrowings is set out as follows:

	At 31 March 2026 HK$'000	At 31 March 2025 HK$'000
Repayable:		
Within one year	**4,052,746**	5,078,084
Between one and two years	**3,921,569**	3,663,122
Between two to five years	**6,285,150**	7,191,722
Total bank borrowings	**14,259,465**	15,932,928
Bank deposits and cash	**(2,023,320)**	(1,704,283)
Net debt	**12,236,145**	14,228,645

The Group's borrowings are denominated in Hong Kong dollars and are all subject to floating interest rates. The Group has entered into interest rate swap contracts with an aggregate notional amount of HK$690 million. The use of such derivative instruments is strictly controlled and is solely for hedging purposes in relation to the Group's underlying exposures arising from its core business operations.

As at 31 March 2026, certain assets of the Group's subsidiaries with an aggregate carrying value of HK$20.5 billion (2025: HK$25.6 billion) were pledged as security for bank borrowings. In addition, the Group has provided guarantees in respect of bank loan facilities granted to joint ventures and associated companies amounting to HK$1,919 million (2025: HK$2,473 million).

Employees and Remuneration Policies

At 31 March 2026, the Group employed approximately 250 (2025: 340) employees.

The Group's remuneration packages, including basic salaries, discretionary bonuses, share-based incentives, retirement benefits and other fringe benefits, are determined with reference to individual responsibilities, qualifications, experience and prevailing market conditions.

Management Discussion and Analysis

Market Outlook

While global macro uncertainties persist — including geopolitical tensions and regional conflicts — the Chinese Mainland and Hong Kong are demonstrating greater structural resilience.

Notably, Hong Kong's residential property market is experiencing a strong recovery in 2026. Looking ahead, the market has entered the year with renewed confidence and clear signs of sustained momentum. After three years of price declines, stabilised interest rates, supportive government policies, resilient rental yields, favourable wealth management corridors, and targeted government talent and capital-inflow schemes have unlocked substantial pent-up demand from both domestic buyers and affluent Mainland investors. Accordingly, we expect positive price growth, improved rental performance, and healthy transaction volumes in the year ahead, which will support our strategic initiatives and business performance.

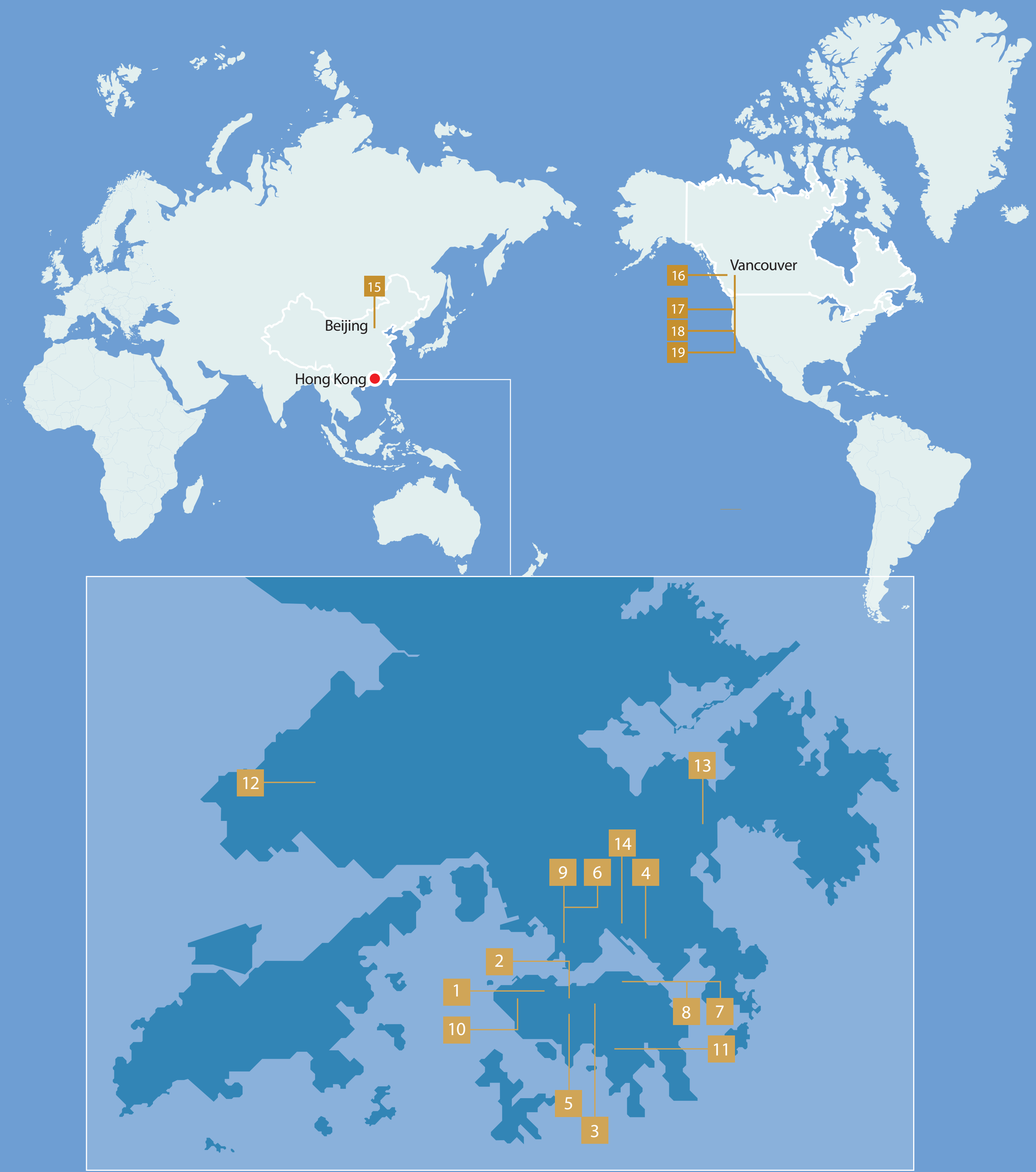
For the hotel business, the Group remains confident in Hong Kong's vibrant future, underpinned by promising long-term tourism growth. Key drivers include the deepening integration of the Greater Bay Area — facilitated by policies like "multiple-entry" Individual Visit Endorsements and "Southbound Travel for Guangdong Vehicles" — and the expansion of the Individual Visit Scheme to more mainland cities. These initiatives are set to sustain a robust influx of visitors. According to the HKSAR Government and the Hong Kong Tourism Board (HKTB), visitor arrivals climbed 15% year-on-year to approximately 18.52 million in the first four months of 2026. Furthermore, the "Development Blueprint for Hong Kong's Tourism Industry 2.0" provides a strategic framework from 2025 to 2030, and the government's vigorous promotion of a mega-event economy is fully aligned with our hotel business growth.

For commercial property, we envisage gradual but sustained growth in prime locations. Hong Kong's reaffirmed position as the world's premier wealth management centre and the leading IPO market in 2025 has provided a strong tailwind for the sector's recovery. The influx of global capital — together with the establishment of new family offices, asset management firms, and listed companies — has steadily driven up demand for prime Grade A office spaces across core districts. As financial institutions, professional services firms, and corporate headquarters continue to expand their footprint in Hong Kong, we are seeing vacancy rates compress steadily and prime rents stabilise before beginning a gradual upward trajectory. Looking ahead, we remain confident that Hong Kong's enduring status as Asia's leading financial gateway will continue to support this positive momentum.

As always, financial prudence remains our absolute priority. The Group is fully committed to continuous deleveraging. Capital discipline and rigorous cost control will govern every operational decision as we aggressively fortify our balance sheet, reduce finance costs, and optimise our capital structure to ensure long-term flexibility and sustainability.

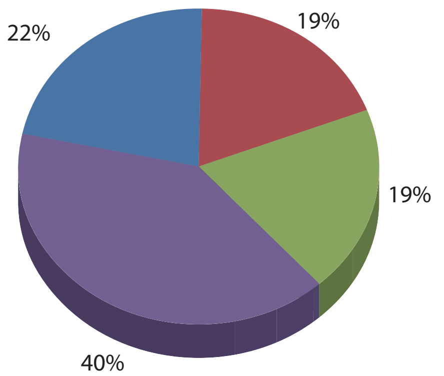
Principal Properties

As at 31 March 2026



Principal Properties

As at 31 March 2026



	Attributable GFA (sq. ft.)
Properties under development for sale	618,000
Completed properties held for sale	346,000
Hotel properties	291,000
Investment properties	286,000
Total	1,541,000

	Properties	Group's interest	Approx. site area (sq. ft.) (Note 1)	Approx. gross floor area (sq. ft.) (Note 1)	Type (Note 2)	Stage/ Estimated completion year	Land lease expiry
01	**Asia Standard Tower** 59-65 Queen's Road Central, Hong Kong	50.1%	7,800	133,000	C	Completed	2842
02	**YF Life Tower** 33 Lockhart Road, Wanchai, Hong Kong	50.1%	12,600	202,000	C	Completed	2127
03	**Goldmark** 502 Hennessy Road, Causeway Bay, Hong Kong	16.5%	6,300	106,000	C	Completed	2842
04	**Harbourside HQ** 8 Lam Chak Road, Kowloon Bay, Kowloon	12.5%	70,400	800,000	C	Completed	2047
05	**Empire Hotel Hong Kong** 33 Hennessy Road, Wanchai, Hong Kong	50.1%	10,600	184,000 (363 rooms)	H	Completed	2062
06	**Empire Hotel Kowloon** 62 Kimberley Road, Tsim Sha Tsui, Kowloon	50.1%	11,400	220,000 (343 rooms)	H	Completed	2047
07	**Empire Hotel Causeway Bay** 8 Wing Hing Street, Causeway Bay, Hong Kong	50.1%	6,200	108,000 (280 rooms)	H	Completed	2072
08	**Empire Prestige Causeway Bay** 8A Wing Hing Street, Causeway Bay, Hong Kong	50.1%	2,000	35,000 (94 rooms)	H	Completed	2072
09	**Empire Prestige Tsim Sha Tsui** 8 Kimberley Street, Tsim Sha Tsui, Kowloon	50.1%	2,800	34,000 (90 rooms)	H	Completed	2038

Principal Properties

As at 31 March 2026

Properties	Group's interest	Approx. site area (sq. ft.) (Note 1)	Approx. gross floor area (sq. ft.) (Note 1)	Type (Note 2)	Stage/Estimated completion year
10 **High Peak** 23 Po Shan Road, Hong Kong	25.1%	8,900	48,000 (Note 3)	R	Completed
11 92 Repulse Bay Road, Repulse Bay, Hong Kong	25.1%	10,000	9,000	R	Superstructure/2026
12 Lam Tei DD130, Tuen Mun, New Territories	50.1%	18,500	83,700	R	Land exchange/–
13 Sha Ha DD221, Sai Kung, New Territories	2.9%	735,000	1,080,000	R	Land exchange/–
14 **Kowloonbay International Trade and Exhibition Centre** 1 Trademart Drive, Kowloon Bay, Kowloon	3.8%	239,800	1,787,000	R/C/H	Foundation/2030
15 **Capital Cove** 72 Yong Shun Street West, Tongzhou District, Beijing, PRC	25.1%	361,600	1,727,000 (Note 3)	R/C	(R) Completed (C) Sub-structure/2027
16 **Landmark on Robson** 1400 Robson Street, Vancouver, B.C., Canada	50.1%	21,700	209,000	R/C	Completed
17 1394 Robson Street, Vancouver, B.C., Canada	50.1%	8,600	130,000	R/C	Planning/–
18 1488 Alberni Street, Vancouver, B.C., Canada	20.0%	43,300	624,000	R	Planning/–
19 1650 Alberni Street, Vancouver, B.C., Canada	20.0%	17,300	394,000	R/C	Planning/–

Notes:

1. Site area and gross floor area are calculated on the basis of the Building Department's approved plans or the Government's latest town planning parameters, as well as the Group's development plans. For certain projects, these details may be subject to change depending on the actual needs in future.
2. R = Residential C = Commercial H = Hotel
3. Representing remaining area of the projects.

Five-year Financial Summary

Year ended 31 March (in HK$ million)	**2026**	2025	2024	2023	2022
Results					
Revenue	**6,421**	2,509	1,903	2,303	2,789
Gross profit	**1,624**	1,596	1,752	2,198	2,707
Operating (loss)/profit	**(905)**	(2,954)	(6,503)	823	(1,288)
(Loss)/profit attributable to shareholders	**(1,088)**	(2,235)	(3,769)	429	(906)
Assets and liabilities					
Total assets	**29,333**	34,638	38,212	42,680	39,520
Total liabilities	**(15,561)**	(19,753)	(20,094)	(18,724)	(19,469)
Non-controlling interests	**(6,586)**	(7,120)	(8,611)	(11,301)	(9,574)
Shareholders' equity	**7,186**	7,765	9,507	12,655	10,477

Supplementary information with hotel properties at valuation:					
Revalued total assets	**37,617**	42,578	46,048	49,632	45,223
Revalued net assets	**22,519**	23,300	26,442	31,408	26,267
Revalued shareholders' equity	**11,569**	12,025	13,324	16,072	13,327

Reporting Standard and Scope

This environmental, social and governance ("ESG") report covers the financial year ended 31 March 2026 (the "reporting year") and addresses all the "comply or explain" provision under each Aspect of the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Board Statement

The Group views sustainability as a long-term wealth creation strategy. It aims to contribute to a more sustainable future by integrating ESG principles into its operations and management.

This ESG Report has been approved by the Board of Directors, which also oversees the integration of ESG strategies, policies, procedures and initiatives into the Group's business operations, with the objective of enhancing long-term viability, performance and development.

Through its stakeholder engagement approach, the Group seeks to gain a deeper understanding of the ESG issues that are most important to its stakeholders by identifying and prioritising key ESG concerns. The identified material ESG issues are incorporated into the Group's business strategy and ESG initiatives.

During the year under review, the Group enhanced the climate change disclosure in accordance with the Listing Rules. In addition, sustainable finance has been incorporated as a key component of the Group's ESG approach throughout its business lifecycle.

In May 2022, the Group successfully obtained its first HK$1.4 billion four-year sustainability-linked loan facility. The facility was provided by six syndicated banks, with HSBC and Bank of China acting as coordinators and sustainability structuring banks. The loan includes an interest rate adjustment mechanism linked to the annual achievement of predefined environmental-related sustainability performance targets, including reductions in energy and water consumption across the Group's hotels. The Hong Kong Quality Assurance Agency ("HKQAA"), an independent verification body, has been engaged to review the Group's overall sustainability strategies and objectives, select appropriate KPIs, establish review procedures, and report on actions and progress in line with the sustainability framework.

Reporting Principles

The ESG Report has been prepared in accordance with the reporting principles of the ESG Reporting Guide.

Materiality: The materiality of the respective aspects has been identified and prioritised by the Board and senior management. The results are disclosed in the sections "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The ESG Report follows the ESG Reporting Guide, and KPIs are disclosed in quantitative terms where appropriate.

Balance: The ESG Report has been reviewed and approved by the Board and senior management to ensure that the information presented is unbiased and as accurate as possible.

Consistency: The ESG Report has been prepared using a consistent methodology with that of the previous financial year to enable meaningful comparison of the Group's disclosures and KPIs.

Environmental, Social and Governance Report

Reporting Boundary

The scope of this ESG Report encompasses the Group's primary business activities and core operations across Hong Kong, the PRC, and Canada. Unless otherwise specified, these operations consist of property investment, property development, and hotel management.

Stakeholder Engagement

The Group has consistently maintained strong relationships with its stakeholders through ongoing communication and an understanding of their concerns regarding ESG-related issues.

Understanding stakeholders' expectations and concerns is important to the Group's management strategy and sustainable development. The table below sets out the various communication channels and engagement methods adopted by the Group with its stakeholders:

Stakeholders	Communication Channel
Shareholders and investor	• Annual general meeting • Annual and interim reports • Circulars and announcements • Company website
Employees	• Staff appraisals • Team activities
Customers/Tenants	• Phone/Customer hotline • Media • Personal contact
Suppliers and partners	• Business meetings • Phone calls and emails • Site visits
Regulatory bodies and government authorities	• On-site inspections • Financial reports • Website • Legal advisor

Materiality Assessment

The Group has proactively engaged with various stakeholder groups to evaluate their expectations and address core concerns via diverse communication platforms. Through a rigorous materiality assessment, we have identified and prioritised the sustainability issues most significant to our business. The identified material ESG aspects for the Group are detailed below:

ESG aspect	Material sustainability issues
Environmental	• Reduce Greenhouse gas emission • Waste management
Employment and Labour Standards	• Employment • Health and Safety • Development and training
Operating Practices	• Supply chain management • Tenant and customer satisfaction • Anti-Corruption and anti-money laundering
Community	• Community investment • Social housing

Environmental Protection

A1 Emissions

The Group does not produce a substantial volume of direct greenhouse gas emissions; our primary emissions profile is indirect, stemming largely from electricity and gas consumption within our facilities, as well as vehicle usage and employee business travel.

Regarding waste management, the Group's business operations do not generate hazardous waste. The discharge of water and disposal of non-hazardous waste are systematically managed by separating materials into recyclable and non-recyclable categories. These are handled in an environmentally responsible manner, ensuring full compliance with applicable environmental protection laws and regulations wherever practicable.

We actively promote a culture of environmental consciousness by encouraging employees to implement energy-saving measures and contribute innovative ideas for efficiency during their daily duties. Furthermore, the Group advocates for waste reduction within our office environments and encourages staff participation in recycling programs to the greatest extent possible.

Environmental, Social and Governance Report

Environmental Protection (Continued)

A1 Emissions (Continued)

During the reporting year, the Group was not subject to any environmental penalty.

		2026	2025
A1.1	Emissions		
	— NOx (i)	**45.3 kg**	46.8 kg
	— SOx (i)	**0.47 kg**	0.65 kg
	— PM (ii)	**1.07 kg**	1.2 kg
A1.2	Greenhouse gas emissions data		
	Scope 1 — Direct emission or removal from sources	**84 tonnes**	117 tonnes
	Scope 2 — Energy indirect emissions	**13,604 tonnes**	13,363 tonnes
	Scope 3 — Other indirect emissions	**72 tonnes**	74 tonnes
A1.4	Total non-hazardous waste produced		
	Construction and demolition waste	**43 tonnes**	1,822 tonnes
	Recycled waste		
	— Construction material	**49 tonnes**	None
	— Cartridge	**56 pieces**	75 pieces
	— Cooking oil	**2,016 litres**	1,728 litres

(i) The data includes emission from gaseous fuel consumption and vehicular emissions.

(ii) The data only includes vehicular emissions.

Environmental Protection (Continued)

A2 Use of Resources

Air conditioning and illumination represent the primary components of the Group's carbon footprint. Consequently, the Group has intensified its environmental initiatives to maximise energy conservation by promoting the efficient utilisation of resources and the reduction of emissions.

We have implemented rigorous daily monitoring of energy and fuel consumption to identify specific opportunities for conservation. Furthermore, the Group has accelerated the phased replacement of chillers, fan coil units, air handling units, laundry and kitchen equipment, electrical appliances, and lighting with high-performance, energy-efficient models.

The Group remains committed to the annual assessment and recording of water consumption data. By conducting year-on-year comparisons, we aim to facilitate the ongoing development and refinement of our long-term resource reduction targets.

		2026	2025
A2.1	Direct and indirect energy consumption		
	Electricity ('000 kWh)	**18,403**	19,806
	Fuel ('000 MJ)	**7,687**	7,639
A2.2	Water consumption	**125,436 m^3**	128,993 m^3
A2.3	Construction materials used		
	Concrete	**713 m^3**	1,344 m^3
	Steel	**117 tonnes**	606 tonnes

Environmental Protection (Continued)

A3 Environment and Natural Resources

Property development

As a responsible developer, the Group maintains a proactive stance toward environmental protection within the design and construction phases of our properties. Our development standards consistently align with the green features outlined in Joint Practice Note Nos. 1-2 regarding "Green and Innovative Buildings," issued jointly by the Buildings Department, Lands Department, and Planning Department. The objectives of such green features mainly encompass:

(a) to maximise the use of recycled/green building material;
(b) to minimise the consumption of energy, in particular those non-renewable types; and
(c) to reduce construction and demolition waste.

For our development project in Hung Shui Kiu, Yuen Long, our consultancy team has integrated numerous green features in compliance with the latest government policies for fostering a quality and sustainably built environment. These measures are designed to achieve BEAM-Plus Certification upon project completion. BEAM-Plus is a comprehensive environmental assessment scheme for buildings recognised by The Hong Kong Green Building Council Limited.

Regarding our residential development "Landmark on Robson" in Vancouver, Canada, the Group has incorporated the initiatives outlined in the City of Vancouver Greenest City 2020 Action Plan and the specific directions set out in the West End Community Plan into the project's sustainability goals.

Hotel business

The Group has integrated a variety of environmental initiatives into its hotel operations to minimise waste generation. We collaborate closely with employees, guests, and contractors to reuse and recycle materials whenever economically feasible. For example, water conservation is achieved through our green program for guestroom linens; green cards are placed in all guestrooms to inform guests that towels and bedsheets will be laundered only upon request. Additionally, we engage specialised contractors to manage and process used cooking oil from our dining facilities.

To decrease paper consumption, the Group prioritises the use of electronic communication and digital filing systems for administrative tasks, guest logs, and daily reporting. Wherever possible, e-confirmations are utilised for guest reservations. Furthermore, we advocate for the use of recycled paper and double-sided printing and copying. Energy conservation is also encouraged by ensuring that lighting, air conditioning, and electrical appliances are switched off when not in use.

The Group's core operational activities do not exert a significant impact on the environment or natural resources. We remain committed to ensuring full compliance with all relevant environmental legislation and regulatory requirements.

Environmental Protection (Continued)

A4 Climate Change

The global impact of climate change is increasingly evident, prompting numerous nations to implement strategies for greenhouse gas reduction. In alignment with Hong Kong's Climate Action Plan 2050, the government is committed to achieving carbon neutrality before 2050.

Governance

The Board is responsible for the overseeing the governance framework, strategies and target relating to climate related risks and opportunities, while management is responsible for the implementation of the Group's climate risk management strategy and monitor the Group's sustainability performance.

Strategy

In our effort to adapt our operations to climate change, the Group strives to identify and analyze climate-related risks and opportunities. We are dedicated to reducing emissions across our operations wherever feasible by prioritizing the use of energy-efficient and low-carbon materials and products.

Physical risk

As a real estate developer, property manager, hotel operator, investor, and owner, the Group recognises that catastrophic events — such as severe typhoons and flooding — represent the primary source of acute physical risks associated with climate change in the long term. Such occurrences may lead to increased costs for insurance, maintenance, and property repairs. Furthermore, fluctuations in the availability, sourcing, and quality of natural resources, food security concerns, and extreme temperature variations may impact our financial performance. The Group will periodically review climate-related risks to enhance our operational resiliency wherever possible.

Transition risk

The Group expects policies and regulations related to climate change to be stricter in the short to medium term. It might incur additional operating cost and compliance cost if not fully comply with the legal and regulation requirements, and adversely affect the reputation of the Group. The Group will continuously monitor the change of climate related policies, regulations and trends to reduce legal and regulation risk.

Risk management

Climate related risk are managed through the Group's risk management framework, and integrated with our business operations. The Group regularly reviews and monitors climate related physical and transition risks and opportunities based on operational performance, regulatory developments and market trends on an ongoing basis, so as to ensure the effectiveness and adaptability of climate risk management.

Metrics and targets

The Group strives to reduce the environmental impact of our operating activities by reducing emissions, waste generation and energy consumption. The Group monitors and reviews its emissions and energy consumption regularly and target to reduce total greenhouse emissions by 10% by 2030, using 2020 as baseline year.

Social Aspect

B1 Employment

The Group is committed to being an equal opportunity employer, strictly prohibiting discrimination based on any personal characteristics. Our Employee Handbook clearly outlines the comprehensive terms and conditions of employment, including defined expectations for professional conduct and service delivery, as well as the rights and benefits afforded to all staff.

We actively establish and implement robust policies designed to foster a fair, inclusive, and respectful working environment. To support the professional growth of our workforce, the Group provides continuous training and development programs aimed at facilitating meaningful career progression for our employees.

B2 Health and Safety

The Group prioritises the health and wellbeing of our personnel. To ensure comprehensive health coverage, employees are entitled to a competitive benefits package that includes medical insurance and other fringe benefits.

To mitigate potential risks, all staff are briefed on our Fire Safety Guidelines to ensure they are prepared for fire hazards. Additionally, newly appointed employees undergo a mandatory orientation covering the Group's specific work safety procedures.

During the year ended 31 March 2026, the Group remained in full compliance with all relevant laws and regulations pertaining to occupational health and safety that have a significant impact on our operations.

B3 Development and Training

The competencies of our personnel are fundamental to the long-term success of the Group's operations. We are committed to the continuous development of our workforce, organizing programs tailored to specific business requirements. These include a blend of on-the-job training and appropriate internal and external professional development opportunities. Career advancement pathways are available for both management and operational staff, who are also eligible to apply for educational sponsorships to pursue external professional courses. Furthermore, the Group fosters environmental responsibility by encouraging employees to prioritise energy-saving measures and contribute innovative conservation ideas during their daily activities.

During the reporting year, the Group's hotel operations delivered a comprehensive suite of training programs. These sessions covered critical areas such as occupational health and safety, food safety, hotel operating standards, computer literacy, first aid, customer service, and fire and emergency response protocols.

The employee performance review process serves as a vital instrument for the long-term growth of our talent pool. At the conclusion of each year, every employee's performance is formally evaluated to ensure alignment with corporate goals and individual development. Through these structured initiatives, the Group aims to achieve professional growth alongside its employees.

Social Aspect (Continued)

B4 Labour Standards

The Group remains in full compliance with all relevant laws and regulations pertaining to the prevention of child and forced labor. We maintain a zero-tolerance policy regarding these practices and ensure a safe, healthy working environment for all personnel. Should any instance of child or forced labor be identified, it will be immediately reported to the appropriate government agencies for formal investigation.

Our recruitment processes are conducted strictly in accordance with applicable laws and regulations. We require all applicants to submit authentic and accurate information to support their applications, and we do not accept candidates who are below the minimum legal working age.

		As at 31 March 2026	As at 31 March 2025
B1.1	Total workforce by gender, employment type, age group and geographical region		
	Total Number of employees	**258**	345
	By gender		
	Male	**156**	196
	Female	**102**	149
	By age group		
	Below 30	**18**	24
	30-50	**119**	157
	Over 50	**121**	164
	By employment type		
	Full-time	**248**	338
	Part-time	**10**	7
	By geographical region		
	Hong Kong	**249**	336
	The PRC	**3**	2
	Canada	**6**	7

Social Aspect (Continued)

B4 Labour Standards (Continued)

		2026	2025
B1.2	Employee turnover rate		
	Total employee turnover	138	102
	Overall employee turnover rate	46%	30%
	By gender		
	Male	38%	26%
	Female	57%	35%
	By age group		
	Below 30	43%	80%
	30-50	30%	23%
	Over 50	61%	29%
	By geographical region		
	Hong Kong	47%	30%
	The PRC	80%	67%
	Canada	15%	15%
B2.1	The Group recorded 0 case of work-related fatalities occurred in each of the past three years including the reporting year.		
B2.2	Lost days due to work injury		
	Number of lost days	103	584
B3.1	Percentage of employees trained by gender and employee category		
	By gender		
	Male	60%	63%
	Female	52%	74%
	By employment type		
	Senior management	32%	31%
	Middle management	51%	60%
	General staff	90%	71%

Social Aspect (Continued)

B4 Labour Standards (Continued)

		2026	2025
B3.2	Average training hours completed per employee by gender and employee category		
	By gender	(hours)	(hours)
	Male	25-35	25-35
	Female	35-45	25-35
	By employment type		
	Senior management	1-10	1-10
	Middle management	40-50	25-35
	General staff	45-55	25-35

B5 Supply Chain Management

The Group recognises the critical importance of maintaining strong, collaborative relationships with its suppliers to achieve both immediate and long-term business objectives. To ensure transparency and value, the majority of the Group's procurement is conducted through a structured tender process.

We implement a just and fair competitive bidding environment to facilitate adequate market competition. Furthermore, the Group employs a rigorous series of assessment methodologies for supplier management. These protocols are designed to monitor performance and guarantee the consistent quality of all supplied products and services throughout the engagement lifecycle.

Hospitality

The Group collaborates closely with various suppliers to source hospitality goods, including guestroom consumables, tableware, furniture, and food and beverage products. We ensure high performance and the delivery of sustainable products and services through a rigorous supplier approval process and regular spot checks on delivered goods.

To enhance the procurement of environmentally responsible items, we continuously review options to increase sourcing from organic or sustainably managed providers. We prioritise environmentally superior products and engage local or regional suppliers to minimise the environmental impact associated with manufacturing and transportation.

Social Aspect (Continued)

B5 Supply Chain Management (Continued)

Property development

The Group has adopted high standards for all building materials in our premises construction, and will continue to review options to purchase more products from environmentally superior products, as well as local or regional companies to reduce the environmental impact of their manufacture and transportation.

During the reporting year, there was no circumstance of any event between the Group and its suppliers which had a significant impact on the Group's business and on which the Group's success depends.

		2026	2025
B5.1	Number of suppliers by geographical region.		
	Hong Kong/PRC	**>300**	>300
	Canada	**>150**	>150

B6 Product Responsibility

Our catering operations strictly adhere to all relevant legislation and regulatory standards.

Compliance with laws and regulations

Robust compliance procedures are in place to ensure strict adherence to all applicable laws, rules, and regulations that have a significant impact on the Group.

During the reporting year, no products sold or shipped by the Group were subject to recalls for safety or health reasons. Furthermore, we received no material complaints regarding our products or services. The Group also confirms that there were no material breaches or instances of non-compliance with applicable laws and regulations.

Intellectual property rights

The Group prioritises the protection of intellectual property rights and has established measures to safeguard them. Our dedicated legal team reviews all agreements involving third-party participation across our various business segments to ensure compliance. Additionally, the Group monitors market activities for potential infringement actions and strictly avoids any behavior that could be deemed an infringement of intellectual property.

Data privacy

The Group collects personal data exclusively for operational requirements. We ensure all individuals are clearly informed regarding the intended use of their data, as well as their rights to access and amend their personal information. All collected data is treated with strict confidentiality, stored securely, and remains accessible only to authorised personnel.

During the reporting year, there were no substantiated complaints regarding breaches of customer privacy or the loss of customer data.

Social Aspect (Continued)

B7 Anti-Corruption

The Group maintains a zero-tolerance policy toward all forms of corruption and malpractice, including bribery, extortion, and fraud. Standards for professional conduct are explicitly outlined in the Employee Handbook, and all directors and staff are required to rigorously comply with these codes of conduct.

During the reporting year, there were no reported cases of corruption or non-compliance regarding anti-corruption rules and regulations, such as the Prevention of Bribery Ordinance.

To support an ethical culture, the Group has adopted formal whistle-blowing procedures. these allow employees to report suspected cases of corruption, malpractice, or unethical treatment safely and with full confidence in their protection.

B8 Community Investment

The Group is dedicated to making a positive social impact in Hong Kong and China, where we have operated for over a decade. By focusing our corporate social responsibility on urgent social issues, we strive to support and provide for those in need, helping them find better places to live, learn, and grow.

Caring for society

"The Caring Company Scheme 25/26"

Marking 16 consecutive years of dedicated service, our hotel operations continue to prioritise a culture of compassion and robust corporate social responsibility. Our enduring commitment was recognised this year by The Hong Kong Council of Social Service, which presented us with the "Advanced Performance" Award under the Caring Company Scheme. This distinction serves as a testament to our persistent efforts to foster an inclusive society and drive positive social change through purposeful collaborations and community-focused initiatives.

In the 2025/26 period, we progressed our "The Art of Caring Community Care Programme" through our long-standing partnership with SAHK (香港耀能協會), a premier organisation focused on empowering individuals with disabilities. Originally established in 2009, this flagship initiative remains central to our mission of promoting independence and fostering social inclusion for individuals of all abilities.

In October 2025, Empire Hotels Group was presented with a Certificate of Appreciation by the SAHK Council during its Annual Staff Thanksgiving Dinner. This commendation recognises our persistent support in championing an inclusive society through active participation in the "Corporate Partnership Scheme 2025."

In November 2025, Empire Hotel Wan Chai, in partnership with SAHK, hosted a successful Muffins Cookery Class. This collaborative event engaged 12 children and 12 parents, supported by 4 SAHK staff members and 10 dedicated staff volunteers from Empire Hotels.

Social Aspect (Continued)

B8 Community Investment (Continued)

Caring for society (Continued)

"The Caring Company Scheme 25/26" (Continued)

Under the expert guidance of our culinary team, participants crafted their own signature muffins before enjoying a communal tea-time gathering. Beyond fostering creativity, the workshop served to strengthen community ties and create meaningful experiences for all attendees. The exceptionally positive feedback received from SAHK, parents, and participants alike reinforces our commitment to driving social inclusion through impactful community initiatives.

On Christmas Eve 2025, Empire Hotel Kowloon hosted a musical talent showcase and band performance in its lobby, featuring students supported by SAHK. The participants delivered exceptional performances with notable skill and enthusiasm, culminating in a highly successful and vibrant event. This festive occasion served as a meaningful celebration of talent and community spirit, highlighting our ongoing dedication to fostering an inclusive environment.

Looking future, our hotel operations remain dedicated to the mission of enriching lives and strengthening the communities we serve. Building upon our Caring Company recognition, we are inspired to deepen our engagement with long-standing partners such as SAHK, seeking new opportunities to generate a positive social impact. Our commitment to corporate social responsibility remains the cornerstone of our strategy, guiding our efforts toward a more inclusive and sustainable future for all.

Charity activities

The Group has during the reporting year made donation to Pok Oi Hospital "上海商業博愛單車百萬行".

Community recognition

Despite achieving Caring Company recognition for over a decade, we remain committed to further intensifying our dedication to society. Looking ahead, we will continue to pursue diverse avenues to serve and support the community, ensuring our social contributions remain both impactful and sustained.

Corporate Governance Report

Corporate Governance Practices

The Company is committed to sustaining its corporate governance standards by emphasising transparency, independence, accountability, responsibility and fairness with reference to the Principles and Code Provisions set out in the Corporate Governance Code (the "Code") in Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company exercises corporate governance through the board of Directors (the "Board") and various committees.

Board of Directors

As at the date of this report, the Board consists of seven Executive Directors and four Independent Non-executive Directors. The posts of Chairman and Chief Executive are separate and are not held by the same individual. The Chairman, Mr. Fung Siu To, Clement, is responsible for overseeing the functioning of the Board and the strategies and policies of the Group. The Chief Executive and the Managing Director, Mr. Poon Jing, is responsible for managing the Group's business. The biographical details and relationship of the Directors are disclosed in the biography of Directors set out in the Directors and Senior Management section.

According to the bye-laws of the Company (the "Bye-Laws"), at every annual general meeting of the Company ("AGM"), one-third of the Directors (other than the Chairman and the Managing Director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation. Pursuant to the Code, the Chairman and the Managing Director shall also retire at the AGM every three years. A retiring Director shall be eligible for re-election at the meeting. The Independent Non-executive Directors are not appointed for a specific term and subject to retirement by rotation and re-election at the AGM in accordance with the Bye-Laws.

The Board meets regularly and normally quarterly and is responsible for the formulation and reviewing of long-term business directions and strategies, monitoring the operations and financial performance of the Group and performing corporate governance functions set out in the Code. It also considers and approves future strategic plans and budgets for the Group. The management is delegated with the authority to make decisions and responsible for daily operations of the Group under the leadership of the Chief Executive. The management provides explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put forward to the Board for approval. The Chief Executive, working with the other Executive Directors and the head of each division, is responsible for managing the business of the Group, including implementation of strategies adopted by the Board and assuming full accountability to the Board for operations of the Group. All Executive Directors have made full and active contributions to the affairs of the Board.

During the year, the Board has reviewed the Company's policies and practices on corporate governance, and reviewed and monitored the training and continuous professional development of Directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements, the code of conducts, the Code and the disclosure in the Corporate Governance Report.

Board of Directors (Continued)

To ensure independent views and input are available to the Board, apart from the various mechanisms in place to ensure the independence of Independent Non-executive Directors (including but not limited to excluding the Independent Non-executive Directors from participation in 2024 Share Option Scheme and 2025 Share Award Scheme (as described under the heading "Share Option Schemes" and "Share Award Schemes") to ensure fixed salaries), the roles of Chairman and Chief Executive are separate to ensure balance of power and authority. To facilitate proper discharge of the Directors' duties, the Directors are also entitled to seek independent professional advice at the Company's expenses when considered appropriate.

Directors' Responsibility in Respect of the Financial Statements

The Directors are responsible for selecting and consistently applying appropriate accounting policies and preparing financial statements which give a true and fair view. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going concern basis.

The Board acknowledges that it is its responsibility to prepare the financial statements and to present a balanced, clear and understandable assessment in annual and interim reports and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

Attendance Record of Directors at Board and General Meetings

During the year, the Board held four meetings. The Directors of the Board and the attendance of each Director at the Board meetings and the general meeting of the Company held during the year are as follows:

Director	Title	Number of meetings attended/ Number of meetings held	
		Board meeting	General meeting
Fung Siu To, Clement	Chairman	4/4	1/1
Poon Jing	Managing Director and Chief Executive	4/4	0/1
Poon Hai	Executive Director	4/4	1/1
Poon Tsing, Rachel	Executive Director (re-designated from non-executive director to executive director on 1 September 2025)	4/4	1/1
Poon Yeung, Roderick	Executive Director	4/4	1/1
Lun Pui Kan	Executive Director (retired on 25 August 2025)	1/1	1/1
Kwan Po Lam, Phileas	Executive Director	4/4	1/1
Chu Wai Ming, Benson	Executive Director (appointed on 13 January 2026)	1/1	N/A
Cheung Kwok Wah	Independent Non-executive Director	4/4	1/1
Leung Wai Keung	Independent Non-executive Director	3/4	1/1
Ma Ho Fai	Independent Non-executive Director (appointed on 2 July 2025)	3/3	0/1
Wong Chi Keung	Independent Non-executive Director	4/4	1/1

Diversity Policy and Nomination Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company seeks to achieve Board diversity through the consideration of a number of factors and measurable criteria, including, but not limited to gender, age, cultural and education background, industry experience, qualifications, skills, knowledge, and professional ethics. Details of workforce by gender and age of the Group are set out in the section "Environmental, Social and Governance Report".

As at 31 March 2026, the gender ratio in the workforce (including senior management) of the Group was approximately 61% male and approximately 39% female. The Group will continue to strive to enhance gender diversity by taking gender diversity into consideration when recruiting and selecting key management and other personnel across the Group's operations such that there is a pipeline of female senior management and potential successors to the Board in the future.

The Company has specific procedures for identifying, assessing and nominating suitable candidates for appointment as a new Director in addition to the incumbents or to fill a vacancy. Nomination shall be based on merit and consideration of objective criteria of the candidates' potential contributions to the Board and the Company, having due regard for the benefits of diversity on the Board and other relevant requirements under the Listing Rules. Selected individuals shall be evaluated against the desired criteria with consideration of factors, such as gender, age, cultural and education background, industry experience, qualifications, skills, knowledge, and professional ethics of the candidates.

The Nomination Committee is responsible for reviewing the composition and diversity of the Board, the nomination and appointment of new Directors, and the assessment of the independence of the Independent Non-executive Directors, etc. The Nomination Committee, acting on behalf of the Board, reviews the implementation and effectiveness of the Board diversity policy on an ongoing basis and at least once in each financial year and reports to the Board. The Board overall is satisfied with the implementation and effectiveness of the Board's diversity policy and the Director's nomination mechanism in place for the financial year under review.

Nomination Committee

The Nomination Committee currently comprises the Chairman of the Company, Mr. Fung Siu To, Clement (as the Chairman), an Executive Director, Ms. Poon Tsing, Rachel (appointed on 13 January 2026), and three Independent Non-executive Directors, Mr. Leung Wai Keung, Mr. Ma Ho Fai (appointed on 13 January 2026) and Mr. Wong Chi Keung. The terms of reference adopted by the Board were in compliance with the Code and were posted on the websites of the Company and the Stock Exchange. The principal activities of the Nomination Committee include review of the structure, size and composition (including the skills, knowledge, experience, diversity profile and skills matrix) of the Board nomination and appointment of new Directors and assessment of Independent Non-executive Director. The Nomination Committee meets at least once a year. During the year, the Nomination Committee held one meeting, which all members had attended, to review the structure, size, composition of the Board with reference to the Board diversity policy and nomination policy, to assess the independence of independent Non-executive Directors, to review and assess the Director's time commitment and overall contribution and service to the Company, expertise and professional qualifications of the retiring Directors and to recommend them to the Board for re-election at the Company's forthcoming AGM.

Remuneration Committee

The Remuneration Committee currently comprises the Chairman of the Company, Mr. Fung Siu To, Clement, and two Independent Non-executive Directors, Mr. Wong Chi Keung (as the Chairman) and Mr. Leung Wai Keung. The terms of reference adopted by the Board were in compliance with the Code and were posted on the websites of the Company and the Stock Exchange. The duties of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and senior management, approving the remuneration, determining the remuneration packages of all Executive Directors and senior management and approving the compensation to all Directors and senior management on termination or dismissal.

The remuneration packages including basic salary, annual bonus, retirement and/or other benefits such as share options/awards are commensurate with their job nature and experience level. No Director may be involved in any decisions as to his/her own remuneration or other benefits. The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff. The remuneration for the Directors and senior management is determined with reference to their expertise and experience in the industry, duties and responsibilities of the Group as well as remuneration benchmark in the industry and prevailing market conditions.

During the year, the Remuneration Committee held one meeting, which all members had attended, to review, discuss and approve the remuneration packages of the Directors and senior management on an individual basis.

Audit Committee

The Audit Committee currently comprises all the Independent Non-executive Directors, Mr. Wong Chi Keung (as the Chairman), Mr. Cheung Kwok Wah, Mr. Leung Wai Keung and Mr. Ma Ho Fai (appointed on 13 January 2026). The terms of reference adopted by the Board were in compliance with the Code and were posted on the websites of the Company and the Stock Exchange. The principal activities of the Audit Committee includes the review and supervision of the Group's financial reporting process, risk management and internal control systems and review of the financial statements before publication. The Audit Committee meets at least twice a year. During the year, the Audit Committee met twice to review the Company's annual and interim financial statements, the recommendation by the internal auditor on enhancement of risk management and internal control systems and the effectiveness of the internal audit function. All the members had attended the meetings held during the year. The Audit Committee together with the external auditor of the Group have reviewed the audited financial statements for the year ended 31 March 2026.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31 March 2026.

Board Composition and Changes

In light of the appointment of a female Non-executive Director on 31 December 2024, the number of independent non-executive directors fell below at least one-third of the Board as required under Rule 3.10A of the Listing Rules.

Following a temporary shortfall in the required number of Independent Non-executive Directors, the Company obtained a waiver from strict compliance with Rules 3.10A and 3.11 of the Listing Rules until 30 June 2025. Following an active search, Mr. Ma Ho Fai was appointed as an Independent Non-executive Director effective from 2 July 2025, successfully restoring the Company's compliance with the one-third Independent Non-executive Directors' board representation requirement under Rule 3.10A of the Listing Rules.

Each of Mr. Chu Wai Ming, Benson (who was appointed as an Executive Director effective from 13 January 2026) and Mr. Ma Ho Fai (who was appointed as an Independent Non-executive Director effective from 2 July 2025), has obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 13 January 2026 and 27 June 2025 respectively, and each has confirmed that he understood his obligation.

Corporate Governance Code

During the year, the Company has applied the principles and complied with the applicable code provisions of the Code as set out in Part 2 of Appendix C1 to the Listing Rules.

Risk Management and Internal Control

The Group has its risk management structure and allocated responsibilities in order to achieve the Group's business objectives:

Risk Management

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and has the overall responsibilities of establishing, maintaining and operating sound and effective risk management and internal control systems which covers financial, operational and compliance aspects as well as material risks relating to environmental, social and governance ("ESG") aspects. The Audit Committee, acting on behalf of the Board, reviews the effectiveness of the Company's risk management and internal control systems on an ongoing basis and at least once in each financial year and reports to the Board. The management is responsible for designing, implementing and monitoring of the Group's risk management and internal control systems. The internal audit function facilitates improvement in the risk management process by assessing the effectiveness of the system and reports audit results together with the results of the periodic compliance checking to the Audit Committee on an ongoing basis.

Corporate Governance Report

Risk Management and Internal Control (Continued)

Internal Control

The Group's internal control systems comprise a well-established organisational structure, comprehensive budgeting, reporting, policies and procedures, aiming to identify and manage risks (including ESG risks, if any) that could adversely hinder the achievement of business objectives of the Group, and to provide reasonable, but not absolute, assurance against failure in operational system, material error, loss or fraud to the Group. Proper controls are in place for the recording of complete, accurate and timely accounting and management information. Regular reviews and internal audits are carried out for an independent appraisal of the adequacy and effectiveness of the system and compliance with the applicable laws and regulations.

Internal Audit Function

Internal audit function was in place in the financial year under review to assist the Audit Committee in reviewing and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Group at least once each financial year and to manage the risks inherent in the achievement of business objectives of the Group. Internal audit function adopts risk-based audit approach which focuses on the high risk areas of the Group's activities. Internal audit review covers key issues in relation to the accounting practices and material controls (including financial, operational, compliance and ESG aspects). The review findings or irregularities (if any) and also the recommended steps and actions to enhance the internal control of the Group are reported to the senior management.

A discussion on the principal risks and uncertainties encountered by the Group are set out on pages 60 to 61 in Report of the Directors.

Unauthorised access and use of inside information are strictly prohibited. Any potential inside information identified by senior management will be assessed, and where appropriate, will be escalated for the attention of the Board to resolve on further actions. The Board assesses the likely impact of any unexpected and significant event and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

Risk Management and Internal Control (Continued)

Effectiveness of the Group's Risk Management and Internal Control Systems

For the financial year under review, two Audit Committee meetings were held together with senior management and the Group's internal and external auditors. The Audit Committee has not identified any significant control failings or weaknesses and it concurred with the management's confirmation on the effectiveness of the Group's risk management and internal control systems. The Board is of the view that the risk management and internal control systems in place for the financial year under review is effective and adequate to safeguard the interests of the shareholders, customers and employees, and the Group's assets.

Auditor's Remuneration

PricewaterhouseCoopers has been appointed as the auditor of the Company by the shareholders of the Company (the "Shareholders") at the AGM. The services provided by PricewaterhouseCoopers during the year included audit, taxation related and other services. A statement by PricewaterhouseCoopers about their reporting responsibilities as the auditor of the Company is included in the Independent Auditor's Report on pages 65 to 74 of this annual report.

A total amount of HK$6,700,000 was provided for their audit services in 2026 (2025: HK$10,660,000). Non-audit services provided by PricewaterhouseCoopers to the Group amounted to HK$92,000 (2025: HK$1,201,000).

Dividend Policy

A dividend policy (the "Dividend Policy") was adopted by the Company. The Company intends to provide the Shareholders with interim and final dividends, and to declare special dividends from time to time, so far as the Board considers appropriate. In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account the Group's earnings performance, financial position, investment requirements and future prospects. Whilst the Dividend Policy reflects the Board's current views on the financial and cash flow position of the Group, such Dividend Policy will continue to be reviewed from time to time and there is no assurance that dividends will be paid in any particular amount for any given period. The payment of dividend is also subject to any restrictions under the Laws of Hong Kong and Bermuda, the Listing Rules and the Bye-Laws.

Corporate Governance Report

Professional Development

Every newly-appointed Director will receive briefing and professional development so as to ensure that he/she has appropriate understanding of the Group's business and of his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

The Company also provides regular updates and presentations on the business development of the Group. The Directors are regularly briefed on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, the Company has been encouraging the Directors to enrol in professional development courses and seminars relating to the Listing Rules, Companies Ordinance and corporate governance practices organised by professional bodies or chambers in Hong Kong.

In compliance with the Code Provision C.1.4 of the Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills. A summary of training received by the Directors during the year according to the records provided by the Directors are as follows:

Director	Type of training
Fung Siu To, Clement	B
Poon Jing	B
Poon Hai	B
Poon Tsing, Rachel	B
Poon Yeung, Roderick	B
Kwan Po Lam, Phileas	B
Chu Wai Ming, Benson	A,B
Cheung Kwok Wah	B
Leung Wai Keung	A
Ma Ho Fai	B
Wong Chi Keung	A,B

A: Attending seminar(s)/training session(s)/conference(s)/forum(s) relevant to directors' profession and/or duties and/or other relevant topics

B: Reading materials in relation to corporate governance, regulatory development and other relevant topics

C: Giving talks at seminar(s) and/or training session(s)/conference(s)/forum(s) relevant to directors' profession and/or duties and/or other relevant topics

Communications with Shareholders and Investors

The Company aims to provide its Shareholders and investors with high level of transparency. The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies.

During the year, the Executive Directors had various meetings with local and institutional investors and analysts. The Board is committed to providing clear and full performance information of the Group to Shareholders and the public through the publication of interim and annual reports, announcements, circulars and press releases.

The Company has also maintained a website at https://www.asiaorient.com.hk as a communication platform which enables Shareholders, investors and public to access to the information of the Company on a timely basis.

Shareholders may at any time send their enquiries, suggestions and concerns to the Board in writing to the principal office of the Company in Hong Kong or by e-mail to aoinfo@asiastandard.com for the attention of the Company Secretary. Inquiries are dealt with in an informative and timely manner.

Besides, Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. It is the Company's general practice that the Chairman of the Board as well as the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee, or in their absence, their duly appointed delegates, who are members of the relevant committees, will be available to answer questions at general meetings of the Company. In addition, the Company will invite representatives of the auditor to attend its AGMs to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and the independence of the auditor.

A Shareholders' communication policy is in place to ensure that the Shareholders and investment community is provided with timely and equal access to information about the Company's financial performance, corporate strategies and ESG initiatives. The policy also sets forth various communication channels including, among others, the website of the Company and the general meetings, through which the Shareholders may communicate with the provide feedback to the Company from time to time. The Shareholders' communication policy is reviewed at least annually to ensure its continued effectiveness. Based on the Shareholders engagement and communication activities conducted as set out above, the Board is satisfied with the implementation and effectiveness of the Shareholders' communication policy during the year.

Corporate Governance Report

Shareholders' Rights

Subject to the applicable laws and regulations, the Listing Rules and the Bye-Laws as amended from time to time, the Shareholders may put forward proposals at an AGM and convene general meetings of the Company.

(I) Procedure for Shareholders to Make Proposals at Shareholders' Meeting

The number of Shareholders required to move a resolution at an AGM or to circulate any statement by written request (the "Requisitionists") shall be:

i. any number of Shareholders representing not less than one-twentieth (1/20) of the total voting rights of all the Shareholders having a right to vote at the AGM or the relevant general meeting; or

ii. not less than one hundred (100) Shareholders.

The written request (the "Requisition") must state the resolution to be moved at the AGM or the statement of not more than one thousand (1,000) words in relation to any particular resolution being proposed or business to be dealt with in the relevant general meeting of the Company (as the case may be), and signed by all the Requisitionists in one or more documents in like form.

A copy of the Requisition, or two or more copies which between them contain the signatures of all the Requisitionists, shall be lodged at the Company's registered office in Bermuda at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and a copy thereof at the principal office of the Company in Hong Kong at 30th Floor, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong, for the attention of the Company Secretary (i) not less than six (6) weeks before the AGM in the case of a Requisition requiring notice of a resolution, unless an AGM is called for a date six (6) weeks or less after the deposit of the Requisition, in which case the Requisition will be deemed to have been properly deposited; or (ii) not less than one (1) week before the relevant general meeting in the case of any other Requisition.

The Requisitionists must deposit a sum which is reasonably sufficient to meet the Company's expenses in giving effect to the Requisition.

Shareholders' Rights (Continued)

(II) Procedure for Shareholders to Convene Special General Meeting

Shareholders holding not less than one-tenth (1/10) of the paid-up capital of the Company carrying the right of voting at the general meetings of the Company (the "SGM Requisitionists") may require the Board to convene a special general meeting of the Company ("SGM") by depositing a written requisition (the "SGM Requisition") at the Company's registered office in Bermuda at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and a copy thereof at the principal office of the Company in Hong Kong at 30th Floor, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong for the attention of the Company Secretary.

The SGM Requisition must state the objects of the SGM and be signed by the SGM Requisitionists and may consist of one or more documents in like form, each signed by one or more of the SGM Requisitionists. Upon receipt of the SGM Requisition, the Directors shall forthwith proceed duly to convene the SGM.

Where, within twenty-one (21) days of the lodging of the SGM Requisition, the Directors do not proceed duly to convene the SGM, the SGM Requisitionists, or any of them representing more than one-half (1/2) of the total voting rights of all of them, may themselves convene the SGM, provided that any SGM so convened shall be held within three (3) months from the date of deposit of the SGM Requisition. The SGM Requisitionists shall convene a SGM in the same manner, as nearly as possible, as that in which SGM is to be convened by Directors. Under the Bye-Laws and pursuant to the requirements of the Listing Rules, a notice specifying the time and place and the general nature of the proposed business to be transacted at the SGM shall be given to all Shareholders entitled to attend the SGM for consideration in the following manner:

i. notice of not less than twenty-one (21) clear days or ten (10) clear business days, whichever is longer, if a special resolution is to be passed at the SGM; and

ii. notice of not less than fourteen (14) clear days or ten (10) clear business days, whichever is longer, in all other cases, provided that a SGM may be called by a shorter notice if it is so agreed by a majority in number of the Shareholders having the right to attend and vote at the SGM, being a majority together holding not less than 95% in nominal value of the issued shares of the Company giving such right.

Constitutional Documents

There was no change in the Bye-Laws during the year.

Directors and Senior Management

Executive Directors

Fung Siu To, Clement

Aged 77, is the Chairman, an Executive Director, the Chairman of the Nomination Committee and a member of the Remuneration Committee of each of the Company and Asia Standard International Group Limited ("Asia Standard") (Asia Standard is a listed subsidiary of the Company). He is also an executive director of Asia Standard Hotel Group Limited, a subsidiary of the Company which was privatised in October 2024 ("Asia Standard Hotel"). He is also a director of certain subsidiaries of the Company. Mr. Fung is a holder of a Bachelor of Applied Science (Civil Engineering) degree and is also a fellow member of the Hong Kong Institution of Engineers. He joined the Company and its subsidiaries (together the "Group") in 1988 and has over 40 years of experience in project management and construction. Mr. Fung is the uncle of Mr. Poon Hai, Ms. Poon Tsing, Rachel and Mr. Poon Yeung, Roderick, all of whom are the Executive Directors of the Company. He is also the brother-in-law of Mr. Poon Jing and Dr. Lim Yin Cheng, the Managing Director of the Company and the Deputy Chairman of Asia Standard Hotel respectively.

Poon Jing

Aged 71, is the Chief Executive, Managing Director and an Executive Director of the Company and Asia Standard. He is also the Chairman and an executive director of Asia Standard Hotel. He is also a director of certain subsidiaries of the Company. Mr. Poon is the founder of the Group. He is the father of Mr. Poon Hai, Ms. Poon Tsing, Rachel and Mr. Poon Yeung, Roderick, all of whom are the Executive Directors of the Company. He is also the brother-in-law of Mr. Fung Siu To, Clement and Dr. Lim Yin Cheng, the Chairman of the Company and the Deputy Chairman of Asia Standard Hotel respectively.

Poon Hai

Aged 41, is an Executive Director of the Company and Asia Standard Hotel. He is also an executive director and a member of the remuneration committee of Asia Standard. He is also a director of certain subsidiaries of the Company. Mr. Poon holds a Bachelor of Commerce degree from the University of British Columbia. He is responsible for the business development and the project management of the Group. Mr. Poon is the son of Mr. Poon Jing, the Managing Director of the Company. He is also the brother of Ms. Poon Tsing, Rachel and Mr. Poon Yeung, Roderick, both of them are the Executive Directors of the Company. He is also the nephew of Mr. Fung Siu To, Clement and Dr. Lim Yin Cheng, the Chairman of the Company and the Deputy Chairman of Asia Standard Hotel respectively. He joined the Group in 2009.

Poon Tsing, Rachel

Aged 39, is an Executive Director and a member of the Nomination Committee of each of the Company and Asia Standard. Ms. Poon holds a Bachelor's degree in Political Science and a Master's degree in Business Management, both from the University of British Columbia. She joined the Group in 2011 and was the Group's sales and marketing manager. Ms. Poon is the daughter of Mr. Poon Jing, the Managing Director of the Company. She is also the sister of Mr. Poon Hai and Mr. Poon Yeung, Roderick, both of them are the Executive Directors of the Company. She is also the niece of Mr. Fung Siu To, Clement and Dr. Lim Yin Cheng, the Chairman of the Company and the Deputy Chairman of Asia Standard Hotel respectively.

Poon Yeung, Roderick

Aged 37, is an Executive Director of the Company, Asia Standard and Asia Standard Hotel. He is also a director of certain subsidiaries of the Company. Mr. Poon holds a Bachelor of Commerce degree with a major in Real Estate from the University of British Columbia. He is responsible for the Group's project management, investment and business development. Mr. Poon is the son of Mr. Poon Jing, the Managing Director of the Company. He is also the brother of Mr. Poon Hai and Ms. Poon Tsing, Rachel, both of them are the Executive Directors of the Company. He is also the nephew of Mr. Fung Siu To, Clement and Dr. Lim Yin Cheng, the Chairman of the Company and the Deputy Chairman of Asia Standard Hotel respectively. He joined the Group in 2012.

Kwan Po Lam, Phileas

Aged 67, is an Executive Director of the Company and Asia Standard. He is also a director of certain subsidiaries of the Company. Mr. Kwan is a holder of a Bachelor of Business Administration degree. He joined the Group in 1986 and is responsible for property sales and leasing. He has over 40 years of experience in property sales, leasing and real estate management.

Chu Wai Ming, Benson

Aged 57, is an Executive Director and a Chief Financial Officer of the Company and Asia Standard. He is also a director of certain subsidiaries of the Company. Mr. Chu holds a Bachelor of Arts in Accountancy degree from the Hong Kong Polytechnic University and holds a Master of Business Administration degree from the University of Manchester. He has over 30 years of financial experience in various listed and private companies in Hong Kong including an international firm of certified public accountants. Mr. Chu is a fellow member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"). He joined the Group in 2025.

Independent Non-executive Directors

Cheung Kwok Wah

Aged 69, is an Independent Non-executive Director and a member of the Audit Committee of the Company. Mr. Cheung has over 30 years of experience in the finance field, during which he held various senior management positions with many public listed companies. He is a solicitor of Hong Kong. He joined the Group in 1996.

Directors and Senior Management

Leung Wai Keung, *JP*

Aged 63, is an Independent Non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of each of the Company and Asia Standard. He joined the Group in 2004.

Mr. Leung is currently a Barrister-at-Law and was appointed as a Justice of the Peace by the Hong Kong Government on 1 July 2018. He has about 10 years of experience in accounting and financial management in several firms and thereafter been practicing as a barrister since 1996. Mr. Leung is a member of HKICPA, The Hong Kong Chartered Governance Institute ("HKCGI"), The Association of Chartered Certified Accountants ("ACCA"), The Chartered Governance Institute ("CGI") and The Chartered Institute of Arbitrators ("CIArb"). He was admitted to the High Court of Hong Kong as a barrister in 1994. He holds a Master degree in Accounting and Finance from University of Lancaster and obtained a Bachelor of Laws from Manchester Metropolitan University. He was the President of HKCGI in 2006 and the Chairman of the CIArb (East Asia Branch) in 2015/16 and 2016/17. Mr. Leung sat on various statutory tribunals such as the Board of Review, the Guardianship Board and the Registration of Persons Tribunal. From 2012 to 2018, Mr. Leung held the position as the Chairman of the Appeal Board for the Hotel and Guesthouse Accommodation, the Clubs (Safety of Premises) and Bedspace Apartments. From 27 June 2019 to 26 June 2021, Mr. Leung held the position as a member of the Disciplinary Board Panel (Land Survey). Mr. Leung is currently a member of the Torture Claims Appeal Board.

Ma Ho Fai, *GBS JP*

Aged 74, is an Independent Non-executive Director and a member of the Audit Committee and the Nomination Committee of each of the Company and Asia Standard. He joined the Group in 2025.

Mr. Ma is a senior consultant (with effect from 1 April 2026; previously a senior partner) of Woo Kwan Lee & Lo, a local law firm in Hong Kong, and was admitted as a solicitor in Hong Kong in 1984, England and Wales in 1987, Australian Capital Territory in 1988 and the Republic of Singapore in 1990. Mr. Ma has been appointed by the Ministry of Justice as a China-Appointed Attesting Officer since 2000 and a Civil Celebrant of Marriages since 2006. He was a Deputy of the 11th, 12th and 13th National People's Congress of the PRC. In recognition of his distinguished public and community service, Mr. Ma was appointed as a Non-Official Justice of the Peace in 2005 by the Government of the Hong Kong Special Administrative Region and was awarded the Gold Bauhinia Star in 2017. He retired as the Chairperson of the Travel Industry Authority on 31 December 2025 and the Chairman of the Protection of Wages on Insolvency Fund Board on 31 March 2026.

Mr. Ma is currently an independent non-executive director of Asiaray Media Group Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Wong Chi Keung

Aged 71, is an Independent Non-executive Director, the Chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of each of the Company and Asia Standard. Mr. Wong holds a Master degree in Business Administration from The University of Adelaide in Australia. He is a fellow member of HKICPA, ACCA and CPA Australia; and an associate member of CGI and The Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management and advising on securities for Beagle Asset Management Company Limited under the Securities and Futures Ordinance (the "SFO").

Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Yuexiu Property Company Limited (formerly known as Guangzhou Investment Company Limited) which is a company listed on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of audit committee of each of Century City International Holdings Limited, Changyou International Group Limited, China Ting Group Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited and Zhuguang Holdings Group Company Limited, all of the above companies are listed on the Stock Exchange. Mr. Wong has over 45 years of experience in finance, accounting and management. He joined the Group in 2004.

Senior Management

Lim Yin Cheng

Aged 81, is the Deputy Chairman, the Chief Executive and an executive director of Asia Standard Hotel. He is also a director of certain subsidiaries of the Company. Dr. Lim is a holder of a Bachelor of Science (Chemical Engineering) and Doctor of Philosophy degrees. He has over 40 years of experience in engineering, project management and administration. He joined the Group in 1992. Dr. Lim is the uncle of Mr. Poon Hai, Ms. Poon Tsing, Rachel and Mr. Poon Yeung, Roderick, all of whom are the Executive Directors of the Company. He is also the brother-in-law of Mr. Poon Jing and Mr. Fung Siu To, Clement, the Managing Director and the Chairman of the Company respectively.

Wong Hoi Yan

Aged 53, is the General Manager of Project Management Division of Asia Standard. Ms. Wong holds a Bachelor of Arts degree in Architectural Studies and Master of Architecture from The University of Hong Kong and Master of Science degree in Project Management from The Hong Kong Polytechnic University. She is a Registered Architect in Hong Kong, a member of The Hong Kong Institute of Architects and an Authorised Person under the Buildings Ordinance. She is also a BEAM Pro under the Hong Kong Green Building Council. Ms. Wong is responsible for property development and project management. She has over 25 years of experience in project planning and management. She joined Asia Standard in 2014.

Note: Messrs. Poon Jing, Fung Siu To, Clement, Poon Hai and Poon Yeung, Roderick are directors of Teddington Holdings Limited and Heston Holdings Limited. Both companies have interests in the share capital of the Company discloseable to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO.

Report of the Directors

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 March 2026.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in note 35 to the financial statements.

The activities of the Group are mainly based in Hong Kong. Analysis of the Group's revenue and contribution to operating results by principal activities are set out in note 5 to the financial statements.

Results and Appropriations

The results of the Group for the year are set out in the consolidated profit and loss account on page 75.

The Company did not pay an interim dividend for the year ended 31 March 2026 (2025: Nil).

The board of Director (the "Board") has resolved not to recommend the payment of a final dividend for the year ended 31 March 2026 (2025: Nil).

Financial Summary

A five-year financial summary of the results and of the assets and liabilities of the Group is set out on page 16.

Equity Linked Agreements

Save as disclosed in the sections "Share Option Schemes" on pages 52 to 57 and "Share Award Schemes" on pages 58 to 59, no equity linked agreements were entered into during the year or subsisted at the end of the year.

Shares Issued in the Year

No shares of the Company was issued in the year ended 31 March 2026. Details of share capital of the Company are set out in note 27 to the financial statements.

Principal Properties

Details of the principal properties of the Group are set out on pages 13 to 15.

Donations

During the year, the Group made charitable and other donations of HK$62,000 (2025: HK$32,000).

Directors

The Directors during the year and at the date of this report were:

Mr. Fung Siu To, Clement
Mr. Poon Jing
Mr. Poon Hai
Ms. Poon Tsing, Rachel
Mr. Poon Yeung, Roderick
Mr. Lun Pui Kan (retired on 25 August 2025)
Mr. Kwan Po Lam, Phileas
Mr. Chu Wai Ming, Benson (appointed on 13 January 2026)
Mr. Cheung Kwok Wah
Mr. Leung Wai Keung
Mr. Ma Ho Fai (appointed on 2 July 2025)
Mr. Wong Chi Keung

Messrs. Poon Hai, Kwan Po Lam, Phileas, Chu Wai Ming, Benson and Leung Wai Keung will retire from office by rotation in accordance with the bye-laws of the Company (the "Bye-Laws") at the forthcoming annual general meeting of the Company ("AGM") and, being eligible, offer themselves for re-election at the AGM.

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Biographical Details of Directors and Senior Management

Biographical details of Directors and senior management are set out on pages 42 to 45.

Directors' Interests in Competing Business

None of the Directors has an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year.

Report of the Directors

Directors' and Controlling Shareholders' Interests in Transactions, Arrangements or Contracts of Significance

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company or its subsidiaries was a party and in which a Director and his connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

No contract of significance was entered into between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries during the year. No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholders of the Company or any of its subsidiaries was entered into during the year.

Permitted Indemnity Provisions

Subject to the Bermuda Companies Act 1981, the Bye-Laws and other relevant statutes, the Directors for the time being acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages, expenses and liabilities, which they shall or may incur or sustain in or about the execution of their office or otherwise in relation thereto. The Company has arranged appropriate Directors' and Officers' Liability Insurance coverage for the Directors and officers of the Group.

Arrangements to Purchase Shares or Debentures

Apart from the share option schemes of the Company as disclosed on pages 52 to 57 and the share award schemes of the Company as disclosed on pages 58 to 59, and that of its subsidiary, Asia Standard International Group Limited ("Asia Standard"), at no time during the year were the Company or its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 31 March 2026, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

(I) Long Positions in Shares

(a) The Company

Director	Number of shares held				Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest	Total	
Poon Jing	401,139,472	145,213,900	5,318,799	551,672,171	65.60
Fung Siu To, Clement	15,440,225	–	–	15,440,225	1.83
Poon Hai	10,444,319	–	–	10,444,319	1.24

(b) Associated corporations

Director	Associated corporation	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Poon Jing	Asia Standard	1,308,884	711,882,392 (Notes)	713,191,276	50.20
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01

Notes:

1. By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the shares of Asia Standard held by the Company and its subsidiaries.

2. By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the shares of all the Company's subsidiaries and associated corporations.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures (continued)

(II) Long Positions in Underlying Shares

Interests in share options

(a) The Company

Director	Outstanding as at 1 April 2025	Lapsed during the year	Outstanding as at 31 March 2026
Poon Hai	3,500,000	(3,500,000)	–
Poon Yeung, Roderick	3,500,000	(3,500,000)	–

Notes:

1. Options were granted on 11 December 2015 under 2014 Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK$1.42 per share. These options were lapsed on 10 December 2025.

2. Save as disclosed, during the year, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

(b) Associated corporation – Asia Standard

Director	Outstanding as at 1 April 2025	Lapsed during the year	Outstanding as at 31 March 2026
Poon Hai	3,500,000	(3,500,000)	–
Poon Yeung, Roderick	3,500,000	(3,500,000)	–

Notes:

1. Options were granted on 11 December 2015 under 2014 Asia Standard Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK$1.38 per share. These options were lapsed on 10 December 2025.

2. Save as disclosed, during the year, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Save as disclosed above, as at 31 March 2026, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2026, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive of the Company.

Long Positions in Shares of the Company

Shareholder	Capacity	Number of shares held	Percentage of shares in issue (%)
Teddington Holdings Limited ("Teddington") (Note)	Beneficial owner	60,624,439	7.20
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41
Heston Holdings Limited ("Heston") (Note)	Beneficial owner	50,429,573	5.99

Note: Mr. Poon Jing, his family interest and the companies wholly-owned by him, namely Teddington, Heston and Full Speed Investments Limited together hold 551,672,171 shares. The interests of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures".

Save as disclosed above, as at 31 March 2026, the Directors were not aware of any other persons (other than the Directors and Chief Executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Report of the Directors

Share Option Schemes

The Company

Share option scheme adopted on 29 August 2014 (the "2014 Share Option Scheme")

The 2014 Share Option Scheme was adopted on 29 August 2014. Under 2014 Share Option Scheme, the Board may grant options to any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Company, its subsidiaries or any invested entity, their discretionary trust or the companies owned by them. The purpose was to provide incentives, recognise and acknowledge the contributions of, motivate and maintain an ongoing relationship with the eligible participants whose contributions are or will be beneficial to the long term growth of the Group.

As at 1 April 2025 and 31 March 2026, the total number of shares available for issue upon exercise of all options to be granted under 2014 Share Option Scheme was 76,476,084 shares, representing about 9.09% of the shares in issue as at the date of this report. The total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under 2014 Share Option Scheme, any other share option scheme and share award scheme of the Company must not exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised, outstanding and cancelled options) under any option granted to the same participant under 2014 Share Option Scheme, any other share option scheme or share award scheme of the Company within any twelve (12) months period, must not exceed 1% of the shares in issue from time to time.

Under 2014 Share Option Scheme, there was no requirement for a grantee to hold the option for a certain period before exercising the option unless otherwise determined by the Directors. The exercise period should be any period determined by the Board but in any event the exercise period should not be later than ten (10) years from the date of grant. The grantee has to accept an option within twenty-one (21) days from the date of offer by making a non-refundable payment of HK$1 to the Company.

The subscription price shall be at the discretion of the Board provided that it shall be not less than the highest of (i) the closing price of a share on the relevant date of grant; (ii) the average of the closing prices of the shares for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of a share. The 2014 Share Option Scheme was effective for ten (10) years from 29 August 2014 and expired on the tenth anniversary of such adoption date.

Share Option Schemes (Continued)

The Company (Continued)

Share option scheme adopted on 29 August 2014 (the "2014 Share Option Scheme") (Continued)

Following the expiry of 2014 Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2014 Share Option Scheme and yet to be exercised shall remain valid and exercisable. The number of shares that may be issued in respect of options granted under all schemes of the Company during the year was 7,000,000 shares, representing approximately 0.83% of the shares in issue as at the date of this report.

The following table discloses details of the Company's options granted under 2014 Share Option Scheme held by employees (including Directors):

Grantee	Outstanding as at 1 April 2025	Lapsed during the year	Outstanding as at 31 March 2026
Poon Hai	3,500,000	(3,500,000)	–
Poon Yeung, Roderick	3,500,000	(3,500,000)	–

Notes:

1. Options were granted on 11 December 2015 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK$1.42 per share. These options were lapsed on 10 December 2025.

2. The closing price of shares immediately before the date on which the options granted on 11 December 2015 was HK$1.40.

3. The fair value of the options granted on 11 December 2015 was approximately HK$3.07 million, which was determined using the Binomial option pricing model and was recognised in the profit and loss account of the Company for the year ended 31 March 2016. The following assumptions were used to calculate the fair values of the options granted in 11 December 2015: (a) closing share price of HK$1.38 at the date of grant, (b) exercise price of HK$1.42, (c) expected life of options of 5 years, (d) expected volatility of 35.59%*, (e) expected dividend yield of 2.90%**, and (f) risk free rate of 1.027%.

   * *The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year immediately preceding the grant date. The above calculation is based on the assumption that there is no material difference between the expected volatility over the expected life of the options and the historical volatility of the shares.*

   ** *It is based on prospective dividend yield of the shares at 10 December 2015.*

4. Save as disclosed, during the year, no option was exercised, cancelled or lapsed.

Share Option Schemes (Continued)

The Company (Continued)

Share option scheme adopted on 4 September 2024 (the "2024 Share Option Scheme")

The 2024 Share Option Scheme was adopted on 4 September 2024. Under 2024 Share Option Scheme, the Board may grant options to any Director or employee of the Company or its subsidiaries, excluding the Independent Non-executive Directors. The purpose was to provide incentives, recognise and acknowledge the contributions of which the eligible participants have made or will make to the Group, and provide the eligible participants with an opportunity to have a personal stake in the Company with a view to motivating the eligible participants to utilise their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an ongoing relationship with the eligible participants whose contributions are or will be beneficial to the long term growth of the Group.

As at 1 April 2025 and 31 March 2026, (i) the total number of options available for grant under 2024 Share Option Scheme was 84,087,399 shares; and (ii) the total number of shares available for issue upon exercise of all options to be granted under 2024 Share Option Scheme was 84,087,399 shares, representing about 10% of the shares in issue as at the date of this report. The maximum number of shares in respect of which options might be granted to an eligible participant, when aggregated with shares issued and to be issued (including exercised, outstanding and cancelled options) under any option granted to the same participant under 2024 Share Option Scheme, any other share option scheme and share award scheme of the Company within any twelve (12) months period, must not exceed 1% of the shares in issue from time to time.

Under 2024 Share Option Scheme, the vesting period for options under 2024 Share Option Scheme shall not be less than twelve (12) months. The exercise period shall not commence less than twelve (12) months after the date of grant but in any event the exercise period should not expire later than ten (10) years from the date of grant. The grantee has to accept an option within twenty-one (21) days from the date of offer by making a non-refundable payment of HK$1 to the Company.

The subscription price shall be at the discretion of the Board provided that it shall be not less than the highest of (i) the closing price of a share on the relevant date of grant; (ii) the average of the closing prices of the shares for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of a share. The 2024 Share Option Scheme is effective for ten (10) years from 4 September 2024. No share option has been granted since the adoption of 2024 Share Option Scheme. As such, no option was exercised or cancelled or lapsed during the year ended 31 March 2026 and there was no outstanding option as at 31 March 2026.

Share Option Schemes (Continued)

Associated Corporation

Asia Standard

Share option scheme adopted on 29 August 2014 (the "2014 Asia Standard Share Option Scheme")

The 2014 Asia Standard Share Option Scheme was adopted on 29 August 2014. Under 2014 Asia Standard Share Option Scheme, the board of directors of Asia Standard may grant options to any director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to Asia Standard, its subsidiaries or any invested entity, their discretionary trust or the companies owned by them. The purpose was to provide incentives, recognise and acknowledge the contributions of, motivate and maintain an ongoing relationship with the eligible participants whose contributions are or will be beneficial to the long term growth of the Asia Standard and its subsidiaries (the "Asia Standard Group").

As at 1 April 2025 and 31 March 2026, the total number of shares available for issue upon exercise of all options to be granted under 2014 Asia Standard Share Option Scheme was 125,482,152 shares, representing about 8.83% of the Asia Standard's shares in issue as at the date of this report. The total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under 2014 Asia Standard Share Option Scheme, any other share option scheme and share award scheme of Asia Standard must not exceed 30% of the Asia Standard's shares in issue from time to time. The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised, outstanding and cancelled options) under any option granted to the same participant under 2014 Asia Standard Share Option Scheme, any other share option scheme or share award scheme of Asia Standard within any twelve (12) months period, must not exceed 1% of the Asia Standard's shares in issue from time to time.

Under 2014 Asia Standard Share Option Scheme, there was no requirement for a grantee to hold the Asia Standard option for a certain period before exercising the Asia Standard option unless otherwise determined by the directors of Asia Standard. The exercise period should be any period determined by the board of directors of Asia Standard but in any event the exercise period should not be later than ten (10) years from the date of grant. The grantee has to accept an option within twenty-one (21) days from the date of offer by making a non-refundable payment of HK$1 to Asia Standard.

The subscription price shall be at the discretion of the board of directors of Asia Standard provided that it shall be not less than the highest of (i) the closing price of a share on the relevant date of grant; (ii) the average of the closing prices of the shares for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of a share. The 2014 Asia Standard Share Option Scheme was effective for ten (10) years from 29 August 2014 and expired on the tenth anniversary of such adoption date.

Following the expiry of 2014 Asia Standard Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2014 Asia Standard Share Option Scheme and yet to be exercised shall remain valid and exercisable. The number of shares that may be issued in respect of options granted under all schemes of Asia Standard during the year was 7,000,000 shares of Asia Standard, representing approximately 0.49% of the shares of Asia Standard in issue as at the date of this report.

Share Option Schemes (Continued)

Associated Corporation (Continued)

Asia Standard (Continued)

Share option scheme adopted on 29 August 2014 (the "2014 Asia Standard Share Option Scheme") (Continued)

The following table discloses details of Asia Standard options granted under 2014 Asia Standard Share Option Scheme held by employees (including directors):

Grantee	Outstanding as at 1 April 2025	Lapsed during the year	Outstanding as at 31 March 2026
Poon Hai	3,500,000	(3,500,000)	–
Poon Yeung, Roderick	3,500,000	(3,500,000)	–

Notes:

1. Options were granted on 11 December 2015 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK$1.38 per share. These options were lapsed on 10 December 2025.

2. The closing price of shares immediately before the date on which the options granted on 11 December 2015 was HK$1.39.

3. The fair value of the options granted on 11 December 2015 was approximately HK$2.62 million, which was determined using the Binomial option pricing model and was recognised in the profit and loss account of Asia Standard for the year ended 31 March 2016. The following assumptions were used to calculate the fair values of the options granted in 11 December 2015: (a) closing share price of HK$1.35 at the date of grant, (b) exercise price of HK$1.38, (c) expected life of options of 5 years, (d) expected volatility of 30.41%*, (e) expected dividend yield of 2.96%**, and (f) risk free rate of 1.027%.

   * *The volatility measured at the standard deviation of expected share price return is based on statistical analysis of daily share prices over one year immediately preceding the grant date. The above calculation is based on the assumption that there is no material difference between the expected volatility over the expected life of the options and the historical volatility of the shares.*

   ** *It is based on prospective dividend yield of the shares at 10 December 2015.*

4. Save as disclosed, during the year, no option was exercised, cancelled or lapsed.

Share Option Schemes (Continued)

Associated Corporation (Continued)

Asia Standard (Continued)

Share option scheme adopted on 4 September 2024 (the "2024 Asia Standard Share Option Scheme")

The 2024 Asia Standard Share Option Scheme was adopted on 4 September 2024. Under 2024 Asia Standard Share Option Scheme, the board of directors of Asia Standard may grant options to any director or employee of the Asia Standard Group, excluding the independent non-executive directors of Asia Standard. The purpose was to provide incentives, recognise and acknowledge the contributions of which the eligible participants have made or will make to the Asia Standard Group, and provide the eligible participants with an opportunity to have a personal stake in Asia Standard with a view to motivating the eligible participants to utilise their performance and efficiency for the benefit of the Asia Standard Group and attracting and retaining or otherwise maintaining an ongoing relationship with the eligible participants whose contributions are or will be beneficial to the long term growth of the Asia Standard Group.

As at 1 April 2025 and 31 March 2026, (i) the total number of options available for grant under 2024 Asia Standard Share Option Scheme was 131,978,228 shares; and (ii) the total number of shares available for issue upon exercise of all options to be granted under 2024 Asia Standard Share Option Scheme was 131,978,228 shares, representing about 9.29% of the Asia Standard's shares in issue as at the date of this report. The maximum number of shares in respect of which options might be granted to an eligible participant, when aggregated with shares issued and to be issued (including exercised, outstanding and cancelled options) under any option granted to the same participant under 2024 Asia Standard Share Option Scheme, any other share option scheme and share award scheme of Asia Standard within any twelve (12) months period, must not exceed 1% of the Asia Standard's shares in issue from time to time.

Under 2024 Asia Standard Share Option Scheme, the vesting period for options under 2024 Asia Standard Share Option Scheme shall not be less than twelve (12) months. The exercise period shall not commence less than twelve (12) months after the date of grant but in any event the exercise period should not expire later than ten (10) years from the date of grant. The grantee has to accept an option within twenty-one (21) days from the date of offer by making a non-refundable payment of HK$1 to Asia Standard.

The subscription price shall be at the discretion of the board of directors of Asia Standard provided that it shall be not less than the highest of (i) the closing price of a share on the relevant date of grant; (ii) the average of the closing prices of the shares for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of a share. The 2024 Asia Standard Share Option Scheme is effective for ten (10) years from 4 September 2024. No share option has been granted since the adoption of 2024 Asia Standard Share Option Scheme. As such, no option was exercised or cancelled or lapsed during the year ended 31 March 2026 and there was no outstanding option as at 31 March 2026.

Share Award Schemes

The Company

Share award scheme adopted on 25 August 2025 (the "2025 Share Award Scheme")

The 2025 Share Award Scheme was adopted on 25 August 2025. Under 2025 Share Award Scheme, the Board may grant awards to any Director or employee of the Company or of any subsidiary of the Company, excluding the Independent Non-executive Directors. The purpose was to recognise and reward the contribution of the eligible participants to the growth and development of the Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company and to attract suitable personnel for further development of the Group.

As at 1 April 2025, no share award was available for grant under 2025 Share Award Scheme. After its adoption on 25 August 2025, as at 31 March 2026, (i) the total number of share awards available for grant under 2025 Share Award Scheme was 84,087,399 shares; and (ii) the total number of shares available for issue upon exercise of all share awards to be granted under 2025 Share Award Scheme was 84,087,399 shares, representing about 10% of the shares in issue as at the date of this report. The maximum number of shares in respect of which awards might be granted to an eligible participant, when aggregated with shares issued and issuable (including exercised, outstanding and cancelled options) under any option granted to the same participant under 2024 Share Option Scheme, 2025 Share Award Scheme or any other share option scheme of the Company within any twelve (12) months period, must not exceed 1% of the shares in issue from time to time.

Under 2025 Share Award Scheme, a grantee is required to hold the award for a certain period before vesting the award unless otherwise determined by the Directors. The vesting period should be any period determined by the Board but in any event the exercise period should not be less than twelve (12) months from the date of grant. The grantee has to accept an award within twenty-one (21) days from the date of offer.

The 2025 Share Award Scheme is effective for ten (10) years from 25 August 2025. No share award has been granted since the adoption of 2025 Share Award Scheme.

During the year, the number of shares of the Company which may be issued in respect of share options and/ or share awards of the Company granted under all of the share schemes of the Company (including 2014 Share Option Scheme, 2024 Share Option Scheme and 2025 Share Award Scheme) was 7,000,000 shares, representing approximately 0.83% of the number of shares of the Company in issue as at the date of this report. These share options were lapsed on 10 December 2025.

Share Award Schemes (Continued)

Associated Corporation

Asia Standard

Share award scheme adopted on 25 August 2025 (the "2025 Asia Standard Share Award Scheme")

The 2025 Asia Standard Share Award Scheme was adopted on 25 August 2025. Under 2025 Asia Standard Share Award Scheme, the board of directors of Asia Standard may grant awards to any director or employee of Asia Standard or of any subsidiary of Asia Standard, excluding the independent non-executive directors of Asia Standard. The purpose was to recognise and reward the contribution of the eligible participants to the growth and development of the Asia Standard Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Asia Standard Group by providing them with the opportunity to acquire equity interests in Asia Standard and to attract suitable personnel for further development of the Asia Standard Group.

As at 1 April 2025, no share award was available for grant under 2025 Asia Standard Share Award Scheme. After its adoption on 25 August 2025, as at 31 March 2026, (i) the total number of share awards available for grant under 2025 Asia Standard Share Award Scheme was 131,978,228 shares; and (ii) the total number of shares available for issue upon exercise of all share awards to be granted under 2025 Asia Standard Share Award Scheme was 131,978,228 shares, representing about 9.29% of the Asia Standard's shares in issue as at the date of this report. The maximum number of shares in respect of which awards might be granted to an eligible participant, when aggregated with shares issued and issuable (including exercised, outstanding and cancelled options) under any option granted to the same participant under 2024 Asia Standard Share Option Scheme, 2025 Asia Standard Share Award Scheme or any other share option scheme of Asia Standard within any twelve (12) months period, must not exceed 1% of the Asia Standard's shares in issue from time to time.

Under 2025 Asia Standard Share Award Scheme, a grantee is required to hold the award for a certain period before vesting the award unless otherwise determined by the directors of Asia Standard. The vesting period should be any period determined by the board of directors of Asia Standard but in any event the exercise period should not be less than twelve (12) months from the date of grant. The grantee has to accept an award within twenty-one (21) days from the date of offer.

The 2025 Asia Standard Share Award Scheme is effective for ten (10) years from 25 August 2025. No share award has been granted since the adoption of 2025 Asia Standard Share Award Scheme.

During the year, the number of shares of Asia Standard which may be issued in respect of share options and/or share awards of Asia Standard granted under all of the share schemes of Asia Standard (including 2014 Asia Standard Share Option Scheme, 2024 Asia Standard Share Option Scheme and 2025 Asia Standard Share Award Scheme) was 7,000,000 shares of Asia Standard, representing approximately 0.49% of the number of shares of Asia Standard in issue as at the date of this report. These share options were lapsed on 10 December 2025.

The Remuneration Committee reviewed the operation of 2024 Share Option Scheme and 2025 Share Award Scheme during the year. The Remuneration Committee carefully assessed the eligibility of the proposed grantee(s) and the relevant performance targets to ensure that any grant (or decision to not grant) would align with the Company's long-term retention and motivation strategies, as well as comply with the scheme rules and the Listing Rules.

Report of the Directors

Purchase, Sale or Redemption of Listed Securities

During the year, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year, nor were there any on-market sales of treasury shares made during the year.

Pre-Emptive Rights

No pre-emptive rights exist in Bermuda in respect of the Company's share capital.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Business Review

A fair review of business of the Group, particulars of important events affecting the Group that have occurred since the end of the financial year, if any, an analysis using financial key performance indicators and indication of likely future development of the Group are set out in the section "Management Discussion and Analysis" on pages 6 to 12. Discussion on environmental policies and performance of the Group and the account of the key relationships with its stakeholders are set out in the section "Environmental, Social and Governance Report" on pages 17 to 30.

Compliance with Laws and Regulations

The Group recognises the importance of compliance with laws and regulations. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group.

The Group has been allocating resources to ensure ongoing compliance with rules and regulations and any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

Principal Risks and Uncertainties

The Group believes that the factors described below represent the principal risks and uncertainties which may potentially affect its business, financial conditions, operations, and future prospect of the business. It does not represent that the factors described below are exhaustive.

Risks Pertaining to Property Sales and Leasing

The Group's property sales may be influenced by fluctuations of supply and demand in the real estate market, government policies to curb surging property prices such as double and special stamp duty dampening the demand, lowering the mortgage ratio raising the hurdle of financing and hence adversely affecting demand. Demand is also sensitive to changes in interest rates.

Economic slowdown would hit retail market and cast downward pressure on property rental and occupancies.

Principal Risks and Uncertainties (Continued)

Risks Pertaining to Hotel Operations

The Group's hotel business may be significantly affected by factors outside our control such as government regulations, changes in market conditions, competition in the industry, excess hotel supply or reduced international or local demand for hotel rooms and associated services, foreign exchange fluctuations, the interest rate environment, and other natural and social factors which may affect the level of global travel and business activities.

As five of the Group's hotels are located in Hong Kong, the revenue from this business is sensitive to changes in the tourism industry and number of visitors in Hong Kong, which is greatly influenced by the attractiveness of Hong Kong as a destination for tourists, business travellers and conferences as well as the inbound travel policy adopted by the Hong Kong Government, particular for those from the PRC which comprised approximately 66% of the total overnight visitor arrivals to Hong Kong, and is the major source of business for our hotels.

The Group reviews and optimises its asset portfolio to ensure that it is sufficiently cost effective and efficient. The risk of adverse economic conditions is managed by ensuring proper monitoring of the business performance, and constant assessment of economic conditions and the appropriateness of the prevailing investment and business strategy.

Risks Pertaining to Hotel or Property Developments

The Group engages external contractors to provide various services, including the construction of hotel expansions, hotel and property development projects. Completion of these projects is subject to the performance of external contractors, including the pre-agreed schedule for completion. Any delay in obtaining or failure to obtain the relevant government approvals or permits also affects completion. Furthermore, the government may re-enter the land if we fail to comply with the land grant conditions.

Risks Pertaining to Financing

The Group requires funding to support the operations, working capital, and capital expenditure requirements of its hotels in operations, and of any property development in the future. The overall level and pace of future development of the Group may be impacted by factors such as the availability of capital, increase in costs of funding and currency fluctuation.

The Group maintains an open and proactive relationship with the banking community, arranging different terms of loan facilities from different sources with different tenures and ensures continuous assessment of counterparty risks.

Risks Pertaining to Financial Investments

The Group's financial performance is exposed to financial and capital market risks, including changes in interest rates, foreign exchange rates, credit spreads, equity prices, the performance of the economy in general and other factors outside our control. For further details of such risks and relevant management policies, please refer to note 3 to the financial statements from pages 100 to 117.

Report of the Directors

Relationship with Employees, Customers and Suppliers

The Group appreciates the importance of maintaining a good relationship with its customers and suppliers to meet its immediate and long-term business goals. The Group values the feedback from customers through daily communication, and address customers' concern in a timely manner. For the suppliers, the Group assures their performance for delivering quality sustainable products and services through supplier approval process and by spot checks on the delivered goods.

During the year ended 31 March 2026, there is no circumstance of any event between the Group and its customers which will have a significant impact on the Group's business and on which the Group's success depends. The account of key relationship with employees and suppliers on which the Group's success depends as set out in the section "Environmental, Social and Governance Report" on pages 17 to 30.

Major Customers and Suppliers

The percentages of the Group's purchases and sales for the year attributable to major suppliers and customers were as follows:

Percentage of purchases attributable to the Group's largest supplier	64%
Percentage of purchases attributable to the Group's five largest suppliers	83%
Percentage of sales attributable to the Group's largest customer	6%
Percentage of sales attributable to the Group's five largest customers	8%

To the knowledge of the Directors, none of the Directors, their close associates or shareholders (which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company) held any interests in the share capital of the suppliers or customers noted above.

Related Party Transactions

Details of the significant related party transactions undertaken during the year are disclosed in note 33 to the financial statements, none of which constituted a connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

Relief of Taxation

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Company's shares.

Financial Assistance and Guarantee to Affiliated Companies

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 March 2026 are as follow:

	Proforma combined balance sheet HK$'000	**Group's attributable interest** HK'000
Non-current assets	11,112,739	1,555,308
Current assets	22,920,379	4,113,558
Current liabilities	(16,016,541)	(2,598,811)
Non-current liabilities	(10,841,305)	(1,596,464)
	7,175,272	1,473,591

The proforma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 31 March 2026.

Report of the Directors

Independent Non-Executive Directors

Confirmation of independence pursuant to the independence guidelines under Rule 3.13 of the Listing Rules has been received from each of the Independent Non-executive Directors and the Company considers all existing Independent Non-executive Directors are independent.

Sufficiency of Public Float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there was sufficient public float of more than 25% of the Company's issued shares at the latest practicable date prior to the issuance of this report.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

On behalf of the Board

Fung Siu To, Clement
Chairman

Hong Kong, 29 June 2026

To the Shareholders of Asia Orient Holdings Limited
(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of Asia Orient Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 75 to 160, comprise:

- the consolidated balance sheet as at 31 March 2026;
- the consolidated profit and loss account for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Expected credit loss ("ECL") assessment of debt securities which are classified as financial assets at fair value through other comprehensive income ("FVOCI") and amortised cost and the related accrued interest
- Fair value assessment of debt securities which are classified as FVOCI and the related accrued interest
- Valuation of investment properties
- Recoverability of properties held for sale

Key Audit Matter	How our audit addressed the Key Audit Matter
ECL assessment of debt securities which are classified as FVOCI and amortised cost and the related accrued interest	
Refer to notes 3, 4, 18 and 21 to the consolidated financial statements. As at 31 March 2026, the Group had debt securities which were classified as FVOCI and amortised cost. The related charge in ECL for debt securities at FVOCI and amortised cost and the related accrued interest for the year end 31 March 2026 was recognised in the consolidated profit or loss account. The majority of the debt securities issuers were engaged in real estate development in the People's Republic of China ("PRC"). The ECL assessment of these debt securities was subject to higher estimation uncertainty due to the market conditions and volatility in the PRC real estate industry.	Our procedures to address ECL assessment of debt securities which are classified as FVOCI and amortised cost and the related accrued interest included: – Understanding management's processes for the ECL assessment of debt securities at FVOCI and amortised cost and the related accrued interest and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
ECL assessment of debt securities which are classified as FVOCI and amortised cost and the related accrued interest (Continued) Management assessed whether the credit risk of debt securities at FVOCI and amortised cost and the related accrued interest increased significantly since their initial recognition and applied a three-stage impairment model approach to calculate the ECL except for purchased or originated credit-impaired financial assets ("POCI"). For debt securities that were classified as stage 1 or stage 2, management assessed the ECL using a model that involved relevant assumptions, including probability of default ("PD") and loss given default ("LGD"). For debt securities that were classified as stage 3, management assessed ECL for each of these debt securities using a discounted cashflow model ("DCF") with probability weightings given to different possible scenarios. POCI are financial assets that are credit-impaired on initial recognition. For POCI, management estimated the lifetime expected credit losses using DCF from the investment at each reporting date. The assumptions also took into account forward-looking estimates. We have identified the ECL assessment for debt securities at FVOCI and amortised cost and the related accrued interest as a key audit matter due to the subjectivity of management judgement and estimation uncertainty involved.	– With the assistance of our internal valuation experts, we performed the following procedures: – Evaluating the reasonableness of staging determination by considering the circumstances concerning the business and financial affairs of the underlying debt securities issuers at the time of initial recognition as well as the end of the reporting period, relevant industry information and expected industry outlook; – Evaluating the reasonableness and appropriateness of the selection and application of models, assumptions, including the PD, LGD and expected cashflows, the application of multiple scenarios and assigned probability weightings in the ECL model, the forward looking factors and the correlation between the forward looking factors and the assumptions used by considering the restructuring plans signed or proposed, overdue status, the latest financial information available from the debt securities issuers and other relevant information; – Checking data inputs used in the DCF on a sample basis to supporting documents; and – Assessing the adequacy of the disclosures related to the expected credit losses of the debt securities at FVOCI and amortised cost and the related accrued interest in the context of HKFRS Accounting Standards disclosure requirements. Based on the work performed, we found the judgement and assumptions adopted in the ECL assessment by management for the debt securities at FVOCI and amortised cost and the related accrued interest were supported by the evidence obtained.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value assessment of debt securities which are classified as FVOCI and the related accrued interest	

Refer to notes 3,4,18 and 21 to the consolidated financial statements.
 	
As at 31 March 2026, the Group had debt securities which were classified as FVOCI and were measured at fair value.
 	
Management assessed the fair values of these securities using discounted cashflow model ("DCF") with probability weightings given to different possible scenarios. Management applied certain assumptions, including the expected cashflows used in the DCF model, discount rates, multiple scenarios and probability weightings.
 	
We have identified the fair value assessment for the aforementioned debt securities and the related accrued interest as a key audit matter due to the subjectivity of management judgement and estimation uncertainty involved.
	Our procedures to address fair value assessment of debt securities which are classified as FVOCI and the related accrued interest included:
	
	– Understanding management's processes for the fair value assessment of FVOCI debt securities and the related accrued interest and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;
	
	– With the assistance of our internal valuation experts, we performed the following procedures:
	
	    – Assessing the appropriateness of valuation methodology adopted by management, by considering the applicable financial reporting requirements;
	
	    – Evaluating the reasonableness of the assumptions used in the DCF model, including the expected cashflows, by considering supporting documents such as the debt restructuring plans, overdue status, the latest financial information available from the debt issuers, quoted prices and other relevant information;

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value assessment of debt securities which are classified as FVOCI and the related accrued interest (Continued)	– Evaluating the reasonableness of the discount rates used, by referencing to the implied bond yields of bonds, issued by comparable PRC real estate companies; – Evaluating the reasonableness of the application of multiple scenarios and assigned probability weightings in the fair value assessment model, by considering the available market information; – Checking data inputs used in the DCF adopted in the fair value model, on a sample basis, to supporting documents; and – Assessing the adequacy of the disclosures related to the fair value of the FVOCI debt securities and the related accrued interest in the context of HKFRS Accounting Standards disclosure requirements. Based on the work performed, we found the judgement and assumptions adopted in the fair value assessment by management for the FVOCI debt securities and the related accrued interest were supported by the evidence obtained.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
Refer to notes 4, 15 and 17 to the consolidated financial statements. As at 31 March 2026, the Group's investment properties portfolio included investment properties held by subsidiaries, an associated company and a joint venture. Management engaged independent valuers to estimate the fair value of investment properties of the Group, the associated company and the joint venture as at 31 March 2026 based on the direct comparison method and income capitalisation method (where applicable). We focused on the valuation of investment properties because the estimation of fair value is subject to estimation uncertainty. It is inherently subjective due to, among other factors, the individual nature of each property, its location, prevailing market returns and the expected future rentals for that particular property. We have identified the valuation of investment properties as a key audit matter due to the significant judgement and estimation involved.	Our procedures performed to address valuation of investment properties included: – Understanding management's processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied; – Evaluating the independent valuers' competence, capabilities and objectivity; – Obtaining the independent valuation reports and holding discussion with the independent valuers, together with our own experts in property valuation, to discuss and evaluate the valuation methodology and key assumptions adopted, focusing on market comparables, prevailing market rents and capitalisation rates (where applicable); – With the assistance of our valuation experts, assessing and challenging the reasonableness of key assumptions by benchmarking the market comparables used by the independent valuers against recent transactions for similar properties and locations, and by research evidence of prevailing market rents and capitalisation rates (where applicable); and – Assessing the adequacy of the disclosures related to the valuation of investment properties in the context of HKFRS Accounting Standards disclosure requirements. Based on the work performed, we found the judgement and key assumptions used in the valuation of investment properties were supported by the available evidence.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of properties held for sale	
Refer to notes 4, 17 and 20 to the consolidated financial statements. The Group has a number of properties held for sale ("property development projects") held by subsidiaries and joint ventures. Management assessed the recoverability of property development projects based on estimates of the net realisable values of the underlying properties for each project and concluded no provision was necessary as at 31 March 2026. This involved the estimation of expected future sales prices and the development costs to be incurred to complete the properties under development based on existing plans. We have identified the recoverability of properties held for sale as a key audit matter due to the subjectivity of management judgement and estimation uncertainty involved.	Our procedures to address the recoverability of properties held for sale included: – Understanding management's processes for determining the recoverability of properties held for sale and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied – Comparing the estimated selling prices to current market prices of comparable properties; – Evaluating the independent valuers' competence, capabilities and objectivity; – Assessing the reasonableness of the estimated development costs to compete the projects on a sample of properties selected by (1) understanding the progress of development for major properties under development for sale and (2) assessing the cost estimates provided by management and (3) benchmarking estimated construction costs to external industry data; and – Obtaining the valuation reports for certain properties, and holding discussion with the independent valuers, together with our valuation experts in property valuation to evaluate the valuation methodology and key assumptions adopted. Based on the work performed, we found the judgement and assumptions adopted by the management in the assessment of recoverability of the properties held for sale were supported by the evidence obtained.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, 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.

The Audit Committee is 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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, 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.

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 scepticism 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.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ka Yee (practising certificate number: P05388).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 June 2026

Consolidated Profit and Loss Account

For the year ended 31 March 2026

	Notes	**2026 HK$'000**	2025 HK$'000
Sales of goods and services, leasing and other revenue	5	**5,847,276**	1,759,712
Interest revenue		**574,182**	749,102
Total revenue	5	**6,421,458**	2,508,814
Cost of sales		**(4,797,356)**	(912,478)
Gross profit		**1,624,102**	1,596,336
Selling and administrative expenses		**(353,482)**	(352,111)
Depreciation		**(220,010)**	(212,213)
Net investment loss	6		
Net realised and unrealised loss		**(271,283)**	(726,330)
Change in expected credit losses		**(1,143,057)**	(2,503,927)
Fair value loss of investment properties	15	**(541,612)**	(633,359)
Other charge	7	**–**	(121,916)
Operating loss		**(905,342)**	(2,953,520)
Net finance costs	11	**(627,031)**	(619,136)
Share of profits less losses of			
Joint ventures		**(413,279)**	(416,848)
Associated companies		**(75,948)**	(68,402)
Loss before income tax		**(2,021,600)**	(4,057,906)
Income tax expense	12	**(38,980)**	(48,684)
Loss for the year		**(2,060,580)**	(4,106,590)
Attributable to:			
Shareholders		**(1,087,537)**	(2,235,479)
Non-controlling interests		**(973,043)**	(1,871,111)
		(2,060,580)	(4,106,590)
Loss per share			
Basic	14	**HK$(1.29)**	HK$(2.66)
Diluted	14	**HK$(1.29)**	HK$(2.66)

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
Loss for the year	**(2,060,580)**	(4,106,590)
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income		
– transfer to profit or loss upon recognition of expected credit losses	**513,749**	1,341,010
– net fair value change and other net movements	**13,948**	(314,836)
– release of reserve upon derecognition	**237,810**	2,848
Share of net fair value gain on debt securities at fair value through other comprehensive income of a joint venture	**48,135**	124,542
Cash flow hedges		
– fair value loss	**(21,941)**	(190,677)
– deferred tax on derivative financial instruments	**3,534**	31,462
Currency translation differences	**34,920**	(59,821)
Share of currency translation differences of joint ventures	**40,769**	(21,055)
Items that will not be reclassified to profit or loss:		
Net fair value gain on equity securities at fair value through other comprehensive income	**–**	89,992
Currency translation difference attributable to non-controlling interests	**77,083**	(83,501)
	948,007	919,964
Total comprehensive charge for the year	**(1,112,573)**	(3,186,626)
Attributable to:		
Shareholders	**(567,327)**	(1,706,176)
Non-controlling interests	**(545,246)**	(1,480,450)
	(1,112,573)	(3,186,626)

Consolidated Balance Sheet

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Investment properties	15	**9,645,275**	10,183,057
Property, plant and equipment	16	**6,442,666**	7,623,425
Investment in joint ventures and associated companies	17	**2,668,140**	2,940,713
Amounts due from joint ventures and associated companies	17	**2,021,181**	3,149,617
Financial investments	18	**249,583**	284,129
Derivative financial instruments	19	**16,124**	27,389
Deferred income tax assets	26	**96,128**	151,732
		21,139,097	24,360,062
Current assets			
Properties held for sale	20	**3,202,012**	6,329,715
Hotel and restaurant inventories		**25,069**	25,579
Trade and other receivables	21	**1,369,435**	608,667
Income tax recoverable		**8**	127
Financial investments	18	**1,574,094**	1,585,887
Derivative financial instruments	19	**–**	23,367
Bank balances and cash			
– restricted	22	**515,193**	737,681
– unrestricted	22	**1,508,127**	966,602
		8,193,938	10,277,625
Current liabilities			
Trade and other payables	23	**244,922**	200,917
Amounts due to joint ventures	17(A)	**188,793**	206,916
Amount due to an associated company	17(B)	**125,070**	135,960
Amount due to non-controlling interests		**–**	60,957
Income tax payable		**3,780**	5,142
Derivative financial instruments	19	**893**	–
Contract liabilities	24	**6,087**	2,509,113
Borrowings	25	**4,052,746**	5,078,084
		4,622,291	8,197,089
Net current assets		**3,571,647**	2,080,536

Consolidated Balance Sheet

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Borrowings	25	**10,206,719**	10,854,844
Amount due to non-controlling interests		**63,046**	–
Lease liabilities		**–**	350
Deferred income tax liabilities	26	**669,158**	700,995
		10,938,923	11,556,189
Net assets		**13,771,821**	14,884,409
Equity			
Share capital	27	**84,087**	84,087
Reserves	28	**7,102,118**	7,680,508
Equity attributable to shareholders		**7,186,205**	7,764,595
Non-controlling interests		**6,585,616**	7,119,814
		13,771,821	14,884,409

Fung Siu To, Clement
Director

Chu Wai Ming, Benson
Director

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Cash flows from operating activities			
Net cash generated from operations	32(A)	2,862,913	3,022,471
Net income tax paid		(1,919)	(80,418)
Net interest paid		(651,048)	(1,058,534)
Interest received from bank deposit, other receivables and derivative financial instruments		77,198	306,443
Net cash generated from operating activities		2,287,144	2,189,962
Cash flows from investing activities			
Net proceeds of financial investments		–	382,364
Increase in restricted bank balances		(96,605)	(282,606)
Addition to investment properties		(3,830)	–
Addition to property, plant and equipment		(17,182)	(52,317)
Return of investments in joint ventures		12,007	95,358
Advance to joint ventures and associated companies		–	(523,370)
Repayment from joint ventures and associated companies		52,155	29,025
Net cash used in investing activities		(53,455)	(351,546)
Net cash generated before financing activities		2,233,689	1,838,416
Cash flows from financing activities	32(B)		
Drawdown of long term borrowings		638,050	2,997,900
Repayment of long term borrowings		(2,320,525)	(4,928,694)
Net decrease in short term borrowings		(12,021)	(7,979)
Purchase of interest in a subsidiary from non-controlling interests		(5,236)	(23,511)
Contribution from non-controlling interests		2,089	4,443
Lease payments		(2,077)	(7,022)
Net cash used in financing activities		(1,699,720)	(1,964,863)
Net increase/(decrease) in cash and cash equivalents		533,969	(126,447)
Cash and cash equivalents at the beginning of the year		966,602	1,112,361
Changes in exchange rates		7,556	(19,312)
Cash and cash equivalents at the end of the year		1,508,127	966,602
Analysis of the balances of cash and cash equivalents			
Bank balances and cash (excluding restricted bank balances)	22	1,508,127	966,602

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Equity attributable to shareholders				
	Share capital HK$'000	Reserves HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 31 March 2024	84,087	9,422,629	9,506,716	8,611,133	18,117,849
Financial assets at fair value through other comprehensive income					
– net fair value change and other net movements	–	689,329	689,329	551,379	1,240,708
– release of reserve upon derecognition	–	1,582	1,582	1,266	2,848
Cash flow hedges					
– fair value loss	–	(96,685)	(96,685)	(93,992)	(190,677)
– deferred tax on derivative financial instruments	–	15,953	15,953	15,509	31,462
Currency translation differences	–	(80,876)	(80,876)	(83,501)	(164,377)
Loss for the year	–	(2,235,479)	(2,235,479)	(1,871,111)	(4,106,590)
Total comprehensive charge for the year	–	(1,706,176)	(1,706,176)	(1,480,450)	(3,186,626)
Transactions with owners					
Net change of interest in a subsidiary	–	(35,945)	(35,945)	(10,869)	(46,814)
At 31 March 2025	84,087	7,680,508	7,764,595	7,119,814	14,884,409
Financial assets at fair value through other comprehensive income					
– net fair value change and other net movements	–	315,900	315,900	259,932	575,832
– release of reserve upon derecognition	–	138,163	138,163	99,647	237,810
Cash flow hedges					
– fair value loss	–	(11,376)	(11,376)	(10,565)	(21,941)
– deferred tax on derivative financial instruments	–	1,834	1,834	1,700	3,534
Currency translation differences	–	75,689	75,689	77,083	152,772
Loss for the year	–	(1,087,537)	(1,087,537)	(973,043)	(2,060,580)
Total comprehensive charge for the year	–	(567,327)	(567,327)	(545,246)	(1,112,573)
Transactions with owners					
Net change of interest in a subsidiary	–	(11,063)	(11,063)	11,048	(15)
At 31 March 2026	**84,087**	**7,102,118**	**7,186,205**	**6,585,616**	**13,771,821**

1 General Information

Asia Orient Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited ("SEHK"). The address of its principal office is 30th Floor, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong.

2 Material Accounting Policies

The material accounting policies applied by the Company and its subsidiaries (collectively, the "Group") in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

(A) Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These financial statements also complied with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on SEHK.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, financial assets at fair value through profit or loss ("FVPL"), financial assets at fair value through other comprehensive income ("FVOCI") and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

At 31 March 2026, the Group had net current assets of HK$3,572 million, comprising, among other items, properties held for sale of HK$3,202 million, unrestricted and restricted bank balances and cash of HK$2,023 million, and borrowings due within one year of HK$4,053 million. Subsequent to the end of the reporting period and up to the date of this report, syndicated bank loans of HK$2,960 million included in current liabilities at 31 March 2026 have been successfully refinanced for further 3 to 3.5 years.

The Group will continue to monitor the liquidity and financial forecast to ensure full compliance of all financial obligations.

The directors have reviewed the Group's cash flow projection which covers a period of not less than twelve months from 31 March 2026. The directors are of the opinion that, taking into account the ability to refinance the existing borrowings, the anticipated operating cash inflows from sale of properties and hotel operation, repatriation of funds from joint ventures, the cash held by the Group and the continuous compliance with the terms of the loan facilities (note 3(II)), the Group will have adequate resources to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2026.

2 Material Accounting Policies (Continued)

(B) The Adoption of New Standards and Amendments to Standards

The accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2025.

There are no new standards, amendments to standards and interpretations that are effective for the financial year ended 31 March 2026, which are relevant to the Group's operations.

The following new standards, amendments to standards and interpretation are relevant to the Group's operation but not yet effective and have not been early adopted by the Group:

Amendments to HKFRS 9 and HKFRS 7[(1)]	Amendments to the Classification and Measurement of Financial Instruments
HKFRS Amendments[(1)]	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 18[(2)]	Presentation and Disclosure in Financial Statements
Amendments to HK Interpretation 5[(2)]	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

(1) Effective for annual periods beginning on or after 1 January 2026
(2) Effective for annual periods beginning on or after 1 January 2027

The Group will apply these new standards, amendments to standards and interpretation as and when they become effective. Except for HKFRS 18 which may have impact to the presentation of consolidated financial statements for the year ending 31 March 2028, none of the remaining new standards, amendments to standards and interpretation are expected to have a significant effect on the Group's consolidated financial statements.

2 Material Accounting Policies (Continued)

(C) Basis of Consolidation

The consolidated financial statements of the Group include the financial statements of the Company and all its subsidiaries made up to 31 March.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 Material Accounting Policies (Continued)

(D) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(E) Joint Arrangement

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Investments in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the consolidated profit and loss account, and its share of post-acquisition movements in other comprehensive income is recognised in the Group's other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value and recognises the amount adjacent to "share of profits less losses of joint ventures" in the consolidated profit and loss account.

2 Material Accounting Policies (Continued)

(F) Associated Companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of its associated companies' post-acquisition profits or losses is recognised in the consolidated profit and loss account, and its share of post-acquisition movements in other comprehensive income is recognised in the Group's other comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gain or losses on dilution of equity interest in associated companies are recognised in the consolidated profit and loss account.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profits less losses of associated companies" in the consolidated profit and loss account.

(G) Balance with Subsidiaries, Joint Ventures and Associated Companies

Balances with subsidiaries, joint ventures and associated companies are split into its financial assets/liabilities and equity components at initial recognition. The financial assets/liabilities component is initially stated at fair value and subsequently carried at amortised cost. The equity component is recognised at cost.

2 Material Accounting Policies (Continued)

(H) Financial Investments

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 Material Accounting Policies (Continued)

(H) Financial Investments (Continued)

(c) Measurement (Continued)

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest revenue using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "net investment gain/(loss)" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated profit and loss account.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and certain foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "net investment gain/(loss)". Interest income from these financial assets is included in interest revenue using the effective interest rate method. Foreign exchange gains and losses are presented in "net investment gain/(loss)" and impairment expenses are presented as separate line item in the consolidated profit and loss account.

- FVOCI that were purchase or originated credit-impaired ("POCI") financial assets are recognised at their fair value. Interest income from these financial assets is included in interest revenue using the credit-adjusted effective interest rate method. The credit-adjusted effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is a POCI financial asset taking into account the expected cash flows by considering all contractual terms of the financial asset (for example, prepayment, extension, call and similar options) and ECL.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "net investment gain/(loss)" in the period in which it arises.

The debt instruments related accrued interest receivable would follow the measurement of the debt instruments in which the interest receivables arises.

2 Material Accounting Policies (Continued)

(H) Financial Investments (Continued)

(c) Measurement (Continued)

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "sales of goods and services, leasing and other revenue" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "net investment gain/(loss)" in the consolidated profit and loss account as applicable. For equity investments designated at FVOCI, all subsequent changes in fair value, including any significant declines, are recognised in OCI. These fair value changes are not subsequently reclassified to the profit and loss account.

(d) Expected credit loss ("ECL")

At the end of the reporting period, the Group performs impairment assessment and recognised loss provisions based on ECL on financial assets measured at amortised cost and FVOCI for debt instruments. The ECL refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received discounted at the original effective interest rate by the Group, that is, the present value of all cash shortages. Among them, the POCI financial assets shall be discounted according to the credit-adjusted effective interest rate method.

Regardless of whether the Group's assessment of credit losses is based on a single financial instrument or a group of financial instruments, the increase or reversal of the loss provision resulting therefrom should be included in the current profit or loss as an impairment loss or gain. For debt instruments measured at FVOCI, the Group recognises the allowance of impairment in other comprehensive income and impairment losses or gains in profit or loss, which should not change the book value of the financial assets set out in the balance sheet. For loss provision measured at the amount equivalent to the lifetime ECL of the financial instrument previously, if, at the end of the current reporting period, the financial instrument is no longer having significant increase in credit risk since the initial recognition, the Group measures its loss provision based on the amount of its ECL for the next 12 months, and the reversal of the loss provision arising from it is recognised as a reversal of the loss provision in profit or loss for the current reporting period. For POCI financial assets, the Group only recognises cumulative changes in lifetime ECL after initial recognition at the end of the reporting period as loss provision. At the end of each reporting period, the group recognises the amount of the change in lifetime ECL as an impairment loss or reversal of the loss provision in current profit or loss.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 Material Accounting Policies (Continued)

(H) Financial Investments (Continued)

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(I) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Hotel and other buildings in Hong Kong	Shorter of 50 years or the remaining lease period of the land on which the buildings are located
Other equipments	3 to 10 years

No depreciation is provided for buildings under development. Freehold land is not amortised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated profit and loss account.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(J)).

2 Material Accounting Policies (Continued)

(J) Impairment of Non-Financial Assets

Assets that have an indefinite useful life or are not yet available for use and are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(K) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group, is classified as investment property. Investment property comprises land and buildings. Where such property includes land held under a lease, the Group recognises a right-of-use asset for its interest in the land in accordance with HKFRS 16. This right-of-use asset is classified as part of investment property and, together with any related owned buildings, is subsequently measured at fair value.

Investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value and are valued at least annually by independent valuers. The valuations are on an open market basis, related to individual properties, and separate values are not attributed to land and buildings. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Investment property that is being redeveloped for continuing use as investment property continues to be measured at fair value. Changes in fair values are recognised in the consolidated profit and loss account.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated profit and loss account during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

2 Material Accounting Policies (Continued)

(L) Properties Under Development for Sale and Properties Held for Development for Sale

Properties under development for sale are included in current assets and comprise leasehold land, construction costs, interest capitalised and other direct costs attributable to such properties and are stated at the lower of cost and net realisable value.

Properties held for development for sale are stated at the lower of cost and net realisable value. Cost comprises leasehold land, construction costs, interest capitalised and other direct expenses capitalised during the course of development. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(M) Completed Properties Held for Sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost comprises leasehold land, construction costs, interest capitalised and other direct expenses capitalised during the course of development. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(N) Hotel and Restaurant Inventories

Hotel and restaurant inventories comprise consumables and are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(O) Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 21 for further information about the Group's accounting for trade receivables.

For accrued interest receivable from financial investments, please refer to note 2(H).

2 Material Accounting Policies (Continued)

(P) Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(Q) Contract Liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to provide services to the customer.

The combination of those rights and performance obligations gives rise to a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in profit or loss. Contract liabilities are recognised as revenue when the Group provide services to the customers and therefore satisfies its performance obligation.

(R) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(S) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the initiation of the borrowings, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit and loss account or capitalised when applicable (note 2(X)) over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has a right at the end of the reporting period to defer settlement for at least 12 months. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2 Material Accounting Policies (Continued)

(T) Employee Benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Retirement benefits obligations

The Group contributes to several defined contribution retirement schemes which are available to employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to these schemes are expensed as incurred.

(c) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on the non– marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

When the options are exercised, the Company issue new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 Material Accounting Policies (Continued)

(U) Current and Deferred Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. This exemption does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associated companies, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Material Accounting Policies (Continued)

(V) Revenue Recognition

(a) Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

(i) Sales of properties

Revenue from sales of properties is recognised at a point in time when the customer obtains the physical possession or the legal title of the completed properties and the Group has a present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(ii) Hotel operation

Revenue from hotel room rental is recognised over time during the period of stay for the hotel guests.

Revenue from hotel food and beverage sales and other ancillary services is generally recognised at the point in time when the services are rendered.

(b) Financial investments

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. Interest income for the POCI financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset using the credit-adjusted effective interest rate. At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Dividend income is recognised when the right to receive payment is established.

(c) Rental income from investment properties

Rental income from investment properties is recognised on a straight line basis over the terms of the respective leases.

2 Material Accounting Policies (Continued)

(W) Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which are the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account, except when deferred in equity as qualifying cash flow hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognised in the consolidated profit and loss account, and other changes in the carrying amount are recognised in OCI.

Translation differences on non-monetary financial assets and liabilities such as equities held at FVPL are recognised in the consolidated profit and loss account as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial assets at FVOCI are included in OCI.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each profit and loss account and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in OCI.

2 Material Accounting Policies (Continued)

(W) Foreign Currency Translation (Continued)

(c) Group companies (Continued)

On consolidation, currency translation differences arising from the translation of the net investment in foreign operations, are taken to other comprehensive income. When a foreign operation is sold, all of the differences accumulated in equity are reclassified to the consolidated profit and loss account as part of the gain or loss on disposal.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in OCI.

(X) Borrowing Costs

Borrowing costs incurred on properties under development that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the properties under development. Capitalisation of borrowing costs is suspended during the extended periods in which the Group suspends active development of properties under development.

All other borrowing costs are recognised in the consolidated profit and loss account in the period in which they are incurred.

(Y) Leases

As the lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

As the lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis.

2 Material Accounting Policies (Continued)

(Y) Leases (Continued)

As the lessee (Continued)

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

– the amount of the initial measurement of lease liability

– any lease payments made at or before the commencement date less any lease incentives received

– any initial direct costs, and

– restoration costs

Payments associated with short-term leases with a lease term of 12 months or less are recognised on a straight-line basis as an expense in profit and loss account.

(Z) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(AA) Related Parties

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, joint ventures and associated companies and key management (including close members of their families), where the individual, company or group has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(AB) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

2 Material Accounting Policies (Continued)

(AC) Scrip Dividend

Where the Company pays its dividends in the form of shares or gives the shareholders the options to receive a dividend in either cash or ordinary shares (referred to as scrip dividend), the shares issued are recognised at fair value.

(AD) Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with cash flow of recognised assets or liabilities (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether an economic relationship exists between the hedged item and the hedging instrument and the hedge is prospectively effective.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated profit and loss account within "net finance costs".

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated profit and loss account. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated profit and loss account.

The Group's accounting policy is to classify the full fair value of a hedging derivative as a noncurrent asset or liability when the hedging item is more than 12 months; as a current asset or liability when the remaining maturity of the hedging item is less than 12 months.

3 Financial Risk Management

(I) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group's operations are mainly in Hong Kong. Entities within the Group are exposed to foreign exchange risk from future commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations including Canada and Mainland China, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group currently does not have a foreign currency hedging policy. It manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Currency risks as defined by HKFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency, differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

The Group is also exposed to foreign currency risk with respect to financial investments, derivative financial instruments, bank balances and borrowings which are denominated in United States dollar, Renminbi, Sterling pounds, Euros and Japanese yen.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At 31 March 2026, the Group's entities with functional currency of Hong Kong dollar had United States dollars net monetary assets of HK$1.3 billion (2025: HK$1.5 billion). Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to United States dollar, management considers that there is no significant foreign exchange risk with respect to United States dollar.

If the foreign currency had strengthened/weakened by 5%, with all other variables held constant the Group's financial performance would have the following changes:

	2026			2025		
	Net monetary assets amount HK$'000	Increase/(decrease) in result attributable to the shareholder if exchange rate changes by +5% HK$'000	-5% HK$'000	Net monetary assets amount HK$'000	Increase/(decrease) in result attributable to the shareholder if exchange rate changes by +5% HK$'000	-5% HK$'000
Renminbi	1,031,458	30,656	(30,656)	932,918	23,632	(23,632)
Japanese Yen	9,888	248	(248)	10,391	220	(220)
Euro	262	8	(8)	2,439	54	(54)
Sterling	77	3	(3)	242	6	(6)

(ii) Price risk

The Group is exposed to equity and debt securities price risk from the Group's financial investments and derivative financial instruments. The performance of the Group's investments are closely monitored, together with an assessment of their relevance to the Group's long term strategic plans.

The Group's listed investments in equity and debt securities of other entities (classified as financial assets at FVPL and financial assets at FVOCI) are traded in the SEHK, Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE"), Singapore Stock Exchange ("SGX-ST") and Frankfurt Stock Exchange ("FSE"). The price of the Group's unlisted investments are quoted from brokers. Gains and losses arising from changes in fair value are dealt with in other comprehensive income and the profit and loss account respectively.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(a) Market risk (Continued)

(ii) Price risk (Continued)

For every 10% increase/decrease in the prices of financial instruments or underlying assets, with all other variables held constant, the Group's financial performance would have the following changes:

	2026				2025			
	Increase/(decrease) in result attributable to shareholders if price changes by		Increase/(decrease) in investment revaluation reserve if price changes by		Increase/(decrease) in result attributable to shareholders of if price changes by		Increase/(decrease) in investment revaluation reserve if price changes by	
	+10%	−10%	+10%	−10%	+10%	−10%	+10%	−10%
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Financial investments	61,280	(61,280)	9,143	(9,143)	56,589	(56,589)	2,498	(2,498)

(iii) Cash flow interest rate risk

Other than bank balances and deposits, financial investments with fixed coupons, mortgage loans receivable, loans receivable and advances to a joint ventures (collectively "Interest Bearing Assets"), the Group has no other significant interest bearing assets. The Group's interest rate risk also arises from borrowings ("Interest Bearing Liabilities").

Interest Bearing Assets are mostly at fixed rates. Interest Bearing Liabilities are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk. The Group manages this risk by use of floating-to-fixed interest rate swaps.

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of interest rate risk, the Group entered into interest rate swap contracts that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its Interest Bearing Liabilities, therefore the hedged is identified as a proportion of the Interest Bearing Liabilities up to the notional risk of the swaps.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow interest rate risk (Continued)
Hedge ineffectiveness (Continued)

Hedge ineffectiveness for interest rate swap contracts may occur due to:

- the credit value/debit value adjustment on the interest rate swaps contracts which is not matched by the borrowings, and
- differences in critical terms between the interest rate swap contracts and Interest Bearing Liabilities.

Hedge ineffectiveness in relation to the interest rate swaps was recognised in net finance costs (note 11) for the financial year of 2026 and 2025.

Swaps currently in place cover approximately 5% (2025: 23%) of the Interest Bearing Liabilities. The fixed interest rates of the swaps range between 1.1% and 3.17% (2025: 0.325% and 1%) and the variable rates of the Interest Bearing Liabilities range between 1.35% and 2.5% (2025: between 1.35% and 2.5%) above Hong Kong Interbank Offered Rate ("HIBOR").

The swap contracts require settlement of net interest receivable or payable every 30 days.

	2026 **HK$'000**	2025 HK$'000
Carrying amount (note 19)	**15,231**	50,756
Notional amount	**690,430**	3,708,000
Maturity date	**Various, up to March 2030**	Various, up to March 2030

At 31 March 2026, with all other variables held constant, if the interest rate had increased/decreased by 50 basis point, the Group's financial performance attributable to shareholders would have decreased/increased by HK$26,198,000 (2025: HK$29,079,000), and the hedging reserve would have increased/decreased by HK$4,749,000 (2025: HK$4,774,000) mainly as a result of change in the fair values of the cash flow hedges as described above.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(b) Credit risk

The credit risk of the Group mainly arises from bank balances and cash (note 22), financial investments (note 18), derivative financial instruments (note 19), as well as credit exposures to loan receivables, trade and other receivables (note 21) and amounts due from joint ventures and associated companies (note 17).

ECL

The Group assesses on a forward-looking basis the ECL associated with financial assets carried at amortised cost, FVOCI and financial guarantee contracts. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group assesses the ECL for trade receivables based on a simplified approach.

The Group adopts a "three-stage" model for impairment based on changes in credit quality since initial recognition, to estimate the ECL for financial assets measured at amortised cost (except for trade receivables, which applies simplified approach) and FVOCI debt securities other than those that are classified as POCI.

The key definitions of the three stages are summarised below:

Stage 1: For financial instruments with no significant increase in credit risk after initial recognition or that have low credit risk at the reporting date, the ECL is recognised at an amount equal to the portions of lifetime ECL that result from default events possible within the next 12 months;

Stage 2: For financial instruments with significant increase in credit risk since initial recognition, but there is no objective evidence of impairment, lifetime ECL is recognised and interest revenue is calculated on the gross carrying amount of the assets;

Stage 3: For financial instruments in default or credit impaired at the end of the reporting period, lifetime ECL is recognised and interest revenue is calculated on the net carrying amount of the assets.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial Risk Factors (Continued)

(b) Credit risk (Continued)

ECL (Continued)
POCI are financial assets that are credit-impaired on initial recognition. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset that resulted in the derecognition of the original financial asset. In such a case, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition. The Group include the initial lifetime ECL in the estimated cash flows when calculating the credit-adjusted effective interest rate. At each reporting date, the Group shall recognise in profit or loss the amount of the change in lifetime ECL as an impairment gain or loss.

Significant change in credit risk (Stage 2)
The Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition on an ongoing basis. The Group sufficiently considers reasonable and supportable information, which reflects the significant increase in credit risk. The major factors considered include regulatory and business environment, external credit rating, repayment ability, operation capacity, repayment behaviours, etc. The Group compares the risk of a default occurring as at the end of the reporting period with that as at the date of initial recognition of one financial instrument or a portfolio of financial instruments that shares the similar credit risk characteristics. The Group also considers the following factors to determine whether there is significant increase in credit risk:

– Significant change in the financial instrument's credit rating;

– The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Group would not otherwise consider;

– The borrower fails to make contractual payments when they fall due;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the issuer;

– A significant decline in the market price of debt instrument.

Definition of default (Stage 3)
The Group considers the financial asset to be in default when it is highly probable that the borrower will enter bankruptcy or have difficulty in refinancing and have no other realistic option than to restructure their debt.

The Group also considers that loan receivables, trade and other receivables are in default when the counterparty fails to make contractual payments within 90 days of when they fall due. The Group also considers that debt securities are in default when an event of default occurs and is not rectified within the prescribed grace period for remedial action as stipulated in that financial instrument.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(b) Credit risk (Continued)

The Group is subject to credit risk exposure according to their relevant credit risk classification:

	Gross carrying amount (note)					Carrying amount in consolidated balance sheet
	Simplified approach HK$'000	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	POCI HK$'000	HK$'000
31 March 2026						
Bank balances and cash						
Unrestricted cash	–	1,508,127	–	–	–	1,508,127
Restricted cash	–	515,193	–	–	–	515,193
Amount due from joint ventures and associated companies	–	2,972,014	–	27,675	–	2,972,014
Loan receivables	–	24,274	–	9,597	–	24,274
Trade and other receivables excluding interest receivables	126,188	51,790	–	–	–	177,978
Financial assets at FVOCI and amortised cost and related interest receivables	–	–	–	15,903,967	2,111,028	966,625
31 March 2025						
Bank balances and cash						
Unrestricted cash	–	966,602	–	–	–	966,602
Restricted cash	–	737,681	–	–	–	737,681
Amount due from joint ventures and associated companies	–	3,149,617	–	29,175	–	3,149,617
Loan receivables	–	19,355	–	9,115	–	26,982
Trade and other receivables excluding interest receivables	91,030	51,694	–	–	–	142,724
Financial assets at FVOCI and amortised cost and related interest receivables	–	–	–	15,693,753	1,990,621	1,217,527

Note: For the purpose of this disclosure, gross carrying amount is defined as the amortised cost of a financial asset, before adjusting for any loss allowance.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(b) Credit risk (Continued)

The maximum exposure to credit risk in relation to financial assets at FVPL and derivative financial instruments at the end of the reporting period is the carrying amount of these assets.

For bank balances and cash, the Group has limited its credit exposure by restricting the selection of financial institutions.

For amounts due from joint venture and associated companies, the advances are mainly for financing the underlying property development projects. The Group also provide financial guarantees for banking and loan facilities of joint ventures and an associated company (note 31). Except for projects mentioned in note 7, management considered the credit risk of these advances and financial guarantees to be immaterial given the property development projects are currently progressing according to plan and there are sufficient headroom comparing to the underlying cost.

Trade receivables mainly represent rental receivables and receivables from hotel operation. The Group requests rental deposits from tenants to minimise the credit exposure to the Group. Receivables from hotel operations mainly represents receivables from credit cards which are from reputable financial institutions. Considering the above, the Group considers the credit risk to be minimal.

Other receivables and loan receivables mainly represent other rental receivables and loan receivables from third parties. The credit exposures are assessed based on the credit quality of the debtors, taking into account their financial position, past experience and other forward-looking factors. Individual risk limits are set by management and the utilisation of credit limits is regularly monitored. The exposure to these credit risks are monitored on an ongoing basis. The Group has made an ECL of HK$9.6 million as at 31 March 2026 (2025: HK$1.7 million) for other receivables and loan receivables.

Due to the worsening market conditions and solvency situation of issuers, this had led to an increase in the recognition of ECL.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(b) Credit risk (Continued)

During the year, the movement of loss allowances in relation to the Group's debt securities at FVOCI and amortised cost is as follows:

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	POCI HK$'000	Total HK$'000
At 31 March 2024	3,514	170	10,805,351	1,030,500	11,839,535
Total ECL charge to profit and loss account for the year					
Transfer to stage 3	–	(170)	170	–	–
Credit quality related changes	–	–	1,903,677	600,250	2,503,927
Assets derecognised	(514)	–	(147)	–	(661)
At 31 March 2025	3,000	–	12,709,051	1,630,750	14,342,801
Total ECL charge to profit and loss account for the year					
Credit quality related changes	(3,000)	–	1,060,810	85,247	1,143,057
Assets derecognised	–	–	(497,834)	(27,547)	(525,381)
Write off	–	–	(944,197)	(219,307)	(1,163,504)
At 31 March 2026	**–**	**–**	**12,327,830**	**1,469,143**	**13,796,973**

The Group estimates the loss allowances for FVOCI financial investments under stage 1 and stage 2 by referencing to data published by credit rating agencies and other forward-looking factors which taking into account of macroeconomic information for the latest development of the issuer.

For the credit-impaired debt securities (stage 3) and POCI, the impairment loss was estimated based on management's assessment on the recoverable amount by assessing future cash flows using various probability weighted possible scenarios. The future cash flows are discounted using the effective interest rate determined at initial recognition.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(b) Credit risk (Continued)

The assessments on the debt securities at FVOCI and amortised cost in Stage 3 and POCI involved probability weighted scenarios and calculation of an expected value. Such scenarios include:

- For the debt securities subject to a restructuring scheme announced by the issuer, discounted cashflow method was used. The cashflow and timing set out in the approved scheme was adopted, discount factors were determined using effective interest rate at initial recognition, and scenarios analysis was applied.

- For the debt securities with no scheme of arrangement announced, some of them already had relatively advanced draft restructuring terms whereas some of them, despite no restructuring terms having been agreed, had directional guidance on the restructuring (e.g. no haircut on principal, amortisation within certain number of years, etc.). Assessments on these debt securities included formulation of various probable restructuring plans (e.g. longer repayment period, reduced coupon rates and/or haircut on principal amount, and implementation date), thereafter various discounted cashflows based on different probable restructuring plans were conducted for these debt securities.

- Deferral of repayments under the restructuring terms (as per the announced restructuring plan or the probable restructuring plans formulated by management) by 1 to 2 instalments, and same valuation work as mentioned above was conducted based on the longer repayment periods under the respective restructuring plans.

- Recovering the investment through sales of the debt securities in the market based on its market price at 31 March 2026 and 2025.

- Liquidation of the issuer, in which case a discount was applied to the issuer's consolidated assets at its latest published balance sheet date to arrive at a breakup value of the assets, and a present value of such assets after factoring in the time needed for realisation of the assets. The amount was then applied towards settlement of liabilities of the issuer, taking into account the rankings and priorities of those debts.

After calculating the expected values of each financial investment under the above-mentioned different scenarios, a probability weight in percentage was assigned for each scenario with a higher probability weight being assigned to the scenario to reflect the most likely outcome and vice versa, and a weighted ECL was calculated for each financial asset.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group closely monitors its liquidity through maintaining sufficient bank balances and cash, the availability of funding through an adequate amount of committed credit facilities and compliance of financial covenants of borrowings. The Group maintains flexibility in funding by keeping committed credit lines available and maintaining a reasonable level of bank balances and cash to meet any unexpected and material cash requirements in the course of ordinary business and to provide contingency liquidity support.

The relevant maturity groupings on the contractual undiscounted cash flows based on the remaining period at the balance sheet date to the contractual maturity date of the Group's financial liabilities are analysed in the financial statements.

The tables overleaf analyse the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual face value without applying discounted cash flow model based on the earliest date on which the Group is required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

3 Financial Risk Management (Continued)

(I) Financial Risk Factors (Continued)

(c) Liquidity risk (Continued)

	On demand HK$'000	Within 1 year HK$'000	Between 1 and 5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000
At 31 March 2026					
Non-derivative					
Trade and other payables	–	243,822	–	–	243,822
Amount due to joint ventures	–	188,793	–	–	188,793
Amount due to an associated company	–	125,070	–	–	125,070
Borrowings					
– Principal	–	4,083,498	10,246,565	–	14,330,063
– Interest	–	458,602	524,798	–	983,400
Lease liabilities	–	363	–	–	363
	–	5,100,148	10,771,363	–	15,871,511
Derivative financial instruments					
Net inflow	–	(2,137)	(10,048)	–	(12,185)
	–	5,098,011	10,761,315	–	15,859,326
At 31 March 2025					
Non-derivative					
Trade and other payables	–	169,509	17,585	–	187,094
Amount due to joint ventures	–	206,916	–	–	206,916
Amount due to an associated company	–	135,960	–	–	135,960
Borrowings					
– Principal	–	5,125,806	10,898,753	–	16,024,559
– Interest	–	731,580	804,771	–	1,536,351
Lease liabilities	–	2,000	350	–	2,350
	–	6,371,771	11,721,459	–	18,093,230
Derivative financial instruments					
Net inflow	–	(144,163)	(54,159)	–	(198,322)
	–	6,227,608	11,667,300	–	17,894,908

The Group provided financial guarantees for banking and loan facilities of joint ventures and an associated company (note 31).

3 Financial Risk Management (Continued)

(II) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio against revalued net assets (note (a)). Revalued net assets are prepared having taken into account the fair value of hotel properties, net of relevant deferred income taxes, in addition to the net assets shown in the consolidated balance sheet prepared in accordance with HKFRS. According to the Group's accounting policies, no properties other than investment properties are to be carried at valuation. Details of the valuation of the hotel properties, prepared for readers' information only, are set out in note 16(a) to the financial statements.

Under the terms of the Group's bank borrowings of HK$14,259,465,000 as at 31 March 2026 (2025: HK$15,932,928,000), and those of the refinanced bank borrowings subsequent to the end of the reporting period, the Group is required to comply with certain financial covenants at the end of each of the interim and annual reporting periods. The Group has complied with these covenants throughout the reporting period for the year ended 31 March 2026.

Certain financial covenants under the Group's bank borrowings are linked to the Group's profitability. To meet these covenants at the next testing dates, being the end of each interim and annual reporting period, the Group considers that it is important to achieve its planned property sales and to recognise sufficient profits from those sales in the relevant periods.

In support of this objective, the Group has been actively managing the sale of its properties held for sale, including those held by joint ventures. The Group will also continue to manage expenses carefully, with a view to maintaining compliance with the relevant financial covenants.

The directors have considered the Group's plans and are satisfied that they are feasible. Based on these plans, the directors anticipate that the Group will be able to comply with the financial covenants.

3 Financial Risk Management (Continued)

(II) Capital Risk Management (Continued)

The gearing ratio against revalued net assets is calculated as net debt divided by revalued net assets. Net debt is calculated as total borrowings (including current and non-current as shown in the consolidated balance sheet) less bank balances and cash.

The gearing ratios at 31 March 2026 and 2025 were as follows:

	2026 HK$'000	2025 HK$'000
Borrowings (note 25)	**14,259,465**	15,932,928
Less: bank balances and cash (note 22)	**(2,023,320)**	(1,704,283)
Net debt	**12,236,145**	14,228,645
Revalued net assets (note (a))	**22,518,987**	23,299,940
Gearing ratio – net debt to revalued net assets	**54%**	61%

Note (a): Revalued net assets is not a measure of financial performance under generally accepted accounting principles in Hong Kong. Revalued net assets measure used by the Group may not be comparable to other similarly titled measures of other companies and should not necessarily be construed as an alternative to net assets as determined in accordance with HKFRS.

3 Financial Risk Management (Continued)

(III) Fair Value Measurement

Financial instruments carried at fair value are categorised into 3 levels defined as follows:

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets (such as listed equity securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. These instruments are included in level 1.

(b) Financial instruments and related interest receivables in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter investments and derivatives) is determined by using latest available transaction price or valuation techniques. Judgements as to whether there is an active market may include, but not restricted to, consideration of factors such as the magnitude and frequency of trading activities, the availability of prices and the size of bid/ask spreads. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(c) Financial instruments and related interest receivables in level 3

If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3.

Level 3 instruments comprise unlisted equity securities, unlisted funds and defaulted debt securities, where transaction price or quoted price does not represent fair value. Fair values of these instruments have been determined using appropriate valuation techniques, such as discounted cashflow method, with references including quoted prices and asset-based values from financial institutions and other prices observed in recent transactions.

3 Financial Risk Management (Continued)

(III) Fair Value Measurement (Continued)

The following table presents the Group's financial instruments that are measured at fair value at 31 March 2026 and 2025:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
2026			
Assets			
Financial investments			
Debt securities	–	1,042,424	320,540
Equity securities	51,344	–	–
Unlisted funds	–	–	101,433
Interest receivables on debt securities	–	74,634	85,858
Derivative financial instruments	–	16,124	–
	51,344	1,133,182	507,831
2025			
Assets			
Financial investments			
Debt securities	–	337,427	1,209,865
Equity securities	44,193	–	–
Unlisted funds	–	–	113,076
Interest receivables on debt securities	–	6,942	282,188
Derivative financial instruments	–	50,756	–
	44,193	395,125	1,605,129

3 Financial Risk Management (Continued)

(III) Fair Value Measurement (Continued)

The following table presents the changes in level 3 financial instruments and related interest receivable for the years ended 31 March 2026 and 2025:

	HK$'000
At 31 March 2024	3,058,121
Addition	342,623
Disposal/redemption	(418,808)
Net fair value change and ECL	(1,416,201)
Transfer into level 3	39,394
At 31 March 2025	1,605,129
Addition	54,694
Disposal/redemption	(186,266)
Net fair value change and ECL	(95,683)
Transfer out from level 3*	(870,043)
At 31 March 2026	**507,831**

The Group's policy is to recognise transfer into and out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and level 2 fair value measurements during the year.

* The Group transferred an amount of debt securities and related interest receivables out from level 3 to level 2 which was revalued based on quoted market prices without an adjustment to a level 2 input that is significant to the entire fair value measurement.

3 Financial Risk Management (Continued)

(III) Fair Value Measurement (Continued)

The following table summarise the quantitative information about the significant unobservable input used in level 3 fair value measurement:

Description	Fair value HK$'000	Valuation technique	Significant unobservable input	Relationship of unobservable input to fair value
At 31 March 2026				
Debt securities and related interest receivables	**406,398**	Discounted cash flow methodology	Discount rate of 34% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value.
Unlisted funds	**101,433**	Net asset value	Fair value of the underlying property based on valuation model	The higher the net asset value/fair value of the underlying property, the higher the fair value.
At 31 March 2025				
Debt securities and related interest receivables	1,492,053	Discounted cash flow methodology	Discount rate of 34% to 52% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value.
Unlisted funds	113,076	Net asset value	Fair value of the underlying property based on valuation model	The higher the net asset value/fair value of the underlying property, the higher the fair value.

4 Critical Accounting Estimates and Judgements

In preparing this consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.

The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are set out below.

(A) ECL for Financial Investments

The measurement of the ECL for financial investments is an area that requires significant assumptions about future economic conditions and credit behaviour. These financial investments subject to ECL assessment are debt securities at FVOCI and amortised cost.

Significant judgements are required in applying the accounting requirements for measuring ECL. For these debt securities classified as stage 3, the Group assessed ECL for each using a discounted cashflow model with probability weightings given to different possible scenarios. For POCI, the Group estimates the lifetime ECL using discounted cash flows from the investment at each reporting date. The assumptions also take into account forward-looking estimates. The involvement of significant management judgements and assumptions gave rise to a higher risk of uncertainty in such assessment.

(B) Fair Value of Level 3 Financial Assets at FVOCI and Related Interest Receivables

The measurement of fair value for financial assets at FVOCI involved the use of unobservable inputs which may lead to estimation uncertainty. The significant unobservable inputs included estimated future cashflow, the discount rate applied and probability weighting given to different possible scenarios. Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumption could lead to different measurement of fair value. For further details, please refer to note 3(III).

4 Critical Accounting Estimates and Judgements (Continued)

(C) Estimate of Fair Value of Investment Properties

At 31 March 2026, the Group had investment properties with fair value of HK$9,645,275,000 (2025: HK$10,183,057,000). The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the amount is determined within a range of reasonable fair value estimates. Information from a variety of sources are considered in making the judgement:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; and

(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

The Group assessed the fair value of its investment properties based on valuation determined by independent and professional qualified valuers.

Detail of the judgement and assumptions have been disclosed in note 15.

(D) Recoverability of Properties held for Sale

The Group assesses the carrying amounts of properties held for sale according to their estimated net realisable values based on the realisability of these properties, taking into account construction costs to completion based on the existing development plans and the estimation of selling prices of the properties of comparable locations and conditions and cost of sale. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be fully realised. The assessment requires the use of significant estimates.

(E) Impairment of Interests in and Amounts due from Joint Ventures and Associated Companies

The Group determines whether interests in joint ventures and associated companies are impaired by regularly reviewing whether there are any indicators of impairment of the investments. For investments where impairment indicators exist, management estimated the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use, by considering the valuation or estimated cash flows of the underlying projects of the joint ventures and associated companies.

Impairment on amounts due from joint ventures and associated companies is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition, through management's critical assessment based on underlying assets, historical repayment pattern, the actual and expected changes in business performance and general market default rate.

Significant judgements are required in estimating the recoverable amounts for the interests in and amounts due from joint ventures and associated companies.

4 Critical Accounting Estimates and Judgements (Continued)

(F) Income Taxes

The Group is subject to income taxes in Hong Kong and other jurisdictions. Judgement is required in certain provision for income taxes for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

Recognition of deferred income tax assets (note 26), which principally relate to tax losses, depends on the management's expectations of future taxable profit that will be available against which tax losses can be utilised. The outcome of their actual utilisation may be different.

5 Segment Information

The Group is principally engaged in property development and investment, hotel operation and securities investments. Revenue includes revenue from property sales and leasing, hotel operation, management services, interest income and dividend income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by the chief operating decision-maker. The Group is organised into four main operating segments, comprising property sales, property leasing, hotel operation and financial investments. Segment assets consist primarily of property, plant and equipment, investment properties, financial investments, other non-current assets, hotel inventories, properties held for sale and trade and other receivables. Segment liabilities comprise mainly borrowings, trade and other payables and contract liabilities.

5 Segment Information (Continued)

	Property sales HK$'000	Property leasing HK$'000	Hotel operation HK$'000	Financial investments HK$'000	Others HK$'000	Total HK$'000
2026						
Segment revenue	**5,258,458**	**145,049**	**435,704**	**517,420**	**64,827**	**6,421,458**
Segment cost of sales and expenses	**(4,697,277)**	**(27,970)**	**(202,035)**	**(7,482)**	**(9,652)**	**(4,944,416)**
Contribution to segment results	**561,181**	**117,079**	**233,669**	**509,938**	**55,175**	**1,477,042**
Depreciation	**(7,567)**	**–**	**(128,805)**	**–**	**(83,638)**	**(220,010)**
Net investment loss	**–**	**–**	**–**	**(1,414,340)**	**–**	**(1,414,340)**
Fair value loss of investment properties	**–**	**(541,612)**	**–**	**–**	**–**	**(541,612)**
Share of profits less losses of						
Joint ventures	**(15,825)**	**(137,039)**	**–**	**(256,048)**	**(4,367)**	**(413,279)**
Associated companies	**–**	**(75,948)**	**–**	**–**	**–**	**(75,948)**
Segment results	**537,789**	**(637,520)**	**104,864**	**(1,160,450)**	**(32,830)**	**(1,188,147)**
Unallocated corporate expenses						**(206,422)**
Net finance costs						**(627,031)**
Loss before income tax						**(2,021,600)**
2025						
Segment revenue	1,238,197	129,175	369,318	717,839	54,285	2,508,814
Segment cost of sales and expenses	(840,180)	(38,555)	(191,351)	(11,375)	(10,309)	(1,091,770)
Contribution to segment results	398,017	90,620	177,967	706,464	43,976	1,417,044
Depreciation	(12,415)	–	(119,998)	–	(79,800)	(212,213)
Net investment (loss)/gain	–	–	–	(3,245,666)	15,409	(3,230,257)
Fair value loss of investment properties	–	(633,359)	–	–	–	(633,359)
Other charge	(121,916)	–	–	–	–	(121,916)
Share of profits less losses of						
Joint ventures	(70,380)	(133,716)	–	(212,767)	15	(416,848)
Associated companies	–	(63,894)	–	–	(4,508)	(68,402)
Segment results	193,306	(740,349)	57,969	(2,751,969)	(24,908)	(3,265,951)
Unallocated corporate expenses						(172,819)
Net finance costs						(619,136)
Loss before income tax						(4,057,906)

5 Segment Information (Continued)

	Business segments						
	Property sales HK$'000	Property leasing HK$'000	Hotel operation HK$'000	Financial investments HK$'000	Others HK$'000	Unallocated HK$'000	Total HK$'000
2026							
Assets	**6,603,998**	**11,738,402**	**5,195,927**	**2,281,078**	**192,784**	**3,320,846**	**29,333,035**
Assets include:							
Joint ventures and associated companies	**3,299,666**	**2,044,111**	**–**	**295,878**	**–**	**499**	**5,640,154**
Addition to non-current assets*	**9,653**	**3,830**	**8,658**	**–**	**11,583**	**306**	**34,030**
Liabilities							
Borrowings	**2,343,678**	**1,984,413**	**4,422,898**	**–**	**–**	**5,508,476**	**14,259,465**
Other liabilities							**1,301,749**
							15,561,214
2025							
Assets	10,326,345	12,443,815	5,565,484	2,484,650	227,926	3,589,467	34,637,687
Assets include:							
Joint ventures and associated companies	3,524,271	2,230,098	–	315,865	20,077	19	6,090,330
Addition to non-current assets*	13,179	–	14,412	–	76,225	1,484	105,300
Liabilities							
Borrowings	3,031,593	2,117,581	4,590,193	–	–	6,193,561	15,932,928
Other liabilities							3,820,350
							19,753,278

* These amounts exclude financial instruments and deferred income tax assets.

5 Segment Information (Continued)

	2026 HK$'000	2025 HK$'000
Revenue		
Hong Kong	5,519,142	596,691
Outside Hong Kong	902,316	1,912,123
	6,421,458	2,508,814
Non-current assets*		
Hong Kong	18,878,391	21,831,215
Outside Hong Kong	1,898,871	2,065,597
	20,777,262	23,896,812

* These amounts exclude financial instruments and deferred income tax assets.

Sales of goods and services, leasing and other revenue can be further analysed into:

	2026 HK$'000	2025 HK$'000
Revenue from contracts with customers		
– recognised at a point in time	5,282,922	1,269,055
– recognised over time	426,404	360,117
	5,709,326	1,629,172
Other sources	137,950	130,540
	5,847,276	1,759,712

6 Net Investment Loss

	2026 HK$'000	2025 HK$'000
Financial assets at FVPL		
– net unrealised fair value loss (note (b))	**(54,262)**	(684,825)
– net realised gain/(loss) (note (a)(i))	**9,909**	(844)
Financial assets at FVOCI		
– net unrealised exchange gain/(loss) (note (b))	**6,998**	(5,910)
– net realised (loss)/gain (note (a)(ii))	**(236,869)**	1,260
– changes in ECL (note (c))	**(1,078,808)**	(1,941,920)
Financial assets at amortised cost		
– net unrealised exchange gain/(loss) (note (b))	**6,261**	(3,806)
– net realised gain (note (a)(iii))	**7,586**	–
– changes in ECL (note (c))	**(64,249)**	(562,007)
Gain on acquisition/disposal of subsidiaries	**–**	15,409
Derivative financial instruments		
– net unrealised loss	**(10,906)**	(47,614)
	(1,414,340)	(3,230,257)

Notes:

(a) Net realised gain/(loss) for the year

	2026 HK$'000	2025 HK$'000
(i) Net realised loss on financial assets at FVPL		
Gross consideration	**37,608**	316,549
Cost of investments	**(78,435)**	(355,309)
Add: net unrealised loss recognised in prior years	**50,736**	37,916
Net realised gain/(loss) recognised in current year	**9,909**	(844)
(ii) Net realised (loss)/gain on financial assets at FVOCI		
Gross consideration	**133,319**	92,124
Cost of investments	**(687,813)**	(76,098)
Transfer from investment revaluation reserve	**317,625**	(14,766)
Net realised (loss)/gain recognised in current year	**(236,869)**	1,260
(iii) Net realised gain on financial assets at amortised cost		
Gross consideration	**11,428**	–
Cost of investments	**(15,706)**	–
Add: net unrealised loss recognised in prior years	**11,864**	–
Net realised gain recognised in current year	**7,586**	–

6 Net Investment Loss (Continued)

Notes: (Continued)

(a) Net realised (loss)/gain for the year (Continued)

(iv) During the year, the following debt securities contributed to the majority of the realised loss:

	Realised loss for the year ended 31 March 2026 HK$'000
Kaisa 9.375% notes	**(164,071)**
Kaisa 11.7% notes	**(70,771)**
	(234,842)

Kaisa 9.375% notes and 11.7% notes, issued by Kaisa Group Holdings Limited ("Kaisa") and carry fixed coupon rate of 9.375% and 11.7% per annum respectively. These notes are listed on Singapore Stock Exchange ("SGX-ST"). These notes are denominated in USD and matured on 30 June 2024 and 11 November 2025 respectively. During the year, these notes were derecognised upon debt restructuring of Kaisa and exchanged into certain new notes. Kaisa is principally engaged in the property development, property investment, property management, hotel and catering operations, cultural centre operation and healthcare operations in the PRC. Its shares are listed on SEHK (Stock code: 1638).

(b) Net unrealised (loss)/gain for the year was mainly generated from the fair value changes of the financial investments that comprised 66 (2025: 62) securities and 4 (2025: 4) funds as at 31 March 2026.

Summary of net unrealised (loss)/gain recognised in profit and loss account for the year ended 31 March:

	2026 HK$'000	2025 HK$'000
Equity securities	**21,781**	1,589
Debt securities	**(56,140)**	(713,706)
Unlisted fund	**(6,644)**	17,576
	(41,003)	(694,541)

6 Net Investment Loss (Continued)

Notes: (Continued)

(c) Summary of ECL for the year:

During the year, the following debt securities contributed to the majority of the changes in ECL:

	Increase in ECL for the year ended 31 March 2026 HK$'000
Scenery Journey 12% notes (i)	**(160,369)**
Evergrande 12% notes (ii)	**(146,224)**
Evergrande 8.75% notes (ii)	**(132,971)**
Guangzhou Fineland 13.6% notes (iii)	**(112,920)**
Fantasia 12.25% notes (iv)	**(100,238)**
Jiayuan 11.375% notes (v)	**(65,956)**
Jiayuan 12% notes (v)	**(47,612)**
	(766,290)

(i) Scenery Journey 12% notes, issued by Scenery Journey Limited, an indirect subsidiary of China Evergrande Group ("Evergrande"), carry fixed coupon rate of 12% per annum (matured on 24 October 2023). These notes are denominated in USD and are listed on Singapore Stock Exchange ("SGX-ST"). Evergrande is principally engaged in property development, property management, property construction, hotel operations, finance business, internet business, and health industry business in the PRC. Its shares were listed on SEHK (stock code: 3333) and were delisted in August 2025.

(ii) Evergrande 12% and Evergrande 8.75% notes, issued by Evergrande, carry fixed coupon rates of 12% and 8.75% per annum (matured on 22 January 2025 and 28 June 2025), respectively. These notes are denominated in USD and are listed on SGX-ST.

(iii) Guangzhou Fineland 13.6% notes, issued by Guangzhou Fineland Limited ("Fineland"), carry fixed coupon rate of 13.6% per annum. These notes are denominated in USD and matured on 27 September 2023. These notes are listed on SGX-ST. Fineland is principally engaged in residential real estate development and the provision of property management services in the PRC.

(iv) Fantasia 12.25% notes, issued by Fantasia Holdings Group Co., Limited ("Fantasia") and carry fixed coupon rate of 12.25% per annum. These notes are listed on SGX-ST. These notes are denominated in USD and matured on 18 October 2022. Fantasia is principally engaged in the property development, property operation services and hotel operations in the PRC. Its shares are listed on SEHK (stock code: 1777).

(v) Jiayuan 11.375% and Jiayuan 12% notes, issued by Jiayuan International Group Limited ("Jiayuan") and carry fixed coupon rate of 11.375% and 12% per annum. Jiayuan 11.375% notes are unlisted and Jiayuan 12% notes are listed on SGX-ST. The notes are denominated in USD and matured on 29 October 2023 and 30 October 2022 respectively. Jiayuan is principally engaged in property development and property investment in the PRC. Its shares were listed on SEHK (stock code: 2768) and were delisted in October 2024.

7 Other Charge

Last year's charge represents full impairment provision for our investment and advance to a joint venture company.

8 Income and Expenses by Nature

	2026 HK$'000	2025 HK$'000
Income		
Net rental income (note)	**117,079**	97,230
Interest income from financial assets at FVOCI		
– Listed investments	**272,696**	314,647
– Unlisted investments	**9,783**	39,012
Interest income from financial assets at FVPL		
– Listed investments	**142,274**	145,532
– Unlisted investments	**13,752**	10,994
Interest income from financial assets at amortised cost		
– Listed investments	**78,451**	188,106
– Amount due from joint ventures	**13,315**	15,064
– Loan receivables	**5,408**	2,962
– Bank deposits	**38,503**	32,785
Dividend income		
– Listed investments	**411**	18,337
Loss before taxation is arrived after charging		
Auditor's remuneration		
– Audit services	**7,090**	10,660
– Non-audit services	**92**	1,201
Cost of properties and goods sold	**4,513,035**	686,582
Employee benefit expense including Director's emoluments (note 9)	**241,856**	226,669
Rental expense for land and buildings	**356**	816

Note:

Gross rental income		
Investment properties	**144,995**	129,121
Properties held for sale	**54**	54
	145,049	129,175
Outgoings	**(27,970)**	(31,945)
Net rental income	**117,079**	97,230

9 Employee Benefit Expense

	2026 HK$'000	2025 HK$'000
Wages and salaries	237,288	222,987
Retirement benefits costs (note (a))	4,568	5,258
	241,856	228,245
Capitalised under properties under development for sale	–	(1,576)
	241,856	226,669

Staff costs are stated inclusive of Directors' emoluments and are included in cost of sales and administrative expenses.

Notes:

(a) Retirement benefits costs

	2026 HK$'000	2025 HK$'000
Gross contributions	4,568	5,258

The Group participates in various types of defined contribution schemes for employees, namely the Mandatory Provident Fund ("MPF") Scheme and Occupational Retirement Scheme Ordinance ("ORSO") Scheme in Hong Kong, Canada Pension Plan ("CPP") in Canada and retirement plans in Mainland China.

In Hong Kong, the Group participates in several defined contribution schemes under the ORSO which are available to employees joining before 1 December 2000. Under these schemes, contribution of 5% of the employee's monthly salaries are made by the employees and by the Group. The Group's contributions may be reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

The Group also participates in the MPF schemes, which are available to all employees not joining the ORSO schemes in Hong Kong and in the CPP organised by the Canadian Government for all employees in Canada. Monthly contributions to the MPF scheme and CPP are made equal to 5% (2025: 5%) or a fixed sum and 5.95% (2025: 5.95%) respectively, of the employee's relevant income in accordance with the local legislative requirements.

As at 31 March 2026 and 2025, no forfeiture was available to reduce the Group's future contributions to the ORSO Scheme.

(b) Share options

The Company and Asia Standard International Group Limited ("Asia Standard") that is a listed subsidiary operate share option schemes, whereby options may be granted to employees of the Group, including the Executive Directors, to subscribe for shares of the Company and Asia Standard respectively. The consideration to be paid on each grant of option is HK$1 for the Company and Asia Standard respectively.

9 Employee Benefit Expense (Continued)

Notes: (Continued)

(b) Share options (Continued)

Company

The Company operates share option scheme, whereby options may be granted to employees of the Group, including the Executive Directors, to subscribe for shares of the Company. The consideration to be paid on each grant of option is HK$1 for the Company.

Details of share options held under the share option scheme of the Company are as follows:

				Number of share options		
Date of grant		**Exercise price per share**	**Expiry date**	**Outstanding as at 1 April 2025**	**Lapsed during the year**	**Outstanding as at 31 March 2026**
11 December 2015	Directors	HK$1.42	10 December 2025	7,000,000	(7,000,000)	–

During the year, no options were granted, exercised, cancelled, except the above 7,000,000 options were lapsed. In 2025, no options were granted, exercised, cancelled or lapsed.

Asia Standard

Details of share options held under the share option scheme of Asia Standard are as follows:

				Number of share options		
Date of grant		**Exercise price per share**	**Expiry date**	**Outstanding as at 1 April 2025**	**Lapsed during the year**	**Outstanding as at 31 March 2026**
11 December 2015	Directors	HK$1.38	10 December 2025	7,000,000	(7,000,000)	–

During the year, no options were granted, exercised, cancelled, except the above 7,000,000 options were lapsed. In 2025, no options were granted, exercised, cancelled or lapsed.

10 Directors' and Senior Management's Emoluments

(a) The aggregate amount of emoluments paid and payable to Directors of the Company for the years ended 31 March 2026 and 2025 are set out as below:

Name of Director	Fees	Salaries	Discretionary bonuses	Allowance and benefit in kind	Employer's contribution to retirement benefit scheme	Total emoluments
2026 (in HK$'000)						
Executive						
Mr. Fung Siu To, Clement	–	1,339	191	1,860	42	3,432
Mr. Poon Jing	–	1,303	–	41,146	18	42,467
Mr. Poon Hai	–	2,994	–	20,275	29	23,298
Ms. Poon Tsing, Rachel (note (a)(i))	350	700	–	198	10	1,258
Mr. Poon Yeung, Roderick	–	2,405	–	24,605	36	27,046
Mr. Kwan Po Lam, Phileas	–	2,378	594	670	119	3,761
Mr. Chu Wai Ming, Benson (note (a)(ii))	–	653	630	–	5	1,288
Mr. Lun Pui Kan (note (a)(iii))	–	783	1,250	649	61	2,743
	350	12,555	2,665	89,403	320	105,293
Non-executive						
Ms. Poon Tsing, Rachel (note (a)(i))	250	–	–	–	–	250
Independent Non-executive						
Mr. Cheung Kwok Wah	400	–	–	–	–	400
Mr. Leung Wai Keung	600	–	–	–	–	600
Mr. Ma Ho Fai (note (a)(iv))	448	–	–	–	–	448
Mr. Wong Chi Keung	600	–	–	–	–	600
	2,048	–	–	–	–	2,048
	2,648	12,555	2,665	89,403	320	107,591

10 Directors' and Senior Management's Emoluments (Continued)

(a) The aggregate amount of emoluments paid and payable to Directors of the Company for the years ended 31 March 2026 and 2025 are set out as below: (Continued)

Name of Director	Fees	Salaries	Discretionary bonuses	Allowance and benefit in kind	Employer's contribution to retirement benefit scheme	Total emoluments
2025 (in HK$'000)						
Executive						
Mr. Fung Siu To, Clement	–	1,339	–	1,909	42	3,290
Mr. Poon Jing	–	1,303	20,200	14,541	18	36,062
Mr. Poon Hai	–	2,994	16,000	12,564	36	31,594
Mr. Poon Yeung, Roderick	–	1,950	15,000	1,613	36	18,599
Mr. Lun Pui Kan	–	1,878	250	1,237	146	3,511
Mr. Kwan Po Lam, Phileas	–	2,366	197	595	118	3,276
	–	11,830	51,647	32,459	396	96,332
Non-executive						
Ms. Poon Tsing, Rachel	150	–	–	–	–	150
Independent Non-executive						
Mr. Cheung Kwok Wah	400	–	–	–	–	400
Mr. Leung Wai Keung	850	–	–	–	–	850
Mr. Wong Chi Keung	850	–	–	–	–	850
	2,100	–	–	–	–	2,100
	2,250	11,830	51,647	32,459	396	98,582

Notes:

(i) Ms. Poon Tsing, Rachel was appointed as Non-executive Director on 31 December 2024 and re-designated from Non-executive Director to Executive Director on 1 September 2025.

(ii) Mr. Chu Wai Ming, Benson was appointed as Executive Director on 13 January 2026.

(iii) Mr. Lun Pui Kan was retired on 25 August 2025.

(iv) Mr. Ma Ho Fai was appointed as Independent Non-executive Director on 2 July 2025.

(v) During the year, no emolument was paid or is payable by the Group to any of the above directors in respect of accepting office as a director or as compensation for loss of office (2025: Nil).

(vi) No transactions, arrangement and contracts of significance in relation to the Company's business to which its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director of the Company and his connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2025: Nil).

10 Directors' and Senior Management's Emoluments (Continued)

(b) The five highest paid individuals in the Group for the year include five (2025: five) Directors whose emoluments are already reflected in the analysis presented above.

(c) Senior management remuneration by band

The emoluments of the senior management fell within the following band:

	Number of individuals	
	2026	2025
HK$1,000,001 – HK$2,000,000	**2**	1
HK$2,000,001 – HK$3,000,000	**2**	3

11 Net Finance Costs

	2026 **HK$'000**	2025 HK$'000
Interest (expense)/income		
Long term bank loans	**(621,738)**	(1,023,373)
Short term bank loans and overdrafts	**(145)**	(494)
Lease liabilities	**(56)**	(158)
Amount due to a joint venture	**–**	(4,544)
Derivative financial instruments (interest rate swaps ("IRS"))	**19,972**	255,632
Interest capitalised (note)	**27,999**	246,700
	(573,968)	(526,237)
Other incidental borrowing costs	**(50,271)**	(59,794)
Net foreign exchange (loss)/gain on borrowings	**(112)**	9
Fair value loss on derivative financial instrument (IRS)		
Cash flow hedge — ineffective portion	**(2,680)**	(33,114)
	(627,031)	(619,136)

Note: Borrowing costs were capitalised at rates ranged from 4.3% to 5.2% (2025: 3.1% to 5.4%) per annum.

12 Income Tax Expense

	2026 HK$'000	2025 HK$'000
Current income tax credit/(expense)		
Hong Kong	1,221	(4,574)
Outside Hong Kong	(13,499)	(28,455)
	(12,278)	(33,029)
Deferred income tax expense	(26,702)	(15,655)
	(38,980)	(48,684)

Hong Kong profits tax is provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the year. Profits tax outside Hong Kong has been provided on the estimated assessable profit for the year at the rates prevailing in the countries in which the Group operates.

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2026 HK$'000	2025 HK$'000
Loss before income tax	(2,021,600)	(4,057,906)
Add:		
Share of loss of joint ventures and associated companies	489,227	485,250
	(1,532,373)	(3,572,656)
Calculated at a tax rate of 16.5% (2025: 16.5%)	252,842	589,488
Effect of different tax rates in other countries	57,735	(20,438)
Income not subject to income tax	62,582	147,419
Expenses not deductible for tax purposes	(363,808)	(705,418)
Tax losses not recognised	(69,600)	(44,389)
Recognition of previously unrecognised tax losses	16,111	21,747
Utilisation of previously unrecognised tax losses	7,137	606
Derecognised previously recognised tax loss	(10,947)	(27,574)
Withholding tax	(1,919)	(4,857)
Others	10,887	(5,268)
Income tax expense	(38,980)	(48,684)

13 Dividends

At a meeting held on 29 June 2026, the Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2026 (2025: Nil). No interim dividend was declared during the year (2025: Nil).

14 Loss Per Share

The calculation of loss per share is based on loss attributable to shareholders and divided by the weighted average number of shares in issue.

	2026 HK$'000	2025 HK$'000
Loss attributable to shareholders	**(1,087,537)**	(2,235,479)
	Number of shares	
Weighted average number of shares in issue	**840,873,996**	840,873,996

The diluted loss per share is equal to the basic loss per share since there exists no dilutive potential share during the years ended 31 March 2026 and 2025.

15 Investment Properties

	2026 HK$'000	2025 HK$'000
At the beginning of the year	**10,183,057**	10,816,416
Addition	**3,830**	–
Net fair value loss	**(541,612)**	(633,359)
At the end of the year	**9,645,275**	10,183,057

As at 31 March 2026 the aggregate net book value of investment properties pledged as securities for loans amounted to HK$9,645,275,000 (2025: HK$10,164,000,000).

All of the fair value measurements of the Group's investment properties were categorised into level 3 of the fair value hierarchy. There were no transfers into or out of level 3 during the year.

Valuation techniques and process

Investment properties were revalued by Prudential Surveyors (Hong Kong) Limited, independent professional valuers, on an open market value basis as at 31 March 2026 and 2025.

Fair value of investment properties is generally derived using the direct comparison method. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. There are no changes to the valuation techniques during the year. The adjusted market price, being the significant unobservable inputs used are as follows:

	Range of significant unobservable inputs	
	2026 HK$/square feet	2025 HK$/square feet
Office	**24,500-28,500**	25,200-29,800
Retail — Ground floor	**40,700-135,900**	47,200-124,400
Retail — Others	**12,900-25,800**	14,100-28,300

16 Property, Plant and Equipment

	Hotel buildings HK$'000	Other buildings HK$'000	Other equipments HK$'000	Right-of-use assets HK$'000	Total HK$'000
Cost					
At 31 March 2024	2,296,219	671,524	177,774	7,564,756	10,710,273
Currency translation differences	–	–	(3,109)	(88)	(3,197)
Additions	12,700	76,215	2,368	2,922	94,205
Disposals	–	–	(6,187)	(7,343)	(13,530)
At 31 March 2025	2,308,919	747,739	170,846	7,560,247	10,787,751
Accumulated depreciation					
At 31 March 2024	1,166,455	59,054	124,528	1,618,531	2,968,568
Currency translation differences	–	–	(3,095)	(24)	(3,119)
Charge for the year	67,122	10,523	12,634	121,934	212,213
Disposals	–	–	(5,993)	(7,343)	(13,336)
At 31 March 2025	1,233,577	69,577	128,074	1,733,098	3,164,326
Net book value					
At 31 March 2025	1,075,342	678,162	42,772	5,827,149	7,623,425
Cost					
At 31 March 2025	2,308,919	747,739	170,846	7,560,247	10,787,751
Currency translation differences	–	–	2,032	57	2,089
Additions	7,958	10,787	1,811	–	20,556
Transfer to properties held for sale	–	(305,317)	–	(724,913)	(1,030,230)
Disposals	–	–	(17,449)	(3,119)	(20,568)
At 31 March 2026	**2,316,877**	**453,209**	**157,240**	**6,832,272**	**9,759,598**
Accumulated depreciation					
At 31 March 2025	1,233,577	69,577	128,074	1,733,098	3,164,326
Currency translation differences	–	–	1,950	24	1,974
Charge for the year	67,244	16,282	12,355	124,129	220,010
Transfer to properties held for sale	–	(28,103)	–	(31,544)	(59,647)
Disposals	–	–	(6,612)	(3,119)	(9,731)
At 31 March 2026	**1,300,821**	**57,756**	**135,767**	**1,822,588**	**3,316,932**
Net book value					
At 31 March 2026	**1,016,056**	**395,453**	**21,473**	**5,009,684**	**6,442,666**

16 Property, Plant and Equipment (Continued)

Notes:

(a) Total carrying values of hotel properties comprise the following:

	2026 HK$'000	2025 HK$'000
Hotel properties		
Hotel buildings	1,016,056	1,075,341
Hotel leasehold land	4,059,821	4,368,139
	5,075,877	5,443,480

Supplementary information with hotel properties at valuation:

The aggregate open market value, on a highest and best use basis, of the five (2025: five) hotel properties in Hong Kong based on valuations conducted by Vincorn Consulting & Appraisal Limited (2025: same), independent professional valuers, amounted to HK$13,360,000,000 (2025: HK$13,180,000,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

The supplementary information with hotel properties at valuation is for readers' information only. It does not constitute a disclosure requirement under HKAS 16 and HKFRS 16.

(b) As at 31 March 2026, the aggregate net book value of property, plant and equipment pledged as security for loans amounted to HK$6,420,847,000 (2025: HK$7,578,000,000).

(c) Right-of-use assets

The consolidated balance sheet shows the following carrying amounts relating to leases:

	2026 HK$'000	2025 HK$'000
Right-of-use assets		
Leasehold land in Hong Kong	5,009,341	5,824,846
Leased properties — offices and warehouse	343	2,303
	5,009,684	5,827,149

The consolidated profit and loss account shows the following expenses relating to leases:

	2026 HK$'000	2025 HK$'000
Depreciation charge of right-of-use assets		
Leasehold land in Hong Kong	122,136	115,051
Leased properties — offices and warehouse	1,993	6,883
	124,129	121,934

17 Joint Ventures and Associated Companies

	2026 HK$'000	2025 HK$'000
Investment in		
Joint ventures	**1,613,242**	1,809,868
Associated companies	**1,054,898**	1,130,845
	2,668,140	2,940,713
Amount due from		
Joint ventures	**2,020,396**	3,149,350
Associated companies	**785**	267
	2,021,181	3,149,617

A. Joint Ventures

	2026 HK$'000	2025 HK$'000
Share of net assets (note (a))	**1,613,242**	1,809,868
Amount due from joint ventures (note (b))	**2,998,904**	3,178,525
Provision for amount due from joint ventures	**(27,675)**	(29,175)
	4,584,471	4,959,218
Amount due from joint ventures included in current assets	**(950,833)**	–
	3,633,638	4,959,218
Amount due to joint ventures included in current liabilities	**(188,793)**	(206,916)
	3,444,845	4,752,302

The shares of a joint venture are pledged to secure the loan facilities granted to the Group.

There are no contingent liabilities relating to the Group's interests in joint ventures.

The Group has provided financial guarantees for banking facilities granted to certain joint ventures (note 31).

The principal joint ventures are held under Asia Standard and their details are set out in the published consolidated financial statements of Asia Standard.

17 Joint Ventures and Associated Companies (Continued)

(A) Joint Ventures (Continued)

Notes:

(a) Summarised financial information of material joint venture

Set out below are the aggregate information for the Group's joint ventures that are not individually material, and attributable to the Group:

	2026 **HK$'000**	2025 HK$'000
Revenue	**829,319**	420,057
Cost of sales	**(629,768)**	(239,520)
Gross profit	**199,551**	180,537
Selling and administrative expenses	**(114,280)**	(64,351)
Net investment loss	**(293,581)**	(222,371)
Net finance costs	**(63,785)**	(127,507)
Fair value loss of investment properties	**(128,750)**	(116,250)
Other charges	**(5,148)**	(46,470)
Loss before income tax	**(405,993)**	(396,412)
Income tax expense	**(7,286)**	(20,436)
Loss for the year	**(413,279)**	(416,848)
Other comprehensive income	**131,746**	78,345
Total comprehensive charge for the year	**(281,533)**	(338,503)
Aggregate carrying amount of the Group's joint ventures that are not individually material	**1,613,242**	1,809,868

There is no joint venture as at 31 March 2026, which in the opinion of the Directors, is individually material to the Group.

(b) Amount due from joint ventures are made to finance property development projects. Amount due from joint ventures are denominated in Hong Kong dollar and Canadian dollar. As at 31 March 2026, except for an amount of HK$402,000 (2025: HK$95,427,000) and HK$472,568,000 (2025: HK$427,449,000) amount due from joint ventures which is bearing interest at 1% (2025: 1%) above The Hong Kong and Shanghai Banking Corporation ("HSBC") prime rate per annum and 15% (2025: 15%) per annum respectively, amount due from joint ventures are unsecured, interest free and have no fixed terms of repayment.

17 Joint Ventures and Associated Companies (Continued)

A. Joint Ventures (Continued)

Notes: (Continued)

(c) A joint venture company holds a building which was classified as investment property and revalued by an independent professional valuer on an open market value basis as at 31 March 2026 and 2025 using valuation techniques including direct comparison method, capitalised income projection method and discounted cash flow projection method.

Valuation techniques	Significant unobservable inputs	Range 2026	Range 2025
Direct comparison	Adjusted market price	HK$/square feet 5,900 – 9,300	HK$/square feet 6,800 – 10,800
Capitalised income projection	Capitalisation rate	3.25%	3.25%
Discounted cash flow projection	Discount rate	6.25%	6.25%
	Annual growth rate	3.5%	3.5%
	Structural vacancy	5%-10%	5%-10%
	Terminal capitalisation rate	3.25%	3.25%

B. Associated Companies

	2026 HK$'000	2025 HK$'000
Share of net assets (note (a))	1,054,898	1,130,845
Amount due from associated companies	785	267
	1,055,683	1,131,112
Amount due to an associated company included in current liabilities	(125,070)	(135,960)
	930,613	995,152

The shares of an associated company are pledged to secure the loan facilities granted to the Group.

Amount due from associated companies are made to finance property development projects. Amount due from associated companies are unsecured, interest free and have no fixed terms of repayment, and are denominated in Hong Kong dollar.

There are no contingent liabilities relating to the Group's interests in associated companies.

The principal associated companies are held under Asia Standard and their details are set out in the published consolidated financial statements of Asia Standard.

17 Joint Ventures and Associated Companies (Continued)

B. Associated Companies (Continued)

Set out below are the aggregate information of the Group's associated companies that are not individually material:

	2026 HK$'000	2025 HK$'000
Loss before income tax (note (b))	**(76,611)**	(69,177)
Income tax credit	**663**	775
Loss and total comprehensive charge for the year	**(75,948)**	(68,402)

Notes:

(a) Mainly represented share of net assets of an associated company holding an investment property.

(b) Mainly represented share of fair value loss of HK$72,600,000 (2025: HK$59,400,000) arising from the revaluation of an investment property held by an associated company. The investment property was revalued by an independent professional valuers on an open market value basis as at 31 March 2026 and 2025. The adjusted market price, being significant unobservable inputs used are as follows:

	Range of significant unobservable inputs	
	2026 **HK$/square feet**	2025 HK$/square feet
Office	**16,900-18,800**	17,900-19,400
Retail — Ground floor	**232,500-272,400**	249,000-294,000
Retail — others	**14,100-36,900**	15,800-38,600

18 Financial Investments

	2026 HK$'000	2025 HK$'000
Non-current assets		
Debt securities		
Listed in Singapore	148,150	112,170
Listed in Europe	–	58,883
	148,150	171,053
Unlisted funds	101,433	113,076
	249,583	284,129
Current assets		
Equity securities		
Listed in Hong Kong	51,344	44,193
Debt securities		
Listed in the PRC	909,737	832,166
Listed in Singapore	566,217	694,180
Listed in Europe	42,146	1,501
Unlisted	4,650	13,847
	1,522,750	1,541,694
	1,574,094	1,585,887
	1,823,677	1,870,016

18 Financial Investments (Continued)

Financial investments are classified in the following categories:

	2026 HK$'000	2025 HK$'000
Non-current assets		
Financial assets at FVPL	101,433	113,076
Financial assets at FVOCI	–	60,549
Financial assets at amortised cost	148,150	110,504
	249,583	284,129
Current assets		
Financial assets at FVPL	916,665	828,543
Financial assets at FVOCI	497,641	702,393
Financial assets at amortised cost	159,788	54,951
	1,574,094	1,585,887
	1,823,677	1,870,016

Financial investments are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
Renminbi	909,737	832,166
United States dollar	852,748	981,850
Hong Kong dollar	51,344	44,193
Japanese yen	9,848	10,347
Euro	–	1,460
	1,823,677	1,870,016

At 31 March 2026 and 2025, no financial investments were pledged as security for borrowings. None of the carrying value of any of our investments constituted 5% or more of total assets as at 31 March 2026.

Subsequent to year end, the restructuring of Golden Wheel Tiandi Holdings Limited ("Golden Wheel") became effective on 26 June 2026 upon fulfilment of conditions. Golden Wheel notes and its related interest receivables were converted into new Golden Wheel notes and equity shares on the effective date of the restructuring. Golden Wheel is principally engaged in property-related businesses in the PRC. Its shares are listed on SEHK (stock code: 1232).

19 Derivative Financial Instruments

	2026 HK$'000	2025 HK$'000
Non-current assets		
Interest rate swap contracts	16,124	27,389
Current assets		
Interest rate swap contracts	–	23,367
	16,124	50,756
Current liabilities		
Interest rate swap contracts	893	–

The principal amounts of the outstanding interest rate swaps contracts were HK$690,430,000 (2025: HK$3,708,000,000).

The Group's derivative financial instruments are settled on a net basis.

The movement of the Group's hedging reserves is disclosed in note 28.

20 Properties Held for Sale

	2026 HK$'000	2025 HK$'000
Properties under development for sale		
Leasehold land	350,762	2,633,238
Freehold land	160,961	137,765
Development costs	65,202	2,211,139
	576,925	4,982,142
Completed properties held for sale		
Leasehold land	493,865	2,950
Freehold land	123,290	152,589
Development costs	2,007,932	1,192,034
	2,625,087	1,347,573
	3,202,012	6,329,715

Notes:

(a) As at 31 March 2026, properties amounting to HK$1,056,543,000 (2025: HK$4,619,000,000) were pledged to banks to secure certain banking facilities of the Group.

(b) As at 31 March 2026, the properties under development for sale amounting to HK$576,925,000 (2025: HK$362,908,000) were not scheduled for completion within twelve months.

21 Trade and Other Receivables

	2026 HK$'000	2025 HK$'000
Trade receivables	126,188	91,030
Accrued interest and dividend receivables	160,523	294,558
Amount due from joint ventures (note 17)	950,833	–
Loan receivables	24,274	26,982
Prepayments	55,854	150,025
Utility and other deposits	15,810	10,392
Other receivables	35,953	35,680
	1,369,435	608,667

Aging analysis of trade receivables net of loss allowance based on the date of the relevant invoice or demand note is as follows:

	2026 HK$'000	2025 HK$'000
0 month to 6 months	123,115	90,095
7 months to 12 months	2,063	196
More than 12 months	1,010	739
	126,188	91,030

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

The carrying amounts of trade and other receivables approximate their fair values. They are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
Hong Kong dollar	1,150,767	261,878
United States dollar	157,601	279,895
Canadian dollar	55,554	54,436
Renminbi	5,513	12,458
	1,369,435	608,667

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above.

22 Bank Balances and Cash

	2026 HK$'000	2025 HK$'000
Cash at bank and in hand	**813,092**	300,352
Short term bank deposits with original maturities within 3 months	**695,035**	666,250
Cash and cash equivalents	**1,508,127**	966,602
Restricted bank balances	**515,193**	737,681
	2,023,320	1,704,283

Restricted bank balances consist primarily of HK$508 million (2025: HK$411 million) as collateral for bank borrowings and HK$2 million (2025: HK$322 million) proceeds from sale of properties held in escrow.

The carrying amounts of the bank balances and cash are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
Hong Kong dollar	**1,388,093**	1,352,370
United States dollar	**325,726**	261,129
Canadian dollar	**192,746**	60,970
Renminbi	**116,208**	28,376
Others	**547**	1,438
	2,023,320	1,704,283

23 Trade and Other Payables

	2026 **HK$'000**	2025 HK$'000
Trade payables	**17,860**	75,499
Accrual and other payables	**177,377**	79,277
Rental and management fee deposits	**43,836**	38,968
Building management account surplus	**5,486**	5,173
Lease liabilities	**363**	2,000
	244,922	200,917

Aging analysis of trade payables based on the date of the relevant invoice or demand note is as follows:

	2026 **HK$'000**	2025 HK$'000
0 month to 6 months	**17,415**	75,446
7 months to 12 months	**392**	6
More than 12 months	**53**	47
	17,860	75,499

The carrying amounts of trade and other payables approximate their fair values. They are denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
Hong Kong dollar	**233,885**	191,145
Canadian dollar	**11,037**	9,772
	244,922	200,917

24 Contract Liabilities

	2026 HK$'000	2025 HK$'000
Deposits received in advance from customers	**6,087**	2,509,113
At the beginning of the year	**2,509,113**	484,892
Net (decrease)/increase for transactions during the year	**(2,503,846)**	2,042,594
Exchange differences	**820**	(18,373)
At the end of the year	**6,087**	2,509,113

Contract liabilities comprise mostly deposits received in advance from properties buyers.

25 Borrowings

	2026 HK$'000	2025 HK$'000
Current liabilities		
Short term bank loans		
Secured	**–**	12,021
Unsecured	**10,000**	10,000
Current portion of long term bank loans		
Secured	**1,720,416**	4,834,543
Unsecured	**2,322,330**	221,520
	4,052,746	5,078,084
Non-current liabilities		
Long term bank loans		
Secured	**10,206,719**	8,179,714
Unsecured	**–**	2,675,130
	10,206,719	10,854,844
	14,259,465	15,932,928

25 Borrowings (Continued)

The maturities of the long term bank loans, based on the scheduled repayment dates set out in the loan agreements and ignoring the effect of any repayment on demand clause, are as follows:

	2026 HK$'000	2025 HK$'000
Repayable within one year	**4,042,746**	5,056,063
Repayable between one and two years	**3,921,569**	3,663,122
Repayable between two and five years	**6,285,150**	7,191,722
	14,249,465	15,910,907
Current portion included in current liabilities	**(4,042,746)**	(5,056,063)
	10,206,719	10,854,844

The carrying amount of the borrowings are denominated in Hong Kong dollar.

The interest rates of the borrowing at the balance sheet date range from 3.6% to 5.9% (2025: from 4.8% to 6.5%) per annum.

The carrying amounts of the short term and long term borrowings approximate their fair values.

26 Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax jurisdiction. The offset amounts are as follows:

	2026 HK$'000	2025 HK$'000
Deferred income tax assets	**96,128**	151,732
Deferred income tax liabilities	**(669,158)**	(700,995)
	(573,030)	(549,263)

26 Deferred Income Tax (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred Income Tax Assets

	Accelerated accounting depreciation		Tax loss		Difference in cost base of properties		Fair value adjustments		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At the beginning of the year	**57**	39	**253,000**	238,688	**24,341**	–	**(7,476)**	(10,934)	**269,922**	227,793
Recognised in the profit and loss account	**–**	18	**(47,363)**	14,312	**(5,261)**	24,341	**–**	(9,366)	**(52,624)**	29,305
Recognised in other comprehensive income	**–**	–	**–**	–	**–**	–	**–**	12,824	**–**	12,824
Reclassification	**–**	–	**–**	–	**–**	–	**7,476**	–	**7,476**	–
At the end of the year	**57**	57	**205,637**	253,000	**19,080**	24,341	**–**	(7,476)	**224,774**	269,922

Deferred Income Tax Liabilities

	Accelerated tax depreciation		Revaluation of properties		Withholding tax on unremitted earnings		Fair value adjustments		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At the beginning of the year	**(126,244)**	(123,623)	**(509,988)**	(533,324)	**(172,189)**	(90,971)	**(10,764)**	(44,927)	**(819,185)**	(792,845)
Recognised in the profit and loss account	**(1,485)**	(2,621)	**19,159**	23,336	**6,834**	(81,218)	**1,414**	15,543	**25,922**	(44,960)
Recognised in other comprehensive income	**–**	–	**–**	–	**–**	–	**2,935**	18,620	**2,935**	18,620
Reclassification	**–**	–	**–**	–	**–**	–	**(7,476)**	–	**(7,476)**	–
At the end of the year	**(127,729)**	(126,244)	**(490,829)**	(509,988)	**(165,355)**	(172,189)	**(13,891)**	(10,764)	**(797,804)**	(819,185)

Deferred income tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$214 million (2025: HK$129 million) in respect of losses amounting to HK$1,293 million (2025: HK$693 million) that can be carried forward against future taxable income. As at 31 March 2026, except for the tax losses of HK$994 million (2025: HK$434 million) which have no expiry date, the balance will expire at various dates up to and including 2046.

27 Share Capital

Shares of HK$0.1 each	Number of shares	Amount HK$'000
Authorised:		
At 31 March 2026 and 2025	3,000,000,000	300,000
Issued and fully paid:		
At the beginning and the end of the year	840,873,996	84,087

28 Reserves

	Share premium HK$'000	Capital reserve HK$'000	Contributed surplus HK$'000	Share options reserve HK$'000	Hedging reserve HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Currency translation reserve HK$'000	Revenue reserve HK$'000	Total HK$'000
At 31 March 2024	2,257,745	398,021	60,257	4,111	107,260	(1,100,070)	31,167	(130,681)	7,794,819	9,422,629
Financial assets at FVOCI										
– net fair value change and other net movements	–	–	–	–	–	689,676	–	–	–	689,676
– release of reserve upon derecognition	–	–	–	–	–	1,582	–	–	–	1,582
– transfer upon disposal of equity securities at FVOCI	–	–	–	–	–	(90,325)	–	–	89,978	(347)
Cash flow hedges										
– fair value loss	–	–	–	–	(96,685)	–	–	–	–	(96,685)
– deferred tax on derivative financial instruments	–	–	–	–	15,953	–	–	–	–	15,953
Currency translation differences	–	–	–	–	–	–	–	(80,876)	–	(80,876)
Loss for the year	–	–	–	–	–	–	–	–	(2,235,479)	(2,235,479)
Net change in interest in a subsidiary	–	–	–	–	–	–	–	–	(35,945)	(35,945)
Share option lapsed	–	–	–	(8)	–	–	–	–	8	–
At 31 March 2025	2,257,745	398,021	60,257	4,103	26,528	(499,137)	31,167	(211,557)	5,613,381	7,680,508
At 31 March 2025	2,257,745	398,021	60,257	4,103	26,528	(499,137)	31,167	(211,557)	5,613,381	7,680,508
Financial assets at FVOCI										
– net fair value change and other net movements	–	–	–	–	–	315,900	–	–	–	315,900
– release of reserve upon derecognition	–	–	–	–	–	138,163	–	–	–	138,163
Cash flow hedges										
– fair value loss	–	–	–	–	(11,376)	–	–	–	–	(11,376)
– deferred tax on derivative financial instruments	–	–	–	–	1,834	–	–	–	–	1,834
Currency translation differences	–	–	–	–	–	–	–	75,689	–	75,689
Loss for the year	–	–	–	–	–	–	–	–	(1,087,537)	(1,087,537)
Net change in interest in a subsidiary	–	–	–	–	–	–	–	–	(11,063)	(11,063)
Share option lapsed	–	–	–	(4,103)	–	–	–	–	4,103	–
At 31 March 2026	**2,257,745**	**398,021**	**60,257**	**–**	**16,986**	**(45,074)**	**31,167**	**(135,868)**	**4,518,884**	**7,102,118**

29 Commitments

Commitments at the balance sheet date are as follows:

	2026 **HK$'000**	2025 HK$'000
Contracted but not provided for		
Property, plant and equipment	**–**	9,947

30 Operating Lease Arrangements

Lessor

As at 31 March 2026 and 2025, the future aggregate minimum rental receipts receivable under non-cancellable operating leases were as follows:

	2026 **HK$'000**	2025 HK$'000
In respect of land and buildings:		
Within one year	**122,043**	122,727
In the second to fifth year inclusive	**73,120**	89,805
	195,163	212,532

31 Financial Guarantees

	2026 **HK$'000**	2025 HK$'000
Guarantees for the banking and loan facilities of joint ventures and an associated company	**1,919,269**	2,472,658

32 Note to Consolidated Statement of Cash Flows

(A) Reconciliation of Loss before Income Tax to Net Cash Generated from Operations

	2026 HK$'000	2025 HK$'000
Loss before income tax	**(2,021,600)**	(4,057,906)
Share of profits less losses of		
Joint ventures	**413,279**	416,848
Associated companies	**75,948**	68,402
Depreciation	**220,010**	212,213
Net investment loss	**1,414,340**	3,230,257
Fair value loss of investment properties	**541,612**	633,359
Other charge	**–**	121,916
Loss on disposal of property, plant and equipment	**10,837**	194
Interest income	**(272,066)**	(204,039)
Net finance costs	**626,957**	619,136
Operating profit before working capital changes	**1,009,317**	1,040,380
Decrease in properties under development for sale (excluding interest expense capitalised)	**4,184,174**	276,508
Decrease in hotel and restaurant inventories	**510**	1,174
Increase in trade and other receivables	**(226,298)**	(482,406)
Net proceeds from financial investments	**33,830**	343,150
Decrease/(increase) in restricted bank balances	**319,584**	(99,963)
Increase/(decrease) in trade and other payables	**45,642**	(98,966)
(Decrease)/increase in contract liabilities	**(2,503,846)**	2,042,594
Net cash generated from operations	**2,862,913**	3,022,471

32 Note to Consolidated Statement of Cash Flows (Continued)

(B) Reconciliation of Liabilities Arising from Financing Activities

	Borrowings HK$'000	Amount due to non-controlling interests HK$'000	Lease liabilities HK$'000	Total HK$'000
At 31 March 2024	17,842,997	56,514	6,356	17,905,867
Financing cash flows				
Net repayment	(1,938,773)	–	–	(1,938,773)
Lease payment	–	–	(7,022)	(7,022)
Contribution from non-controlling interests	–	4,443	–	4,443
Loan facilities fee paid	(24,842)	–	–	(24,842)
Non-cash changes				
Amortisation of loan facilities fee and issue expenses	54,144	–	–	54,144
Addition of lease liabilities	–	–	2,922	2,922
Accrued interest	–	–	158	158
Exchange translation differences	(598)	–	(64)	(662)
At 31 March 2025	15,932,928	60,957	2,350	15,996,235
Financing cash flows				
Net repayment	(1,694,496)	–	–	(1,694,496)
Lease payment	–	–	(2,077)	(2,077)
Contribution from non-controlling interests	–	2,089	–	2,089
Loan facilities fee paid	(21,032)	–	–	(21,032)
Non-cash changes				
Amortisation of loan facilities fee and issue expenses	42,065	–	–	42,065
Accrued interest	–	–	56	56
Exchange translation differences	–	–	34	34
At 31 March 2026	**14,259,465**	**63,046**	**363**	**14,322,874**

33 Related Party Transactions

The details of balances with joint ventures and associated companies are disclosed in note 17.

In addition to the related party information shown elsewhere in the financial statements, the following transactions were carried out with related parties:

Key Management Compensation

	2026 **HK$'000**	2025 HK$'000
Fee	**2,648**	2,250
Salaries, allowances and benefits in kind	**112,696**	104,014
Employer's contribution to retirement benefits scheme	**361**	432
	115,705	106,696

Key management includes the Company's Directors and four (2025: four) senior management members of the Group. No significant transactions have been entered with the Directors of the Company (being the key management personnel) during the year other than the emoluments paid to them as disclosed in note 10.

34 Balance Sheet of the Company

As at 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Non-current assets			
Subsidiaries (note (a))		**2,941,453**	2,941,453
Current assets			
Amounts due from subsidiaries		**2,753,945**	2,759,043
Trade and other receivables		**162**	166
Bank balances and cash		**643**	240
		2,754,750	2,759,449
Current liabilities			
Trade and other payables		**1,058**	1,609
Net current assets		**2,753,692**	2,757,840
Net assets		**5,695,145**	5,699,293
Equity			
Share capital	27	**84,087**	84,087
Reserves (note (b))		**5,611,058**	5,615,206
		5,695,145	5,699,293

Fung Siu To, Clement
Director

Chu Wai Ming, Benson
Director

34 Balance Sheet of the Company (Continued)

Notes:

(a) Details of the principal subsidiaries are set out in note 35.

Extracts of published audited financial information of Asia Standard in which the Group has material non-controlling interest are set out in note 36.

(b) Reserve movement of the Company

	Share premium HK$'000	Contributed surplus HK$'000	Share options reserve HK$'000	Revenue reserve HK$'000	Total HK$'000
At 31 March 2024	2,257,745	1,895,806	3,066	1,465,149	5,621,766
Loss for the year	–	–	–	(6,560)	(6,560)
At 31 March 2025	2,257,745	1,895,806	3,066	1,458,589	5,615,206
At 31 March 2025	2,257,745	1,895,806	3,066	1,458,589	5,615,206
Share option lapsed	–	–	(3,066)	3,066	–
Loss for the year	–	–	–	(4,148)	(4,148)
At 31 March 2026	**2,257,745**	**1,895,806**	**–**	**1,457,507**	**5,611,058**

The revenue reserve is distributable. Under the Companies Act of Bermuda and the Bye-Laws of the Company, the contributed surplus is also distributable.

35 Principal Subsidiaries

Listed below are the principal subsidiaries which, in the opinion of the Directors, principally affect the results and/or net assets of the Group.

(Unless indicated otherwise, they are indirectly wholly-owned by the Company and have their principal place of operations in Hong Kong.)

Name	Principal activity	Issued and fully paid share capital	Group equity interest
Incorporated in the British Virgin Islands			
Asia Orient Holdings (BVI) Limited[1]	Investment holding	US$100	100%
Impetus Holdings Limited	Investment holding	US$1	100%
Persian Limited	Investment holding	US$49,050	100%
Pleasant Ridge Global Limited	Securities investment	US$1	100%
Sunrich Holdings Limited	Securities investment	US$2	100%
Incorporated in Hong Kong			
Asia Orient Company Limited	Investment holding	US$126,729,833	100%
Asia Orient Finance Company Limited	Financing services	HK$10,000,000	100%
Asia Orient Management Services Limited	Management services	HK$40,000,002	100%
Hitako Limited	Securities investment	HK$20	100%
Ocean Hand Investments Limited	Investment holding	HK$2	100%
Pan Bright Investment Limited	Investment holding	HK$20	100%
Pan Harbour Investment Limited	Investment holding	HK$2	100%
Pan Inn Investment Limited	Investment holding	HK$20	100%
Pan Kite Investment Limited	Investment holding	HK$20	100%
Pan Pearl Investment Limited	Investment holding	HK$20	100%
Pan Spring Investment Limited	Investment holding	HK$20	100%
Prosperity Land Cleaning Service Limited	Cleaning services	HK$200	100%
Prosperity Land Estate Management Limited	Property management	HK$10,000,150	100%
Union Home Development Limited	Investment holding	HK$2	100%
Incorporated in Liberia			
Bassindale Limited	Investment holding	US$500	100%
Incorporated in Bermuda and listed in Hong Kong			
Asia Standard International Group Limited[2]	Investment holding	HK$14,206,353	50.1%

1 Direct subsidiary of the Company.

2 Its principal subsidiaries, joint ventures and associated companies are included in its own published consolidated financial statements.

Notes to the Financial Statements

36 Extracts From the Audited Consolidated Financial Statements of Asia Standard

Asia Standard is a principal subsidiary of the Company. It is incorporated in Bermuda and listed in Hong Kong and its subsidiaries are principally engaged in property development and investment, hotel operation and securities investments.

Set out below are the summary of the audited consolidated financial statements of Asia Standard in which 49.9% (2025: 49.9%) were owned by non-controlling interests, that are material to the Group for the year ended 31 March 2026. The balance of non-controlling interest was HK$6,585,616,000 (2025: HK$7,119,814,000).

The information below is the amount before inter-company eliminations.

Consolidated Profit and Loss Account

For the year ended 31 March 2026

	2026 **HK$'000**	2025 HK$'000
Sales of goods and services, leasing and other revenue	**5,844,083**	1,758,200
Interest revenue	**489,365**	649,131
Total revenue	**6,333,448**	2,407,331
Cost of sales	**(4,767,740)**	(866,956)
Gross profit	**1,565,708**	1,540,375
Selling and administrative expenses	**(327,550)**	(339,438)
Depreciation	**(142,589)**	(134,685)
Net investment loss		
Net realised and unrealised loss	**(214,708)**	(574,181)
Changes in expected credit losses	**(1,027,597)**	(2,270,023)
Fair value loss of investment properties	**(544,996)**	(638,872)
Other charge	**–**	(121,916)
Operating loss	**(691,732)**	(2,538,740)
Net finance costs	**(626,948)**	(617,750)
Share of profits less losses of		
Joint ventures	**(411,679)**	(413,469)
Associated companies	**(75,948)**	(68,402)
Loss before income tax	**(1,806,307)**	(3,638,361)
Income tax expense	**(56,303)**	(72,246)
Loss for the year	**(1,862,610)**	(3,710,607)
Loss allocated to non-controlling interests	**(973,043)**	(1,871,111)
Dividends paid to non-controlling interests	**–**	–
Total comprehensive charge for the year	**(1,006,002)**	(2,920,847)
Total comprehensive charge allocated to non-controlling interests	**(545,246)**	(1,480,450)

36 Extracts From the Audited Consolidated Financial Statements of Asia Standard (Continued)

Consolidated Balance Sheet

As at 31 March 2026

	2026 HK$'000	2025 HK$'000
Non-current assets		
Investment properties	**9,721,106**	10,262,272
Property, plant and equipment	**3,431,915**	4,536,050
Investment in joint ventures and associated companies	**2,678,786**	2,949,759
Amounts due from joint ventures and associated companies	**2,021,181**	3,149,617
Financial investments	**223,245**	278,997
Derivative financial instruments	**16,124**	26,693
Deferred income tax assets	**94,875**	148,159
	18,187,232	21,351,547
Current assets		
Properties held for sale	**3,118,053**	6,213,023
Hotel and restaurant inventories	**25,069**	25,579
Trade and other receivables	**1,351,860**	574,197
Income tax recoverable	**8**	127
Financial investments	**1,280,508**	1,285,766
Derivative financial instruments	**–**	23,367
Bank balances and cash		
– restricted	**509,707**	732,508
– unrestricted	**1,269,940**	720,178
	7,555,145	9,574,745
Current liabilities		
Trade and other payables	**234,683**	190,450
Amounts due to joint ventures	**188,793**	206,916
Amount due to an associated company	**125,070**	135,960
Amount due to non-controlling interests	**–**	60,957
Income tax payable	**3,780**	5,142
Derivative financial instruments	**893**	–
Contract liabilities	**6,087**	2,509,113
Borrowings	**4,052,746**	5,078,084
	4,612,052	8,186,622
Net current assets	**2,943,093**	1,388,123
Non-current liabilities		
Borrowings	**10,206,719**	10,854,844
Amount due to non-controlling interests	**63,046**	–
Lease liabilities	**–**	350
Deferred income tax liabilities	**178,329**	191,007
	10,448,094	11,046,201
Net assets	**10,682,231**	11,693,469

36 Extracts from the Audited Consolidated Financial Statements of Asia Standard (Continued)

Consolidated Balance Sheet (Continued)

As at 31 March 2026

	2026 HK$'000	2025 HK$'000
Equity		
Share Capital	**14,206**	14,206
Reserves	**10,663,234**	11,674,172
Equity attributable to shareholders	**10,677,440**	11,688,378
Non-controlling interests	**4,791**	5,091
	10,682,231	11,693,469
Supplementary information with hotel properties at valuation		
Revalued total assets	**36,833,000**	41,748,000
Revalued net assets	**21,773,000**	22,515,000

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
Operating profit before working capital changes	**1,013,327**	1,028,163
Change in working capital	**1,281,258**	1,135,923
Net cash generated from operating activities	**2,294,585**	2,164,086
Net cash used in investing activities	**(52,659)**	(351,537)
Net cash used in financing activities	**(1,699,720)**	(1,907,923)
Net increase/(decrease) in cash and cash equivalents	**542,206**	(95,374)
Cash and cash equivalents at the beginning of the year	**720,178**	834,864
Changes in exchange rates	**7,556**	(19,312)
Cash and cash equivalents at the end of the year (excluding restricted bank balances)	**1,269,940**	720,178

37 Approval of Financial Statements

The financial statements were approved by the Board of Directors of the Company on 29 June 2026.

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