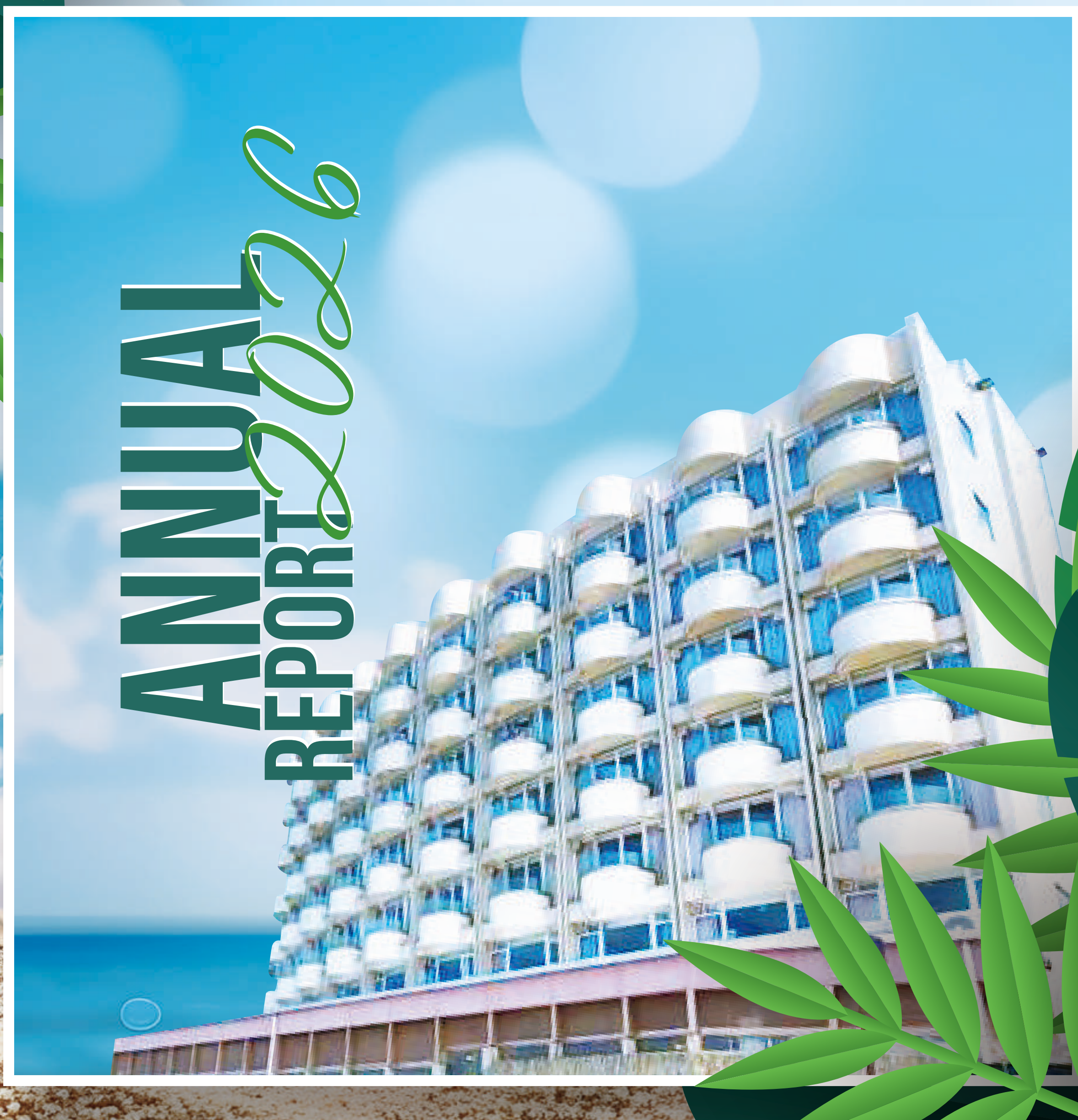
Far East Hotels and Entertainment Limited

Stock Code : 37



ANNUAL REPORT 2026

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In the event of any error or omission in the Chinese translation of this Annual Report, the English text will prevail.

Corporate Information

PLACE OF INCORPORATION
Hong Kong

BOARD OF DIRECTORS

Executive Directors
Derek Chiu, B.Sc. *(Chairman, Managing Director and Chief Executive)*
Amanda Chiu, B.A.

Non-executive Directors
Chiu Ju Ching Lan, J.P.
Alex Chiu, B.Sc.

Independent Non-executive Directors
Choy Wai Shek Raymond, M.H., J.P.
Ng Chi Kin
Lo Chun Chiu Adrian

COMPANY SECRETARY
Cheng Lucy

SOLICITORS
Woo Kwan Lee & Lo

INDEPENDENT AUDITOR
Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
Hong Kong

AUTHORISED REPRESENTATIVES
Derek Chiu, B.Sc.
Cheng Lucy

AUDIT COMMITTEE
Ng Chi Kin *(Chairman)*
Choy Wai Shek Raymond, M.H., J.P.
Lo Chun Chiu Adrian

Corporate Information

REMUNERATION COMMITTEE
Choy Wai Shek Raymond, M.H., J.P. *(Chairman)*
Ng Chi Kin
Lo Chun Chiu Adrian
Derek Chiu, B.Sc.

NOMINATION COMMITTEE
Lo Chun Chiu Adrian *(Chairman)*
Choy Wai Shek Raymond, M.H., J.P.
Ng Chi Kin
Amanda Chiu, B.A.
Derek Chiu, B.Sc.

PRINCIPAL BANKERS
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED AND PRINCIPAL OFFICE
Unit 1004, 10th Floor
Harcourt House
39 Gloucester Road
Wan Chai, Hong Kong

SHARE REGISTRAR
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

PLACE OF LISTING
The Shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited

STOCK CODE
00037

WEBSITE
www.tricor.com.hk/webservice/00037

Profile of Directors

BOARD OF DIRECTORS

Executive Directors

Mr. Derek Chiu, B.Sc. *(Chairman, Managing Director and Chief Executive)*

Aged 60. He was appointed as a director of the Company (the "Director") in 1989 and the chairman of the board of Directors (the "Chairman") on 19 July 2023. He is the managing director and the chief executive of the Company (the "Chief Executive" and "Managing Director", respectively) and a member of each of the remuneration committee and the nomination committee of the Company. He is also a director of various subsidiaries of the Company. He has extensive experience in the operation of amusement parks and entertainment business. He is a son of Madam Chiu Ju Ching Lan, a non-executive Director. He is also the father of Mr. Alex Chiu, a non-executive Director, and Ms. Amanda Chiu, an executive Director. Mr. Derek Chiu is the sole director of Energy Overseas Ltd., a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong.

Ms. Amanda Chiu, B.A.

Aged 33. She was appointed as an executive Director with effect from 1 September 2015 and a member of the nomination committee of the Company with effect from 2 September 2025. She is also a director of various subsidiaries of the Company. She holds a bachelor's degree from the University of the Arts London, England. She is the daughter of Mr. Derek Chiu, an executive Director and also the Chairman, the Managing Director and the Chief Executive, and the sister of Mr. Alex Chiu, a non-executive Director. She is a granddaughter of Madam Chiu Ju Ching Lan, a non-executive Director.

Non-executive Directors

Madam Chiu Ju Ching Lan, J.P.

Aged 86. She was appointed as a Director in 1979. She is also a director of several subsidiaries of the Company. Since 1975, she has been the Honorary Vice-President of Hong Kong Girl Guides Association. She has been active in social circles and was the Chairlady of Yan Chai Hospital for 1977/78. She is the founder of New Territories Women's and Juveniles Welfare Association. She is the Chairman of the Incorporated Management Committee and the Supervisor of the three schools by the name of Ju Ching Chu Secondary School, and the Chairman of Kowloon Women's Welfare Club. She was a member of Shanghai Standing Committee Chinese People's Political Consultative Conference for 25 years from 1982 to 2007. She has also been an Honorary Vice-President of Hong Kong Federation of Women since 1997. She is the mother of Mr. Derek Chiu, an executive Director and also the Chairman, the Managing Director and the Chief Executive. She is also the grandmother of Mr. Alex Chiu, a non-executive Director, and Ms. Amanda Chiu, an executive Director.

Mr. Alex Chiu, B.Sc.

Aged 35. He was appointed as an executive Director on 1 September 2015 and was re-designated as a non-executive Director with effect from 27 June 2019. He is also a director of a subsidiary of the Company. He holds a bachelor's degree from The Art Institute of California, United States of America. He is the son of Mr. Derek Chiu, an executive Director and also the Chairman, the Managing Director and the Chief Executive, and the brother of Ms. Amanda Chiu, an executive Director. He is also a grandson of Madam Chiu Ju Ching Lan, a non-executive Director.

Profile of Directors

Independent Non-executive Directors

Mr. Choy Wai Shek Raymond, M.H., J.P.

Aged 77. Mr. Choy was appointed as an independent non-executive Director on 28 September 2004. He is the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. Mr. Choy is an independent non-executive director of New Concepts Holdings Limited (stock code: 02221), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was appointed as an independent non-executive director of each of AB Builders Group Limited (stock code: 01615), a company listed on the Main Board of the Stock Exchange, on 17 August 2018. Mr. Choy was an independent non-executive director of NIU Holdings Limited (formerly known as King Of Catering (Global) Holdings Ltd. and WAC Holdings Limited, respectively) (stock code: 08619), a company listed on GEM of the Stock Exchange, from 27 August 2018 to 23 December 2024. He was the Chairman of Sham Shui Po District Board, Hong Kong from 1991 to 1994, a Hong Kong Affairs Adviser from 1994 to 1997, and a member of Hong Kong Broadcasting Authority from 1995 to 1998. He was formerly a Vice-chairman of Occupational Safety and Health Council, a member of Energy Advisory Committee, a member of Consumer Council, a member of the Guangzhou Committee of the Chinese People's Political Consultative Conference (Term 9–12), the Honor Committee Member of Chinese General Chamber Of Commerce, Hong Kong, the Honor President of GMC Hong Kong Members Association and the Honor President of Hong Kong Conghua General Association.

Mr. Ng Chi Kin

Aged 64. Mr. Ng was appointed as an independent non-executive Director and a member of each of the audit committee, the remuneration committee and the nomination committee of the Company on 19 July 2023. He was appointed as the chairman of the audit committee of the Company on 1 April 2025. He joined the Company in 1991 and gained promotion as the financial controller of the Company in August 2012 and subsequently retired in January 2020 and was a director of subsidiaries of the Company from July 2012 to July 2020. He has over 20 years of experience in finance and accounting in the hospitality and entertainment industry. Mr. Ng holds a master's degree in business administration from the University of Strathclyde. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Lo Chun Chiu Adrian

Aged 70. Mr. Lo was appointed as an independent non-executive Director, the chairman of the nomination committee of the Company and a member of each of the audit committee and the remuneration committee of the Company on 1 April 2025. Mr. Lo obtained his Degree of Bachelor of Laws with the University of London in August 1988. He is a member of the Law Society of Hong Kong and has been a practicing solicitor in Hong Kong since November 1991. He joined Joseph C.T. Lee & Co., Solicitors in 1989 as a trainee solicitor and was promoted to be a partner in 1993. He is currently a partner with the said Joseph C.T. Lee & Co.. Mr. Lo has been engaging in various fields of legal practice such as commercial and criminal litigation, conveyancing and probate. Mr. Lo was appointed as an independent non-executive director of New Concepts Holdings Limited in August 2014 (a company listed on Main Board of the Stock Exchange with stock code 2221) and he is still serving as the said independent non-executive director. He was appointed as an independent non-executive director of Huarchi Global Group Holdings Limited in October 2019 (a company listed on Main Board of the Stock Exchange in 2019 with stock code 2296 and delisted on 19 September 2023). He resigned from the post of independent non-executive director of Huarchi Global Group Holdings Limited on 6 March 2024.

Management Discussion and Analysis

RESULTS

I report to the shareholders of Far East Hotels and Entertainment Limited (the "Company") that the audited consolidated loss of the Company and its subsidiaries (the "Group") attributable to shareholders for the year ended 31 March 2026 (the "Year") amounted to HK$6,642,137 (2025: HK$35,358,842).

The board of directors of the Company (the "Directors" and the "Board", respectively) has resolved not to recommend the payment of a final dividend for the Year (2025: Nil).

REVIEW OF OPERATIONS AND PROSPECTS

For the Year, the Group recorded total revenue of approximately HK$16.4 million, representing a 30.5% decrease as compared to HK$23.6 million in 2025. The Group's gross profit for the Year was HK$4.2 million, representing a 61.5% increase as compared to HK$2.6 million in 2025. The loss for the Year attributable to the owners of the Company was HK$6.6 million (2025: HK$35.4 million).

Continuing operations

For the Year, revenue from the Group's continuing operations was approximately HK$16.4 million, representing a 11.4% decrease compared to HK$18.5 million in 2025. The gross profit from continuing operations was HK$5.4 million for the Year, representing a 28.6% increase as compared to HK$4.2 million in 2025. The loss attributable to the owners of the Company from the continuing operations was HK$9.4 million for the Year (2025: HK$29.1 million).

For the Cheung Chau Warwick Hotel, the Group recorded a total revenue of approximately HK$13.0 million (2025: HK$16.0 million) and a net profit of HK$0.15 million for the Year (2025: HK$0.03 million). Revenue from the rooms department during the Year was HK$11.2 million, representing a 2.8% increase as compared to HK$10.9 million in 2025. Revenue from the food and beverages department during the Year was HK$1.7 million, representing a 66.7% decrease as compared to HK$5.1 million in 2025. The decline in food and beverages revenue was primarily attributable to reduced banquet activity and intensified competition within the local hospitality sector. In response to these market challenges, the Group has shortened operating hours and initiated a strategic repositioning of the restaurant offering from a traditional Chinese-style format to a more relaxed café-style concept. This transformation aims to better align with evolving customer preferences and enhance operational efficiency.

For the investment properties located in Hong Kong, the Group recorded a total revenue of approximately HK$1.1 million (2025: HK$1.0 million) and a net loss of HK$0.9 million for the Year (2025: HK$25.2 million). The reduction in segment loss was primarily due to an increase of HK$0.8 million (2025: a decrease of HK$22.3 million) in fair values of investment properties.

For the investment properties located in Fiji, the Group recorded a total revenue of approximately HK$2.4 million (2025: HK$1.5 million) and a net profit of HK$0.3 million for the Year (2025: net loss of HK$0.8 million).

For securities investment and trading, the Group recorded a net profit of approximately HK$1.4 million for the Year (2025: HK$6.1 million), including an increase of HK$0.8 million (2025: HK$5.4 million) in fair values of financial assets at fair value through profit or loss ("FVTPL") and dividend income from financial assets at FVTPL of HK$0.3 million (2025: HK$0.7 million).

Discontinued operations

In early 2025, the serviced property letting business in Beijing, the People's Republic of China (the "PRC") was discontinued. The Group did not record any revenue for the Year, compared to HK$5.1 million in 2025. The Group recorded a net profit of HK$2.7 million (2025: net loss of HK$6.3 million). The turnaround was mainly driven by a reduction in provisions in relation to the probable compensation payable to the sub-tenant of approximately HK$2.3 million for the Year, together with the recognition of a tax credit of HK$2.5 million.

Legal dispute in respect of the serviced property in Beijing

The Group was involved in a legal dispute in respect of the leasing of the serviced property in the PRC (the "Relevant Property") by 北京海聯物業管理有限公司 (Beijing Hai Lian Property Management Company Limited) (a subsidiary of the Company) ("Beijing Hai Lian") as tenant from landlord (the "Landlord"). The Relevant Property comprises 2 buildings, which were sub-let by Beijing Hai Lian to independent third party sub-tenants. It is stipulated in the relevant lease agreement entered into between Beijing Hai Lian and the Landlord that the lease has a term of 30 years, which expired on 30 September 2024 and that Beijing Hai Lian is entitled to renew the lease for a further term of 20 years under the same terms. The dispute arose from the disagreement on the proposed increase in the rental amount as from 1 October 2022. The Landlord applied for an order from 北京市東城區人民法院 (Beijing Dongcheng People's Court) (the "Court") that the lease was terminated by the Landlord with effect from August 2022, and that Beijing Hai Lian shall vacate the Relevant Property and pay an increased rent during the period from 1 October 2022 to the date of actual vacating of the Relevant Property. The claims by the Landlord were dismissed by the Court on 8 October 2023 and the appeal filed by the Landlord was also dismissed by 北京市第三中級人民法院 (Beijing No. 3 Intermediate People's Court) on 26 April 2024.

Despite the abovementioned outcome of the legal actions taken out by the Landlord, the Landlord subsequently issued written notices to Beijing Hai Lian requesting Beijing Hai Lian to deliver the possession of the Relevant Property to the Landlord by 30 June 2024. In view of the dispute with the Landlord, Beijing Hai Lian did not renew one of the sub-tenancies which expired on 31 May 2024 and provision in the amount of about HK$2.2 million equivalent was made in the audited consolidated financial statements of the Company for the financial year ended 31 March 2023 in relation to the probable compensation payable to the sub-tenant for any early termination of the other sub-tenancy, which will otherwise expire on 31 December 2026 (the "Other Sub-tenancy"). The Company has obtained legal advice from its external legal advisers and made an application to the court in January 2025 for an order against the Landlord for, among others, compensation for the losses of Beijing Hai Lian as a result of the Landlord's failure to renew the lease, the costs and expenses previously incurred by Beijing Hai Lian for the re-development, extension and refurbishment of the Relevant Property. The Landlord and Beijing Hai Lian entered into an agreement for the surrender of the Relevant Property by Beijing Hai Lian to the Landlord on 17 March 2025, which shall not prejudice the abovementioned claims of Beijing Hai Lian for compensation from the Landlord. As of the date of this report, the above-mentioned legal disputes remain ongoing.

In November 2024, the Group initiated legal action against the sub-tenant to demand payment of the outstanding rent and damages. On 8 April 2025, the Group obtained a court ruling from the Court requiring the sub-tenant to pay the outstanding rent which was received by the Group on 21 May 2025.

During the Year, the Landlord made a claim against Beijing Hai Lian for lease payments from July 2024 until the date of termination of the Other Sub-tenancy. On 30 June 2025, the Court issued a ruling, which was subsequently upheld by 北京市第二中級人民法院 (Beijing No. 2 Intermediate People's Court) on 9 October 2025, requiring Beijing Hai Lian to settle the outstanding lease payments. During the Year, the Group settled an amount of approximately HK$1.6 million equivalent in relation to these liabilities, fully satisfying the landlord's claim. As at 31 March 2026, no further obligations remain outstanding in respect of this matter, and management does not anticipate any additional financial impact on the Group.

Kau Wa Keng Project

On 25 January 2022, Lai Chi Kok Amusement Park Company, Limited ("LCKAP"), a wholly-owned subsidiary of the Company and Cornhill Enterprises Limited (a related company controlled by Mr. Derek Chiu and his family which holds certain portions of the Application Site on trust for LCKAP) (as the applicants) (collectively, the "Applicants"), have submitted an application (the "Application") under section 16 of the Town Planning Ordinance (Chapter 131 of the laws of Hong Kong) to the Town Planning Board (the "TPB") to seek approval for the proposed comprehensive development of various lots in Survey District No. 4 and the adjoining Government Land at Kau Wa Keng, Kwai Chung, New Territories (the "Application Site") which is designated as Comprehensive Development Area zone under the Draft Kwai Chung Outline Zoning Plan. On 14 July 2023, the Application has been approved by the TPB subject to certain conditions. The Application and Master Layout Plan as approved specified the maximum development gross floor area of the Application Site to be about 241,522 m^2 and contemplated the comprehensive development to comprise 14 residential blocks with an overall plot ratio of not more than 5 and a maximum building height of +120 mPD, which would provide a total of 5,973 residential flats (the "Approved Scheme"). For details of the Application, please refer to the announcements of the Company dated 26 January 2022 and 14 July 2023.

The Application Site has a site area of approximately 48,313.167 m^2 comprising about 54% private lots and about 46% Government Land. A majority of the private lots within the Application Site (representing about 69.34% of the total site area of the private lots) is wholly or partially owned by LCKAP.

In the meeting of the Metro Planning Committee (the "Committee") of the TPB approving the Application held on 14 July 2023, certain members of the Committee put forward recommendations regarding the enhancement of retail and social welfare facilities. After taking into consideration the suggestions of the Committee's members and for addressing community needs, LCKAP has on 10 April 2025, submitted an application (the "2025 Application") under Section 16 of the Town Planning Ordinance, to seek approval for a revised comprehensive development of the Application Site proposing a revised maximum development gross floor area of about 313,979 m^2 and the minor relaxation of certain development restrictions. The 2025 Application aims to provide further planning and design enhancement to the approved comprehensive development under the Application, while retaining all planning merits committed in the Approved Scheme.

The Master Layout Plan submitted under the 2025 Application contemplates the Application Site to be developed into 15 building blocks with a maximum domestic plot ratio of 6, a maximum non-domestic plot ratio of 0.5 and a maximum building height of +147.55 mPD, which will provide about 7,052 residential flats. A non-domestic plot ratio of not more than 0.5 is designated for the proposed retail shops, proposed adaptive reuse of historic buildings and social welfare facilities. Amongst the 15 building blocks, 14 blocks of 37 to 40 storeys are contemplated for residential use with retail and social welfare facilities and one remaining 2-storey block is contemplated for retail facilities. For further details, please refer to the summary of the 2025 Application published on the website of the TPB.

Management Discussion and Analysis

Prospects

The Group anticipates that geopolitical developments, evolving consumer trends, and global economic conditions may continue to influence the business environment in the year ahead. While conditions remain dynamic, the Group remains focused on staying adaptable and responsive, and will continue to manage operations with care, readiness, and a long-term perspective.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group had bank balances and cash of HK$8.2 million (2025: HK$7.9 million), which were mainly denominated in Hong Kong dollars and Renminbi.

As at 31 March 2026, there were outstanding bank loans facilities of HK$7.8 million (2025: HK$8.4 million). All of outstanding bank loans were denominated in Hong Kong dollars with interest at prevailing market rates, details of which are set out in note 28 to the consolidated financial statements.

As at 31 March 2026, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

Shareholders' funds as at 31 March 2026 amounted to approximately HK$294.3 million (2025: HK$300.0 million). Accordingly, the Group's gearing ratio (total bank borrowings to shareholders' funds) as at 31 March 2026 was approximately 2.6% (2025: 2.8%).

CHARGES OVER ASSETS OF THE GROUP

As at 31 March 2026, certain property, plant and equipment with an aggregate carrying value of approximately HK$9.8 million (2025: HK$10.2 million) is secured for the Group's bank borrowings.

TREASURY POLICIES

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CONTINGENT LIABILITIES

As at 31 March 2026, the Company had issued financial guarantees of HK$8.4 million (2025: HK$8.4 million) to banks in respect of banking facilities granted to its subsidiaries, of which HK$7.8 million (2025: HK$8.4 million) had been utilised by its subsidiaries.

CAPITAL COMMITMENTS

As at 31 March 2026, the Group had capital commitments of HK$0.6 million (2025: HK$2.3 million).

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2026, the Group did not have other plans for material investments and capital assets.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to environmental protection and sustainable development through promoting and adopting green practices in its business activities. Initiatives within the Group include, but not limited to, encouraging employees to reduce paper consumption by reuse of single-sided printed paper, to assess the necessity of printing where appropriate and to use duplex printing. The management will continue to review the Group's green practice to integrate environmental, health and safety management and compliance consideration into operational processes.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group has approximately 40 employees (2025: 40). During the Year, the total staff cast including Directors' remuneration amounted to approximately HK$7.4 million (2025: HK$8.6 million). Employees are remunerated in accordance with the nature of the job and market conditions. Staff incentive bonus would be granted to reward and motivate those well-performed employees. The Company adopted a new share option scheme on 2 September 2016 as an incentive to the Directors and other eligible participants. The Group also provides and arranges on-the-jobs training for the employees.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

As at 31 March 2026, the Group's financial assets at FVTPL, with market value of approximately HK$11.6 million (2025: HK$13.8 million), mainly represented investment portfolio of 4 equity securities listed in Hong Kong and 1 unlisted equity-link note (2025: 11 equity securities listed in Hong Kong and 1 equity security listed in Singapore). The Board considers that the investments with market value as at 31 March 2026 accounting for more than 5% of the Group's total assets as at 31 March 2026 as significant investments. As at 31 March 2026, none of each investment represents 5% or more of the Group's total assets.

Save as the above, during the Year, there was no significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures by the Company.

APPRECIATION

On behalf of the Board, I would like to extend my sincere thanks to all our shareholders for their continued support, and to our staff for their dedication, loyalty and service.

Derek Chiu
Chairman, Managing Director and Chief Executive

Hong Kong, 25 June 2026

The directors of the Company (the "Directors") present their Directors' report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026 (the "Year").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries and associates are set out in notes 16 and 17 respectively, to the consolidated financial statements.

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Year with financial key performance indicators and an analysis of the likely future development of the Group's business are set out in the section headed "Management Discussion and Analysis" on pages 6 to 10 of this annual report. This discussion forms part of this report. Description of the principal risks and uncertainties facing the Group are set out in notes 4 and 39(b) to the consolidated financial statements respectively.

As at the date of this report, the Directors are not aware of any important events affecting the Group that have occurred since the end of the Year and the Company is not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

In addition, the Group is committed to maintaining the long-term sustainability of the environment and devoted to building an environmentally friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction, so as to minimise its impact on the environment. A detailed discussions on the Group's environmental policies and performance are set out in section headed "Environmental Policies and Performance" of the "Management Discussion and Analysis" on page 10 of this annual report and contained in the "Environmental, Social and Governance Report" on pages 23 to 52 of this annual report.

In regard to the stakeholder relationships, the Group understands the importance of its customers, suppliers and employees to its long-term business development, and therefore has dedicated to establishing and maintaining a close and caring relationship with these stakeholders.

Recognising the crucial roles of our customers and suppliers in our business operations, the Group has reinforced its relationship with these business partners by ongoing communication in a proactive and effective manner. In particular, the Group has been through continuous interaction with its customers to ensure that the quality of our services has satisfied their needs and requirements and will, therefore, meet up to our customers' expectation. Besides, the Group is also dedicated to developing good relationship with its suppliers to ensure a stable supply of reliable and high-quality products for the Group's daily operation.

Apart from the above, the Group recognises the importance of human capital in its long-term development. The Group has provided a fair and safe workplace and offered competitive remuneration, benefits and career development opportunities based on the merits and performance of our employees. The Group also places ongoing effort to provide adequate training and development resources to our staff with the aim of fostering an environment in which the employees can develop to their fullest potential and can achieve their personal and professional growth.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 71 and 72 of this annual report.

The board of Directors (the "Board") has resolved not to recommend the payment of a final dividend in respect of the Year (2025: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 148 of this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of changes in equity on page 75 and note 42 to the consolidated financial statements, respectively.

There were no distributable reserves of the Company as at 31 March 2026 (2025: Nil), calculated under sections 291, 297 and 299 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "Companies Ordinance").

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in investment properties of the Group are set out in note 15 to the consolidated financial statements.

PROPERTIES

Details of the major properties held by the Group at 31 March 2026 are set out on page 147 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES IN THE COMPANY

During the Year, the Company did not redeem any of the ordinary shares of the Company (the "Shares") listed and traded on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") nor did the Company or any of its subsidiaries purchase or sell any of such Shares (including the sale of treasury shares, if any). As at 31 March 2026, the Company did not hold any treasury shares.

EVENTS AFTER THE REPORTING DATE

The Group has no material event subsequent to the Year and up to the date of this report.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 30 to the consolidated financial statements.

PRE-EMPTIVE RIGHT

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles of Association") which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company (the "Shareholders"). However, the Companies Ordinance provides that the Directors must not exercise any power to allot Shares unless the allotment is made to the Shareholders in proportion to their shareholdings.

DIRECTORS

The Directors who held office during the Year and up to the date of this report were:

Executive Directors

Mr. Derek Chiu *(Chairman, Managing Director and Chief Executive)*
Ms. Amanda Chiu

Non-executive Directors

Madam Chiu Ju Ching Lan
Mr. Alex Chiu

Independent Non-executive Directors

Mr. Choy Wai Shek Raymond
Mr. Ng Chi Kin
Mr. Lo Chun Chiu Adrian (appointed on 1 April 2025)

Directors' Report

During the Year and up to the date of this report, Mr. Derek Chiu, Madam Chiu Ju Ching Lan, Mr. Alex Chiu and Ms. Amanda Chiu are also directors in certain subsidiaries of the Company. Other directors of the Company's subsidiaries during the Year and up to the date of this report include: Ms. Tammie Tam and Mr. Lui Tsun Kit.

Article 96 of the Articles of Association provides that the Directors shall have power at any time and from time to time to appoint any other person to be a Director, in order to fill a casual vacancy or as an additional member to the Board but so that such person appointed shall hold office only until the first annual general meeting after his appointment and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Moreover, in accordance with articles 106 and 107 of the Articles of Association, one-third of the Directors shall retire from office and, shall be eligible for election. In accordance therewith, Ms. Amanda Chiu, Mr. Choy Wai Shek Raymond and Mr. Ng Chi Kin will retire at the forthcoming annual general meeting (the "AGM") and eligible for re-election.

The term of office for each non-executive Director is the period up to his or her annual retirement by rotation in accordance with the Articles of Association.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence in writing pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and considers all the independent non-executive Directors to be independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required (a) 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 they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

(a) Long position in the Shares and underlying Shares

	Number of issued Shares held					
Name of Directors/ Chief executive	**Personal interests (held as a beneficial owner)**	**Corporate interests (held as a controlled corporation)**	**Other interests**	**Number of underlying Shares held** (Note 3)	**Total**	**Approximate percentage of issued Shares**
Mr. Derek Chiu	111,858,951	82,598,000 (Notes 1 and 2)	–	15,893,000	210,349,951	27.952%
Ms. Amanda Chiu	8,000,000	–	–	18,500,000	26,500,000	3.521%
Madam Chiu Ju Ching Lan	188,000	–	4,807,200 (Note 4)	–	4,995,200	0.664%
Mr. Alex Chiu	–	–	–	8,100,000	8,100,000	1.076%
Mr. Choy Wai Shek Raymond	7,000,000	–	–	–	7,000,000	0.930%
Mr. Ng Chi Kin	12,000	–	–	–	12,000	0.002%

Notes:

1. The 80,218,000 Shares were held by Energy Overseas Ltd., a company wholly owned by Mr. Derek Chiu, an executive Director who is also the chairman of the Board (the "Chairman"), the Managing Director and the Chief Executive.

2. The 2,380,000 Shares were held by Vision Aim Holdings Limited, a company wholly owned by Mr. Derek Chiu, an executive Director who is also the Chairman, the Managing Director and the Chief Executive.

3. The underlying Shares were comprised in the share options granted to the Directors. Please refer to section (b) "Share options of the Company" below for further details.

4. Madam Chiu Ju Ching Lan held 4,807,200 Shares as the administrator of the estate of the late Mr. Deacon Te Ken Chiu.

(b) Share options of the Company

Pursuant to an ordinary resolution duly passed by shareholders of the Company on 2 September 2016, the Old Scheme was terminated on 2 September 2016 and the New Scheme was adopted for a period of 10 years commencing on the adoption date. Upon the termination of the Old Scheme, no further options were granted thereunder, and the options granted prior to and remaining outstanding at the termination shall continue to be valid and exercisable in accordance with the terms of the Old Scheme. On 9 September 2020, a resolution has been approved by the shareholders to refresh the limit of granting option under the New Scheme from 60,211,067 Shares to 61,071,067 Shares, representing 10% of the number of issued shares as at 9 September 2020. More information can be referred in the Company's circular dated 31 July 2020.

There is no specified minimum period under the Old Scheme for which an option must be held and the performance target which must be achieved before an option can be exercised under the terms and conditions of the Old Scheme, the Directors may determine the minimum period and the performance targets must be reached.

The New Scheme does not contain any minimum period for which an option must be held or the performance target which must be achieved before an option can be exercised, the Company may specify any minimum period and any performance targets.

Under the New Scheme, options granted will be taken up upon payment of HK$1 by the grantee and the offer of a grant of share options may be accepted within 28 days from the date of offer (or such longer or shorter period as the Board may specify in the letter of offer).

The life of the New Scheme is 10 years commencing on its adoption date, being 2 September 2016 and will expire on 1 September 2026.

Details of the Old Scheme and the New Scheme that complied with the Listing Rules are set out in note 36 to the consolidated financial statements.

Movements of share options under the Old Scheme and the New Scheme held by the Directors and employees are as follows:

Category of grantees	Number of underlying Shares comprised in share options: Held as at 1 April 2025	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	Held as at 31 March 2026	Exercise price per Share HK$	Grant date	Exercisable period: From	Exercisable period: To
Executive Directors										
Mr. Derek Chiu	6,000,000	–	–	–	(6,000,000)	–	0.5600	23/10/2015	23/10/2015	22/10/2025
	6,070,000	–	–	–	–	6,070,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	6,100,000	–	–	–	–	6,100,000	0.3400	18/03/2019	18/03/2019	17/03/2029
	3,723,000	–	–	–	–	3,723,000	0.1420	25/03/2020	25/03/2020	24/03/2030
Ms. Amanda Chiu	4,000,000	–	–	–	–	4,000,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	2,100,000	–	–	–	–	2,100,000	0.3570	06/08/2018	06/08/2018	05/08/2028
	4,000,000	–	–	–	–	4,000,000	0.3400	18/03/2019	18/03/2019	17/03/2029
	6,100,000	–	–	–	–	6,100,000	0.1420	25/03/2020	25/03/2020	24/03/2030
	2,300,000	–	–	–	–	2,300,000	0.1272	18/08/2021	18/08/2021	17/08/2031
Non-executive Director										
Mr. Alex Chiu	2,000,000	–	–	–	–	2,000,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	4,100,000	–	–	–	–	4,100,000	0.3570	06/08/2018	06/08/2018	05/08/2028
	2,000,000	–	–	–	–	2,000,000	0.3400	18/03/2019	18/03/2019	17/03/2029
Former Independent Non-executive Director										
Mr. Ng Wing Hang Patrick (Note)	1,000,000	–	–	–	(1,000,000)	–	0.5600	23/10/2015	23/10/2015	22/10/2025
	1,000,000	–	–	–	(1,000,000)	–	0.4430	23/10/2017	23/10/2017	22/10/2027
	1,000,000	–	–	–	(1,000,000)	–	0.1420	25/03/2020	25/03/2020	24/03/2030
	1,000,000	–	–	–	(1,000,000)	–	0.1272	18/08/2021	18/08/2021	17/08/2031
Aggregate for employees	800,000	–	–	–	(800,000)	–	0.5600	23/10/2015	23/10/2015	22/10/2025
	1,000,000	–	–	–	–	1,000,000	0.1272	18/08/2021	18/08/2021	17/08/2031
	54,293,000	–	–	–	(10,800,000)	43,493,000				

Note: The late Mr. Ng Wing Hang Patrick passed away on 9 November 2024.

No vesting period was provided for the above share options granted.

Share options comprising 10,800,000 underlying Shares were lapsed during the Year (2025: 4,000,000). Save for the above, no share options were granted or exercised or cancelled or lapsed during the Year.

As at 1 April 2025 and 31 March 2026, the total number of share options available for grant under the Old Scheme were Nil and the New Scheme were 41,471,067.

The total number of Shares that may be issued in respect of share options granted under all schemes of the Company during the Year divided by the weighted average number of Shares in issue for the Year was Nil.

As at the date of this report, the total number of Shares available for issue under the New Scheme were 46,771,067 which represent 6.22% of the issued Shares (excluding treasury shares, if any).

As at the date of this report, the Company has outstanding share options comprising 43,493,000 underlying Shares under the New Scheme, which representing approximately 5.78% of the Shares in issue as at that date.

Save as disclosed above, as at 31 March 2026, none of the Directors nor the chief executive of the Company, had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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 they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as the share options disclosed above, at no time during the Year was the Company, or its holding company or any of its subsidiaries or fellow 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.

EQUITY-LINKED AGREEMENTS

Other than the share option schemes disclosed above, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year, which required the Company to issue any of its Shares.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors or any of their respective close associates (as defined in the Listing Rules) are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, AGREEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business in which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a director or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has a contract of service with the Company or any of its subsidiaries not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to the Articles of Association and subject to the Companies Ordinance, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that the Articles of Association shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Year. Such provision were in force during the Year and remained in force as of the date of this report.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

Save as the interests of certain Directors disclosed under the section headed "Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures", according to the register of interests maintained by the Company pursuant to section 336 of the SFO and as far as the Directors are aware, as at 31 March 2026, the following persons who (other than a Director or the chief executive of the Company) or corporations which had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the total number of Shares in issue carrying rights to vote in all circumstances at general meeting of the Company:

Long position in the Shares

Name of Shareholders	Capacity/Nature of Interests	Number of issued Shares held	Approximate percentage of issued Shares
Mr. Deacon Te Ken Chiu (deceased) (Notes 1 and 3)	Beneficial owner/Personal interest; and interest in controlled corporations/ corporate interest	113,726,476	15.113%
Achiemax Limited (Note 1)	Beneficial owner/Personal interest	72,182,400	9.592%
Energy Overseas Ltd. (Note 2)	Beneficial owner/Personal interest	80,218,000	10.660%

Notes:

1. The late Mr. Deacon Te Ken Chiu beneficially owned 12,491,424 Shares. Of the remaining 101,235,052 Shares, (i) 100,939,842 Shares were held by various private companies wholly owned by the late Mr. Deacon Te Ken Chiu of which 72,182,400 Shares were held by Achiemax Limited; and (ii) 295,210 Shares were held by Far East Consortium Limited, a wholly-owned subsidiary of Far East Consortium International Limited. The late Mr. Deacon Te Ken Chiu was a controlling shareholder of these companies and a director of Achiemax Limited.

2. Energy Overseas Ltd. is a company wholly owned by Mr. Derek Chiu (an executive Director who is also the Chairman, the Managing Director and the Chief Executive) who is also its director.

3. Madam Chiu Ju Ching Lan, a non-executive Director, held 4,807,200 Shares as the administrator of the estate of the late Mr. Deacon Te Ken Chiu.

Save as disclosed above, as at 31 March 2026, the Company has not been notified of any persons who (other than a Director or the chief executive of the Company) or corporations which had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the total number of Shares in issue carrying rights to vote in all circumstances at general meeting of the Company.

RELATED PARTY TRANSACTIONS

The related party transactions as disclosed in note 35 to the consolidated financial statements did not constitute one-off connected transactions or continuing connected transactions which are required to comply with disclosure requirements in accordance with Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's business were entered into or existed during the Year.

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately HK$11,100 (2025: HK30,510).

MAJOR SUPPLIERS AND CUSTOMERS

The purchases made by the Group for its largest supplier and the five largest suppliers of the Group accounted for approximately 16% and 53% of the total purchases of the Group in the Year, respectively.

The sales attributable to the Group's largest customer and the five largest customers of the Group accounted for approximately 14% and 43% of the total sales of the Group in the Year, respectively.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the issued Shares excluding treasury shares, if any) had any beneficial interest in the Group's five largest customers or suppliers.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 53 to 65 of this annual report.

AUDIT COMMITTEE

The Company's audit committee (the "Audit Committee") comprises all the independent non-executive Directors.

The principal duties of the Audit Committee include review and supervision of the Group's financial reporting system, financial statements, risk management and internal control systems. It has reviewed with management the audited consolidated financial statements of the Group for the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors throughout the Year and up to the date of this report, the Company has maintained the prescribed public float under the Listing Rules (i.e. at least 25% of its issued Shares excluding treasury shares, if any, in public hands).

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and the five individuals with the highest emoluments for the Year are set out in notes 9 and 10 to the consolidated financial statements, respectively.

EMOLUMENT POLICY

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference pursuant to the provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management. The remuneration and compensation packages of the Directors and senior management are determined by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

The Company has adopted the share option schemes as an incentive to Directors and eligible participants and other consultants, details of the schemes are set out in note 36 to the consolidated financial statements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a new code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Following a specific enquiry made by the Company with each Director, the Directors have confirmed that they had fully complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

CHANGE IN INFORMATION OF DIRECTORS

There is no change in Directors' information since the date of the Company's 2025 interim report and up to the date of this report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INDEPENDENT AUDITOR

A resolution will be proposed at the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as independent auditor of the Company.

On behalf of the Board

Derek Chiu
Chairman, Managing Director and Chief Executive

Hong Kong, 25 June 2026

Environmental, Social and Governance Report

1.1 INTRODUCTION

The board (the "Board") of directors (the "Directors") of Far East Hotels and Entertainment Limited (the "Company", together with its subsidiaries, "the Group") is pleased to present this Environmental, Social and Governance ("ESG") Report ("ESG Report") in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Guide"), as set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board (the "Main Board Listing Rules") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). This ESG Report aims to provide a balanced representation of the major ESG policies, initiatives and performances of the Group in the four main areas – employment and labour practices, operating practices, environmental protection and community participation. Calculations in this ESG Report were conducted with reference to Appendices 2 and 3 of How to Prepare an ESG Report as issued by the Stock Exchange. We have begun expanding our data collection scope to address the new ESG reporting requirements of the Stock Exchange to be implemented in FY2026, ensuring future compliance while enhancing report quality.

1.2 STATEMENT FROM THE BOARD

The Board assumes ultimate responsibility for overseeing the effective implementation of the Group's ESG policies and sustainability reporting matters, including developing the sustainability strategy and reporting, evaluation and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

Although the Group is facing a challenging environment, the Board considers it imperative that sustainability forms the backbone of the business to achieve corporate growth. Hence, the Group is dedicated to incorporating the concept of sustainability into every facet of its business, by upholding a well-rounded governance system, establishing strategic directions and hold regular internal and external events to communicate closely with stakeholders. The Group may receive stakeholder feedback on ESG issues, conduct evaluations and materiality analysis and incorporate such information in setting ESG priorities for our business.

To ensure progress for ESG goals, management staff have been entrusted by the Board to coordinate daily ESG issues between different business divisions of the Group. The execution of business plans and the obstacles frontline employees faced in the implementation of our goals are reported to the Board in regular meetings with management. In addition, we will regularly review sustainability trends that can be directly applicable to our business and continue to increase our investment in sustainable development.

1.3 REPORTING PRINCIPLES

The ESG Report is prepared according to the "Comply or Explain" provisions and the four Reporting Principles as required by the ESG Reporting Guide:

1. Materiality: Disclosure is required in this ESG Report if ESG issues have a material impact on our investors and other stakeholders.

2. Quantitative: The identified ESG data are measurable, so that the KPIs in this ESG Report can be compared with peers, industry standards and our previous years' performance.

3. Balance: The performance information in the ESG Report is presented in an unbiased manner, avoiding selections, omissions or presentation that might inappropriately influence the decisions or judgments of stakeholder.

4. Consistency: To ensure comparability, all key performance indicators calculations and assumptions are consistent with previous years. Any changes in relevant assumptions or calculation methods are clearly disclosed to inform stakeholders.

1.4 SCOPE AND REPORTING PERIOD

The scope of this ESG Report covers the hotel operations and management of the Cheung Chau Warwick Hotel ("the Hotel") in Cheung Chau. Also, we have expanded the scope of our data collection to include ESG data from leasehold land and buildings, investment properties, as well as the head office in Hong Kong. Furthermore, due to their insignificance in terms of socio-economic and environmental impacts, our serviced property leasing segment in the PRC and overseas property investment segment, securities investment and trading segment have been excluded from the reporting scope. The information stated in this ESG Report covers the period from 1 April 2025 to 31 March 2026 (the "Reporting Period" or "FY2026") which aligns with the financial year as the 2026 annual report of the Hotel. The Board firmly believes in the need to prioritize environmental and social responsibilities and continues to seek ways to improve its environmental management system. In addition to achieving our business objectives, we recognize our responsibility to operate in a more responsible and sustainable manner by integrating ESG considerations into our day-to-day operations.

1.5 STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

In order to define our current and future sustainability strategies, it is important to ensure and understand our stakeholders' perspectives and expectations on the development and success of the Group and help us assess the potential impacts of our future business activities. The Hotel strives to create positive values and believes that the interests of all stakeholders must be taken in account in order to strengthen relationship with our shareholders, employees, hotel guests, suppliers, government authorities and the society as a whole.

Our approach to stakeholder engagement is designed to ensure that our stakeholders' perspectives and expectations are fully understood to help define our current and future sustainability strategies.

The Hotel proactively engaged with the key stakeholder groups in a variety of ways to ensure effective communication of our objective and progress in relation to the following areas of concern:

Major Stakeholders	Major Communication Channels	Major Concerns
Shareholders and Investors	• Press Release, Corporate Announcements and Circulars • Annual, Interim and Other Published Reports • Annual General Meetings	• Business Development Plan • Financial and Business Stability • Information Disclosure and Transparency • Profitability • Protection of Shareholders' Rights and Interests
Employees	• Trainings and Team Building Activities • Business Meetings and Briefings • Performance Appraisals and Evaluation	• Career Development and Training Opportunities • Health & Safety Work Environment • Personal Data Protection and Security • Compensation and Benefits
Hotel Guests	• Customer Complaint Hotlines • Online Customer Feedback • Social Media Platforms • In-person Correspondence	• Quality of Products and Services • Guest Satisfaction with Hotel Facilities • Privacy Protection
Suppliers	• Business Communications • Emails • Meetings and Discussions • Phone Calls and Site Visit • Tender Notice	• Business Stability • Compliance Operation • Cooperation on Fair Terms • Integrity
Public Community	• Charitable and Volunteering Activities • Community Interactions • Marketing	• Corporate Social Responsibilities • Community Investment and Charitable Activities
Government and Supervisory Institutions	• Compliance Report • Major Meeting and Policy Consultation • Information Disclosures • Examinations and Inspections	• Compliance Operation • Corporate Governance • Environmental Protection
Environment	• ESG Reporting	• Energy Saving and Emission Reduction • Mitigation Measures

Throughout the year, through a wide range of communication channels, we found that Climate change, Energy and water resource use and Greenhouse gas emissions are the main focuses of our stakeholders. With the aim of contributing our effort to protecting the environment and supporting the society, we are dedicated to leading a business that are driven primarily by sustainability through tides of change. We emphasize the significance of sustainable development in our operational strategies as we believe to act responsibly, we must plan sustainably.

1.6 STAKEHOLDERS FEEDBACK

The Group's ESG approach is to ensure that the Group continues to create long-term value for its stakeholders while taking positive steps to improve and mitigate its impacts on society and the environment. This includes retaining the economic and social advantages of its operations, while taking the necessary steps to support the local community, and protect the local natural, historic and cultural heritage.

The Group welcomes stakeholders' feedback on its ESG approach and performance. You are welcome to provide your suggestions or share your views with the Group through any channel below to help the Group improve its ESG performance:

Website:	https://www.tricor.com.hk/webservice/00037/
Address:	Unit 1004, 10th Floor, Harcourt House, 39 Gloucester Road, Wan Chai, Hong Kong
Phone:	+852 2744 9110
Fax:	+852 2785 3342

The following sections will provide more information about the Group's practices in the areas of the environment, employees' engagement and development, good operating practices and the contribution to the community.

A. ENVIRONMENTAL ASPECTS

A1. Emissions

With the increasing problem of environment degradation and climate change around the globe, the Group has paid close attention to the environmental responsibilities and has incorporated sustainable environmental protection measures as part of the business development strategy. In order to preserve the rural character and natural landscape, Cheung Chau maintains a car-free environment where only small specially designed mini-fire engines, ambulances, police cars and permitted vehicles are allowed for transportation on the island. With permission according to local regulations, the Hotel operates a mini tractor for goods transportation on the island, which is regularly checked to ensure its functionality and minimize its environmental impact.

In our daily operations, aside from emissions generated by the mini tractor, another source of exhaust gas emissions originates from the cooking activities at the Chinese Bayview Restaurant. Since September 2025, the Group has shortened operating hours and strategically transitioned its restaurant operations from a traditional Chinese dining model to a contemporary café-style concept. The Hotel applies stringent control on exhaust gas and greenhouse gas ("GHG") emissions by complying with the Air Pollution Control Ordinance (Cap. 311). To minimise emissions to an acceptable target, all cooking fumes and exhaust gases generated from cooking activities are processed by a hydro vent filter before being released into the environment.

Other emission sources included electricity consumption, freshwater and sewage processing, paper disposed at landfill and general domestic and food wastes. Hazardous wastes generated from the Chinese Bayview Restaurant were mainly cooking oil and respective kitchen sewage while non-hazardous wastes generated were mainly domestic and food waste. Since transitioning to the current café-style concept, we have observed a significant reduction in both waste output and overall operational emissions.

Despite the insignificant emission impact, the Hotel has made to the environment, we strive to adopt environmentally friendly measures and sustainable approaches and materials to enhance the sustainability in Hong Kong, and to reduce energy and resource consumption in our operation of the Hotel. The Hotel's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources are primarily disclosed in the Reporting Period. During the Reporting Period, the Hotel did not note any cases of material noncompliance in relation to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste.

A1.1 Emission Sources and Use of Resources

A1.1.1 Air Emission

Our air emissions are mainly contributed by our usage of vehicles and cooking stoves. During the Reporting Period, nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and Respiratory Suspended Particles ("RSP", also known as Particulate Matter ("PM")) increased due to the expanded reporting scope. To further mitigate the air pollution, we had implemented proactive measures through equipment replacement program, older and less efficient mini tractors have been replaced with energy-efficient models. In the future, we will keep monitoring on the emissions data and finding ways to reduce the usage of resources and enhance our mitigation measures.

Besides, employees have been educated and encouraged to switch off electronic equipment when not in use. Air conditioning and lighting systems in the office and public areas are switched off after office hours and at night respectively. Measures have also been in place to reduce the amount of non-hazardous waste. We believe through continuous effort of the Hotel in reducing resources usage and generation of non-hazardous waste, it would bring greater operational efficiency, eco-friendly and paperless workplace, leading to continuous reduction of paper usage, and further environmental impact protection.

Air Emission	Unit	2025/26[1]	2024/25
NO_x	kg	**7.91**	4.51
SO_x	kg	**0.03**	0.10
RSP	kg	**0.74**	0.27

Note:

1. The increase in air emissions this Reporting Period is due to the expanded reporting scope.

The total emission of NO_x, SO_x and RSP are 7.91 kg, 0.03 kg, and 0.74 kg, respectively. The Group will keep monitoring on the emissions data in order to enhance the least usage of gas in the future.

A2. Use of Resources

A2.1 Energy and Water Consumption

During the Reporting Period, the Group consumed 2,301.28 L of petrol for the vehicles, 892.00 kg of LPG for cooking activities, 450.00 unit Towngas, 1,255,915.00 kWh of electricity, and 12,925.00 m^3 of water for daily operations. Electricity, Water and LPG consumption dropped significantly compared to the last Reporting Period, mainly because the Group streamlined operating hours and transitioned its restaurant operations from a traditional Chinese dining model to a contemporary café-style concept. The reduction in petrol consumption is primarily due to the increased adoption of electric vehicles. The Hotel believes that the energy-efficient practice implemented since the last Reporting Period would lead to a dwindling level of energy consumption and progress towards better stewardship in ESG management in the future. The Hotel keeps track of resources used to explore opportunities in conserving natural resources.

Energy Consumption[1]	Unit	2025/26	2024/25
Towngas[2]	unit	**450.00**	331.00
Petrol Usage[3]	L	**2,301.28**	6,400.37
LPG Usage	kg	**892.00**	4,116.00
Direct Energy Consumption (Petrol, Towngas and LPG)[4]	MWh	**33.60**	136.71
Indirect Energy Consumption (Electricity)	MWh	**1,255.92**	1,404.86
Total Energy Consumption	MWh	**1,289.52**	1,541.57
Total Energy Consumption Intensity by Area	MWh/m^2	**0.24**	0.30
Generation of electricity from renewable energy sources[5]	MWh	**57.89**	57.08
Water Consumption	m^3	**12,925.00**	16,303.00
Water Consumption Intensity by Area	m^3/m^2	**2.43**	3.18

Notes:

1. Reference was made to Appendix C2 of the Listing Rules governing the Main Board and the relevant guidance of the Stock Exchange of Hong Kong Limited for the emission factors, unless stated otherwise.

2. The significant increase in Towngas usage is due to the expansion of the reporting scope during this Reporting Period.

3. The significant decrease in petrol consumption is due to the increased adoption of electric vehicles during this Reporting Period.

4. The conversion of direct energy consumption followed the guidance "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange of Hong Kong Limited. The decrease in direct energy consumption during this reporting period is due to lower petrol and LPG consumption.

5. The slight increase in generation of electricity from renewable energy sources is due to the expanded reporting scope implemented during this Reporting Period.

The Hotel proactively monitors the usage of resources and maintains best environmental practices to use energy efficiently and hence mitigate GHG emission. These measures include:

- suspending food and beverage services on Wednesdays to minimise energy consumption and relevant GHG emissions from kitchen and restaurant usage, including steamers, cookers, lighting and air-conditioning system;
- making use of natural sea breeze to substitute the reliance on air-conditioners for improved indoor air quality and lessened energy usage;
- keeping light fixtures and lamps clean to maximize efficiency, and turning off all inessential lights, electronic appliances and air conditioners when not in use;
- procure and select energy-efficient appliances;
- conduct regular review and maintenance of equipment to ensure optimal energy efficiency performance;
- monitoring on any effective ways to enhance the energy efficiency and consumption; and
- reviewing the internal policies and practices regularly so as to seek opportunities for integrating environmental considerations into working procedures.

Employees are reminded and encouraged to follow the energy saving measures. The Hotel will continuously assess the efficiency of resource utilization and evaluate the energy saving initiatives to uphold the core value of environmental protection.

For the Hotel operations, water usage is essential for hygiene and cooking purposes and a little amount is unavoidably consumed for daily activities of staff. The Hotel has worked hard to reduce waste of water in previous years and considered water management an important task in the business operations of the Hotel currently. No issue in sourcing water for the Hotel's operation had been noted in the Reporting Period. As water is considered as precious resource, the Hotel has implemented a number of measures to conserve water resources among our employees, as well as our guests, such as consideration and evaluation of whether there is a need to operate swimming pool given our proximity to the Tung Wan Beach, replacement project of underground water pipeline system and changing the linen upon our guests' requests. Water-saving reminder labels are also posted in guest rooms and public toilets to raise our guests' and employees' awareness of water-saving.

The reduction in water consumption is primarily attributed to our strategic repositioning of the F&B offerings within our hotel portfolio. By transitioning from traditional, high-intensity Chinese restaurant models to more sustainable, casual café-style concepts, and streamlining operating hours, we have achieved a measurable improvement in resource efficiency. This decline demonstrates the Group's proactive commitment to water conservation and underscores our ongoing efforts to minimize the environmental footprint of our hotel operations through responsible resource management.

Since 2023, the Group participated in the Feed-in Tariff Scheme of the CLP Power Hong Kong Limited. The solar photovoltaic system was installed in our properties in Peng Chau and Cheung Chau to generate renewable energy. During the Reporting Period, 57,888.00 kWh electricity was generated, and was sold to CLP through the program. The renewable energy generation helps the Hotel reduce its environmental impact and contribute to the sustainability goals of Hong Kong.

A2.2 Paper Consumption

A total of 0.78 tonnes (2024/25: 0.90 tonnes) per carbon emission was produced for paper used and disposed for daily office operations during the Reporting Period. The Hotel strives to minimize paper waste by reusing paper when it is possible. Employees are constantly reminded to reuse single-side used paper and adopt two-sided printing. The Hotel will be following for the future years in order to reduce more paper consumption.

- using office automation system and emails for internal communication;
- electronic marketing materials and newsletters are used to recognize massive printing of promotion materials;
- encouraging our staff to view documents on electronic devices instead of printing out hard copies. When printing is unavoidable, staff members are required to reuse paper for internal documentation, print on both sides and few pages per sheet; and
- collecting wastepaper to government recognized recyclers for recycling purpose regularly.

A2.3 Packaging Materials

Due to the business nature of the Group, there is no packaging material used during the Reporting Period.

A2.4 Wastes

During the Reporting Period, the Hotel has developed a system to record the amount of hazardous waste and paper waste generated and recycled. The Hotel strives to minimize the waste disposal to the environment. The major wastes disposal generated is defined as non-hazardous wastes, including general domestic and food waste, paper waste, old furniture, plastic foam boxes and bottles.

By applying simplified waste collection arrangement, the Hotel appoints professional waste contractor to collect or recycle waste for disposal at landfills. However, due to the restriction of location to the island, shipping is the only transportation method for collecting and transferring the waste disposal to respective landfills. We have considered the transportation arrangement is also resource-consuming and energy-exhaustive, we strictly monitor and follow the Waste Disposal Ordinance (Cap. 354) to ensure the disposal process is properly handled by our professional waste contractor.

Reduction of the waste disposal and resources usage are always our major consideration on how to alleviate the burden of Hong Kong's landfill capacity, we understand that is not enough to consider only on the energy and resources usages of the transportation. Employees are reminded to reduce waste generation, reuse and recycle resources whenever possible.

A2.5 Hazardous Waste

During the Reporting Period, the Group generated 6.90 tonnes of hazardous waste, including electrical equipment and cleaning chemicals. The Group appointed a licensed service provider to collect these wastes. The Group closely monitors and follows the Water Pollution Control Ordinance (Cap. 358) in order to mitigate the levels of sewage discharge. Other than that, on-site treatment facility was installed in the Hotel for filtering, processing and treating the sewage before discharging into the sea.

The Group is aware of the health and environmental impacts of hazardous waste and strives to reduce generation of hazardous waste whenever possible. In order to minimize the waste discharge to the environment, the Hotel installed a grease interceptor for processing oil particles and other impurities in the kitchen, cleans the relevant treatments regularly and monitors the functional efficiency.

A2.6 Non-hazardous Waste

The principal source of non-hazardous waste of the Group was general domestic and food waste from hotel property. During the Reporting Period, the Group produced 18.30 tonnes of non-hazardous waste. The non-hazardous waste intensity by area was 0.004 tonnes/m^2[1]. Employees are reminded to reduce waste generation, reuse and recycle resources whenever possible.

The Hotel implemented the following measures for minimizing the non-hazardous waste disposal:

- inspecting and monitoring the condition and functional effectiveness of the treatment facility;
- participating in the paper waste separation on site;
- performing segregation of leftover shower gel and reusing as hand soap;
- collecting unused soup bars and other bathroom amenities for future use;
- collecting leftover toilet paper rolls which are repurposed for guest use in our public toilets; and
- placing collection bins outside the Hotel for collecting bottled and canned amenities in our guest rooms.

The Group has implemented a system to effectively record the amount of waste generated. Ongoing monitoring of the waste produced will be conducted. This system and data provide indicators that allow for continuous monitoring and improvement of the Group's waste management practices. In order to alleviate the waste challenge in Hong Kong, the Hotel strives to design and implement a more effective waste management system focusing on the use of resources in a more environmentally friendly manner and to ensure compliance with relevant statutory and contractual standards and requirements, including but not limited to the:

- Air Pollution Control Ordinance of Hong Kong Special Administrative Region (空氣污染管制條例)
- Water Pollution Control Ordinance of Hong Kong Special Administrative Region (水污染管制條例)
- Waste Disposal Ordinance of Hong Kong Special Administrative Region (廢物處置條例)

In the future, we shall proactively explore new ways to effectively monitor our waste generation.

A3. The Environment and Natural Resources

The management of the Group acknowledges that the operation of the Hotel consumes a significant amount of natural resources, which might not be aligned with the principle of sustainable development. The Hotel seeks to identify and manage environmental impacts attributable to its operation, with the objective of minimizing these impacts if possible. The environment and natural resources should not be sacrificed due to business development, therefore the Group bears the responsibility in minimizing the harm brought to environment along with business operations as an ongoing commitment to good corporate citizenship. The Hotel has adopted an environmental policy with a focus including but not limited to adopting eco-friendly practices in daily operations as well as communicating the policy to its key stakeholder and encouraging it to integrate the environmental concerns into its operation process. We perceive and align the principles of sustainability by permeating four major aspects throughout our governance and management values, including customer service quality, community interaction, health and well-being, and last but not least environmental stewardship.

Note:

1. The denominator of the intensity calculation only covers the hotel operations, as waste is generated exclusively from this area.

The Hotel has taken steps to reduce its impact on the environment by adopting energy saving measures mentioned in A1 Emissions and A2 Use of Resources. The Hotel regularly assesses the environmental risks of its business model, adopts preventive measures to mitigate risks and ensures compliance with relevant laws and regulations to build an eco-friendly workplace culture that ingraining green habits and lifestyle among employees. The Hotel did not find any cases of breach of regulations relating to emissions and the environment during the Reporting Period. The Hotel encourages employees to participate in various activities in assisting recycling and environment protection activities to help lowering the use of natural resources.

The Product Eco-responsibility (Amendment) Bill 2023 was passed, for regulating disposable plastic tableware and other plastic products, and for enhancing two existing producer responsibility schemes. Hotels and guesthouses are banned from providing disposable toiletries and in-room plastic-bottled water for free. To comply with the Bill, no free disposable plastic toiletries will be provided by the Hotel. The Hotel strives to replace room amenities to be environmentally friendly, bamboo handle toothbrushes substituted single-use plastic toothbrushes. All guestrooms have installed in-shower dispensers to replace plastic individual bottles of shampoo, conditioner, and soap. The Hotel expects that the implementation of these new measures will reduce its reliance on certain natural resources. Looking ahead, the Hotel will continue to assess environmental risks in our business operations to formulate responsive measures and regularly review and update our environmental protection policies.

B. SOCIAL ASPECTS

B1. Employment and Labor Practices

The Hotel has always considered employee talent as its most valuable resource and asset. The Hotel respects and protects the statutory rights and interests of employees, provide a fair career development platform, cares about its employees' physical and mental health, and join hands with employees to realize sustainable development.

The Group adopts a policy of equal employment opportunities to ensure that every job applicant and employee has equal employment and promotion opportunities. The Hotel is committed to providing a workplace free from any form of discrimination and harassment and provides opportunities to employees with different backgrounds and characteristics so as to build a diversified workforce. Any form of discrimination against our potential or current employees on the ground of nationality, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy or political inclination is strongly prohibited. Furthermore, the Group aims to empower female employees through diverse teams and leadership roles. The Group optimizing gender equality and have aligned its standards to an international level. The Group strives to ensure that everyone works in an environment free of discrimination and harassment.

The Hotel provides a wide range of incentives, including competitive remuneration and benefits packages, which are based on individual performances and qualifications of employees and benchmarked against our industry peers on an annual basis.

The Hotel ensure the business operation are in compliance with the applicable local laws and regulations, including but not limited to the Minimum Wage Ordinance (Cap. 608) and Employment Ordinance (Cap. 57), all employment rights and benefits are commensurate with local rules and legal requirements. All of our employees are essentially treated with fair wages, fixed working hours, proper insurance coverage, statutory holidays and miscellaneous types of leaves, including sick leave, maternity leave, marriage leave, compassionate leave and jury service leave. In addition, a various of leisure activities are organized which includes but not limited to annual dinners, birthday or Christmas parties to enhance the staff bonding. The Hotel has established a "Staff Handbook" that includes the terms and conditions of employment, the staff benefits (leave entitlement, insurance and training), and the hotel rules and policies.

The total workforce by gender, employment level and age group, employment type, geographical region, as compared to last year, are as follows:

	As at 31 March 2026[1]	2025
Number of Employee	**31**	29
By Gender		
Male	**15**	16
Female	**16**	13
By Employment Level		
Senior Level	**8**	8
Intermediate Level	**4**	4
General Level	**19**	17
By Age		
Below 30 years old	**3**	0
Between 30 to 50 years old	**12**	9
Over 50 years old	**16**	20
By Employment Type		
Full-time	**31**	29
Part-time	**0**	0
By Geographical Region		
Hong Kong	**31**	29

Note:

1. The increase in employee numbers is due to the expanded business scope. During the reporting period, the reporting scope for employee data encompasses the hotel, leasehold land and buildings, investment properties, and the head office in Hong Kong.

Since its establishment, the Hotel implemented different measures to reduce employee turnover rate, such as strengthening recruitment controls, so that applicants can fully understand the working environment and control of the Hotel strengthen the staff trainings system to meet the career development requirement of employees at all levels; focus on the work pressure of employees, expand the development prospects of the Hotel so that competitive career platform can be provided to the employees. Eight employees left the company during the Reporting Period.

The statistics for turnover for the Reporting Period are as follows:

	2025/26 Employee turnover number (Turnover rate[1])	2024/25 Employee turnover number (Turnover rate)
Total	**8 (27%)**	10 (40%)
By Gender		
Male	**4 (26%)**	5 (37%)
Female	**4 (28%)**	5 (43%)
By Age		
Below 30 years old	**1 (67%)**	0
Between 30 to 50 years old	**1 (10%)**	3 (43%)
Over 50 years old	**6 (33%)**	7 (40%)
By Geographical Region		
Hong Kong	**8 (27%)**	10 (40%)

Note:

1. The turnover rate is calculated by the average number of employees in total and each category in last and this Reporting Period.

B2. Health and Safety

As a responsible employer, the Hotel is committed to reducing accidents, illness, and risks in the working area as far as possible, promoting the health of its employees, and thus also reducing the absence rate and employee turnover rate.

The Hotel provides full time employees with a comprehensive set of medical insurance, including but not limited to medical insurance, surgical insurance, hospitalization insurance and employees' compensation insurance.

The Hotel strictly complied with the Occupational Safety and Health Ordinance (Cap. 509), and has established the Staff Handbook on occupational health and safety for primary prevention of hazards and to deal with all aspects of health and safety in the workplace. The main focus of our practices has three different objectives:

(1) to maintain and promote workers' health and capacity at work;

(2) to improve the working environment so to be conducive to safety and health; and

(3) to develop a work culture in a direction which supports health and safety at the workplace.

Other procedures regarding fire safety system, first-aid boxes, CCTV system are also required to be followed by all employees to protect employees from risks resulting from factors averse to health.

Safety drills are conducted regularly to enhance awareness and alertness to react in times of accidents. For example, fire safety drills were carried out during the Reporting Period, during which evacuation routes, proper usage of fire extinguishers, as well as relevant safety tools were displayed.

During the Reporting Period, the Hotel was not aware of any violations of Hong Kong health and safety laws and regulations. There were no work-related fatalities for the Reporting Period, while no workdays were lost to work injuries. We are strongly committed to increasing training and rolling out related programs in order to prevent any work injuries incurred in the daily operations, we will continue to put in effort in this area. Moving forward, the Hotel seeks the possibility of hiring professional first-aid instructors to offer training courses to our employees.

B3. Development and Training

The Hotel emphasizes the importance of employee training and development. It strives to assist employees not only in acquiring professional knowledge to fulfil their duties, but also in developing their lifelong career. Through continuously optimizing the talent management system, the Group provides a training platform to support the employee's personal growth that will enable them to develop their full potential and to achieve the targets. Training includes internal, external, induction, on-the-job, capability and corporate culture training. All directors of the Hotel receive comprehensive, formal and tailored induction training, to ensure that they understand business operations of the Hotel, directors' responsibilities and obligations under the Listing Rules and other regulatory requirements. They are also trained regularly on the newest relevant statutory requirements and market changes, to ensure their high level of awareness on the industrial trends.

	2025/26			2024/25		
	Total training hours	**Number of employees (Percentage by category)**	**Average training hours**	Total training hours	Number of employees (Percentage by category)	Average training hours
By Gender						
Male	30	15 (48.39%)	2	16	16 (55.17%)	1
Female	32	16 (51.61%)	2	43	13 (44.83%)	3
By Employment Level						
Senior management	16	8 (25.81%)	2	8	8 (27.59%)	1
Middle management	8	4 (12.90%)	2	34	4 (13.79%)	9
Frontline and other employees	38	19 (61.29%)	2	17	17 (58.62%)	1
Total	62	31 (100%)	2	59	29 (100%)	2

During the Reporting Period, the Hotel arranged and conducted several in-house training sessions on comprehensive safety measures and the proper use of fire installations and equipment. These sessions aimed to enhance our employees' safety awareness and emphasize the importance of regular inspections of the Hotel's safety systems, which ultimately serves the best interests of the Hotel. Looking ahead, increasing employee training remains our goal for the upcoming years to ensure the all-round development of both our staff and the Hotel. We strive to create a great experience for all our staff and guests.

B4. Labor Standards

The Group prohibits employing forced and child labour and it adheres to all relevant laws and regulations in order to protect the rights of all employees and does not tolerate labour exploitation. Hence, the Group commits to maintain work environment free of discrimination and all employees are fairly treated regardless of age, marital status, pregnancy, race and religion. Apart from that, during the Reporting Period, the Group abided by the Employment Ordinances (Cap. 57) of Hong Kong and other legal employment requirements. We strive to fulfill our responsibilities to employees, respect their legitimate rights and interests, promote their professional development, improve our working environment and pay attention to the physical and mental health of employees, in order to realize the common development of the Hotel and its employees.

As prescribed in the policies and procedures, the Hotel emphases a transparent recruitment and employment mechanism by adopting a competence-based management approach. During the recruitment process, all candidates are required to provide identification proof to ensure compliance with the relevant laws and regulations on prohibiting child labor and forced labor. If applicants are found to have provided any counterfeit or false information, the Hotel has right to dismiss the employee immediately.

The employment terms and conditions are set out in the Staff Handbook which is required to be signed by all newly hired employees in order to make sure that they understand the Hotel's guidelines.

During the Reporting Period, the Hotel did not discover any non-compliance with laws and regulations which have a significant impact on employment and labor practices.

B5. Supply Chain Management

In purchasing perishable products, we incorporate local sourcing into our procurement strategies. Currently, we source seafood from local Cheung Chau fish stockers. It not only guarantees the freshness but also carries an implication of shorter travel distance for delivery, hence less fuel use and reduced carbon footprint.

The Hotel has established processes in accordance with certain requirements and standards set by the Hotel to select and evaluate suppliers to ensure that the purchased goods comply with relevant standards and criteria. In selecting and evaluating suppliers, the Hotel also pays attention to their environmental compliance record as well as their commitment to social responsibility. Environmentally and socially responsible suppliers are prioritized in the selection process. As of 31 March 2026, the Group engaged a total of 17 suppliers, with 15 located in Hong Kong and 2 in the PRC. Despite a significant decrease in the overall number of suppliers, the Group has established closer and more strategic collaborations with its remaining supplier network.

B6. Operating Practices and Product Responsibility

B6.1 Service Responsibility

In response to the growing trend of digitalization within the travel industry, partnerships have been established with Online Travel Agencies (OTAs) alongside the utilization of online platforms for the Hotel's sales and marketing initiatives. As guests frequently publish feedback on various social media platforms as a reference for other travelers, management closely reviews these comments during regular meetings. This feedback serves as a benchmark to implement targeted improvements across multiple areas, such as hospitality service quality, the expansion of themed room offerings, and ongoing renovation and decoration projects.

In order to facilitate better services provided to our guests, we continue to adopt the Standard Operating Procedures ("SOP") as a guiding handbook for all our employees to have a better understanding of their responsibilities and duties at respective units, including the front desk department, the housekeeping department, the sales and marketing department, and the food and beverage department.

The Hotel has established a performance review system. Random inspections are carried out to examine the daily performances and regular team meetings are hosted by corresponding managers to clarify the areas that require improvements. Performance assessment is carried out biannually by respective department managers and the performance review results are subject to approval from the hotel manager. Further training will be provided when necessary. As the Hotel did not provide products, none of products were recalled. During the review period, the Hotel did not receive any complaints for the quality of the Hotel's service.

B6.2 Prioritizing Health and Safety of Our Guests

In the areas of design, structure, fire precautions, health, sanitation and safety, we comply with the requirements of the Buildings Ordinance (Cap. 123). Precautions are taken against fire or other unlikely incidents to protect the welfare and property of our guests in accordance with the Fire Services Ordinance (Cap. 95). For example, to safeguard public health, maintain indoor air quality and prevent the cause of fires, smoking is prohibited in all indoor areas in compliance with the Smoking (Public Health) Ordinance (Cap. 371). We have put the relevant labels and stickers in noticeable areas to remind our guests about the potential health and safety risks.

Furthermore, we maintain rigorous hygiene and food quality standards to ensure the safety of all dining offerings. Our kitchen and restaurant staff are required to strictly adhere to established Standard Operating Procedures (SOPs), which are subject to regular audits and performance reviews.

All positive and negative feedback from our guests is valuable to us. In the operation of our hotel business, we ensure the adequacy and suitability of the use of apparatus and equipment in accordance with the Hotel and Guesthouse Accommodation Ordinance (Cap. 349).

B6.3 Intellectual Property

The Hotel's senior management is responsible for safeguarding the intellectual properties. Contracts between the Group, employees and relevant parties contain a confidentiality clause to prevent the disclosure of sensitive information. A whistle-blowing platform is in place for employees to report any incident of sensitive information disclosure to management.

Safeguarding Privacy and Personal Information

The nature of our business requires that we frequently and regularly collect, retain, and utilize personal data from our existing and potential guests. Therefore, we must abide by the fair information practices relating to the collection, retention, handling, disclosure and use of personal data as stipulated in the data protection principles of the Personal Data (Privacy) Ordinance (Cap. 486).

For the protection of privacy in respect of personal data, the Group has well established internal control and compliance procedures developed on the basis of the Ordinance and implement strict control over the security of information to ensure compliance with the relevant laws and regulations.

We seek to ensure that appropriate measures are taken to prevent the misuse or disclosure of personal data and to hold such personal data solely for such collection purposes. We inform our customers of their rights under the Ordinance and the purpose for which their data may be used by the Hotel. Relevant documents containing personal information are stored and accessible only by our authorized employees. All documents will be properly destroyed and shredded after 7 years of storage whereas the use of personal data in direct marketing or communication without prior consent from guests is strictly prohibited.

We have drawn attention on the information security awareness regarding the use of computer, internal email system and the Internet. For those employees who can access into the IT system and review the sensitive and private data, we require them to set up personalized passwords and protect their own passwords by not to disclose to anyone in order to prevent any unauthorized accesses. In addition, virus scan is performed mainly for the email attachment downloads or transfers from external sources by responsible employees on a regular basis in view of minimizing the information technology hacking risks.

The Hotel provides comprehensive training to all employees on the following:

- Safeguarding and handling guest information with the utmost privacy and confidentiality.
- Understanding the critical importance of guest privacy.

- Strictly prohibiting the unauthorized sharing or exchange of confidential information.

During the Reporting Period, the Group received no substantial complaints regarding breaches of customer privacy, also they did not discover any circumstances of consumers' personal data being stolen, altered, damaged or leaked during the Reporting Period.

B7. Anti-corruption and Anti-money Laundering

The Group is committed to upholding high standards of business ethics and integrity in the conduct of the Group's business and operations. The Group maintains and effectively implements a comprehensive system of internal control and stringent policies for anticorruption and is committed to prevent and monitor any malpractices or unethical practice.

The Hotel strictly abides by the laws and regulations regarding bribery, extortion, fraud and money laundering, including the Prevention of Bribery Ordinance (Cap. 210). The Hotel adopts a zero-tolerance approach for bribery, extortion, fraud and money laundering. Employees at all levels such as Directors, management personnel, staff members are required to manage themselves with integrity imparity and honesty. In order to avert corruption, the Hotel has provided an obvious, safe and confidential way for employees to report suspicious concerns through whistle-blowing channels.

A whistle-blowing channel, as set out in the Staff Handbook, has been in place for all employees to raise any concerns without fear of any negative impacts. The Hotel encourages reporting of suspected business irregularities and provides clear channels specifically for this purpose. All employees can contact the management or, in case of any serious matter, directly to the Chairman of the Board's audit committee for lodging a complaint or whistle-blowing. The Hotel is committed to the highest standards of integrity and ethics and require our employees to maintain the confidentiality of proprietary information entrusted by the Hotel, our customers and suppliers. Such information includes intellectual property. During the Reporting Period, the Group did not provide any anti-corruption training to employees.

During the reporting period, the Group fully complied with all applicable laws and regulations, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) and the Prevention of Bribery Ordinance. The Group maintains a zero-tolerance approach toward bribery, extortion, fraud, and money laundering, and we are not aware of any material instances of non-compliance during the period.

B8. Community

We are grateful to have been able to operate our Hotel on Cheung Chau and be supported by the local community over the decades. Sustainability of the island becomes indispensable to the Hotel as our business relies on the resources, infrastructure and markets provided by the island. Recognizing our responsibility to the community, we are committed to providing available resources to support the community and encouraging employees to participate in various charitable and voluntary activities. We promote cohesiveness and aim to achieve a win-win situation in order to maintain and strengthen the sustainability, development and value of both the Hotel and our community. During the Reporting Period, the Group donated in total HK$11,110 to the Cheung Chau community.

B8.1 Supporting the Cultural Activities

Cheung Chau is an island full of cultural heritage that draws significant attention from tourists and is one of the most popular tourist destinations in Hong Kong. The Cheung Chau Bun Festival is one such cultural event, which was inscribed onto the Third National List of Intangible Cultural Heritage of China in 2011. The festival is celebrated annually with a series of weeklong activities, including traditional ritual events, the "Piu Sik", and the Bun Scrambling Competition. To support one of the greatest events in Cheung Chau, the Group donated a total of HK$7,600 to the Cheung Chau Bun Festival related organizations.

B8.2 Supporting the Local Social

Recognizing the importance of community cohesion and cultural celebrations, the Group donated a total of HK$1,500 to the Cheung Chau All Sectors Celebration of National Day Committee. The donation was allocated as event funding to sponsor the celebratory activities for the 76th Anniversary of the Founding of the People's Republic of China.

Recognizing the needs of the local community, the Group donated a total of HK$2,000 to the Cheung Chau Tai Sun Street Residents Association. The donation was allocated as operational funds to support the association in facilitating daily affairs and promoting the well-being of local residents in Cheung Chau.

B8.3 Retaining Local Talent

For our hotel operations, we directly created employment opportunities for 12 local residents out of 31 total employees in the Hotel, making good use of the local supply of labour force in Cheung Chau. Other than that, employing local residents can indirectly reduce carbon footprint implied by shortened travel distance.

C. CLIMATE-RELATED DISCLOSURES

The Group remains committed to proactively addressing climate-related risks and opportunities to ensure long-term business resilience and sustainable development. Given the profound impact of climate change on the hospitality sector, the Group continues to integrate climate considerations into its corporate governance, strategic planning, and risk management frameworks. Referencing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the IFRS S2 Climate-related Disclosures, and the enhanced disclosure requirements of Appendix D to the ESG Reporting Code, the Group implements disclosure work based on the four core pillars: 'Governance, Strategy, Risk Management, and Metrics and Targets'.

By systematically identifying climate-related impacts, the Group continuously refines mechanisms to embed risk management into its strategic and operational processes. This approach strengthens resilience against physical and transition risks, while assisting the Group in seizing green transition opportunities to drive business growth. The Group closely monitors potential risks arising from climate change, particularly acute physical risks such as typhoons and flooding, which may impact hotel property assets, and chronic health challenges posed by persistent high temperatures on guests and staff.

The Board and the ESG Committee periodically assess climate-related risks over specific time horizons – short-term (1–2 years), medium-term (3–5 years), and long-term (6–10 years) – formulating countermeasures based on the probability and magnitude of impact. Factors such as building energy efficiency, and local regulatory orientations are considered when deciding strategies to mitigate, transfer, or control risks. The Group has incorporated these assessments into its risk appetite framework, ensuring significant risks are integrated into its strategic layouts. Upon assessment, while extreme weather and regulatory changes may bring challenges, they are not expected to have a material impact on the Group's operations in the short to medium term. Nevertheless, mitigation measures are in place, including the installation of advanced fire suppression systems and reinforced flood-prevention infrastructure at hotel. Additionally, strict operational procedures, such as suspending outdoor activities during severe weather signals and implementing enhanced maintenance for cooling systems, are enforced to ensure the safety of guests and employees.

The Group operates a hotel in Cheung Chau. While the property may face varying degrees of exposure to acute physical risks, such as typhoons and storms, the Group has put in place comprehensive contingency measures to mitigate potential impacts and ensure business continuity. Because of our hotel's location, we stay vigilant about local climate hazards and regularly update our emergency response procedures to protect guests and property.

In terms of procurement, the Group's approved suppliers are primarily concentrated in Hong Kong to ensure service efficiency. Recognizing that extreme weather events could potentially lead to supply chain disruptions, the Group has implemented a robust risk management strategy. By maintaining a diversified database of qualified suppliers, the Group ensures operational resilience, allowing for the timely substitution of vendors should any single supplier be impacted by extreme weather. In FY2026, the Group managed a network of 17 approved suppliers, providing the necessary flexibility to source essential materials and services from alternative partners, thereby minimizing the risk of operational interruptions.

The Group remains committed to monitoring climate-related developments and government policies to proactively adjust its operational strategies. Through ongoing assessment of climate-related impacts and the continuous enhancement of supply chain resilience, the Board and the ESG Committee ensure that the Group is well-positioned to minimize any potential disruption to its hotel operations while maintaining high standards of service for all guests.

C1. Governance

As the Group's highest governance body, the Board bears ultimate oversight responsibility for climate-related risks and opportunities in accordance with the Group's Climate Change Policy. The Board conducts regular assessments to ensure its members possess or are developing the necessary expertise and competencies to effectively oversee the implementation of strategies for addressing climate risks and capturing green opportunities. The Board integrates climate-related factors as core considerations when approving corporate strategies, development projects, and supervising the Group's risk management framework. This ensures that all processes align with climate risk management requirements and fulfill policy commitments to integrate climate factors into strategic planning, risk management, and hotel business continuity arrangements.

Furthermore, the Board is responsible for approving key climate targets – including medium-to-long-term carbon reduction and energy efficiency goals for the hotel and regularly monitoring progress against these KPIs. Currently, climate-related factors have not been incorporated into the Group's remuneration governance structure. Senior management is tasked with establishing and maintaining internal control mechanisms to identify, monitor, and manage climate-related issues specific to the hospitality sector. These controls are systematically integrated into the Group's existing strategic planning, annual budgets, capital expenditure plans for property renovations and Enterprise Risk Management framework. This integration ensures that climate considerations are effectively embedded into decision-making and operational processes, supporting the development of climate-resilient hotel assets, the establishment of green procurement standards for hospitality supplies, enhanced communication with guests and stakeholders, and rigorous compliance with environmental regulations.

C2. Strategy

The Group has formulated a Climate Change Policy to provide a guiding framework for addressing climate-related challenges within our hospitality. We have identified specific climate-related factors, such as the physical resilience of our hotel assets and the impact of transition policies on energy consumption, that could reasonably be expected to influence the Group's cash flows and cost of capital across short-, medium-, and long-term horizons. These insights have been systematically integrated into our strategic decision-making processes, ensuring that climate resilience remains a cornerstone of the Group's sustainable development and long-term value creation for stakeholders.

C3. Climate-Related Risks and Opportunities

The Hotel recognises the importance of the identification and mitigation of significant climate-related issues, therefore, the Hotel is committed to managing the potential climate-related risks which may impact the Hotel's business activities. The Group has been closely monitoring the impact of climate change to leverage on the potential opportunities and to mitigate these potential risks. In this Reporting Period, the Group has been closely monitoring the potential physical risk and the transition risk which are as follows:

Risk Category & Description	Primary Horizon	Potential Business & Financial Impact	Strategic Response & Integration	Concentration in Business Model & Value Chain
Physical Risk *Acute risk:* The Group's hotel operations in Hong Kong face exposure to acute physical climate risks, specifically severe weather events such as typhoons, rainstorms, and extreme flooding. While the hotel benefits from a favourable geographical location that mitigates the vulnerabilities, climate change continues to increase the frequency and intensity of these acute weather anomalies.	Short to Medium Term	• Potential room cancellations, booking disruptions, and reduced walk-in F&B revenue during severe typhoon signals. • Increased expenditure on property repair, emergency asset maintenance, and insurance premiums. • Disruptions to logistics affect the timely delivery of fresh food and essential guest amenities.	• Regular reviewing and updating of internal Emergency Preparedness and Extreme Weather Arrangement procedures. • Raising employee awareness regarding climate-resilience and safety drills during severe weather. • Implementing proactive property maintenance schedules to fortify building envelopes against storm surges and high winds.	• Downstream (Operations): concentrated in on-site hotel operations, guest services, and property management. • Upstream (Supply Chain): Concentrated in F&B logistics, utilities (potential power/water disruptions), and immediate property maintenance services.

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Risk Category & Description	Primary Horizon	Potential Business & Financial Impact	Strategic Response & Integration	Concentration in Business Model & Value Chain
Physical Risk *Chronic risk:* Chronic risks encompass systemic, long-term shifts in global climate patterns. For hotel operations, this primarily manifests as a steady, continuous rise in temperatures. Furthermore, given the coastal proximity of the hospitality assets, long-term sea-level rise represents a structural risk that could eventually threaten coastal infrastructure and localized accessibility.	Long Term	• Higher temperatures drive up cooling demands, significantly inflating HVAC energy consumption and electricity expenditures. • Global temperature increases threaten agricultural yields, leading to raw material scarcity and inflating F&B procurement costs. • Gradual sea-level rise and coastal erosion may necessitate structural reinforcements to protect seaside hotel properties and maintenance.	• Active tracking of sea-level trajectories and regional climate data over the coming years to update risk models. • Mitigating temperature-driven utility increases by transitioning to high-efficiency HVAC units, and low-emissivity materials. • Establishing resilient, multi-vendor procurement networks to insulate operations from climate-induced raw material shortages.	• Downstream (Operations): Concentrated within hotel utility management (HVAC systems) and long-term asset life-cycle management. • Upstream (Supply Chain): Concentrated in F&B procurement, resource extraction (water availability), and hospitality supply logistics.
Transition Risk *Policy risk:* Following the implementation of the Paris Agreement in Hong Kong, the HKSAR Government operates under a five-year review cycle to achieve its long-term carbon reduction targets. This exposes the Group to potential policy risks, including tightened local building energy efficiency standards, mandatory ESG disclosure enhancements, carbon pricing mechanisms, or stricter waste charging schemes aimed at commercial operations.	Medium Term	• Potential need for capital allocation to upgrade older hotel infrastructure to meet stricter building energy efficiency regulations. • Higher overhead expenses to comply with expanding, mandatory climate disclosure requirements from regulatory bodies.	• Establishing a dedicated framework to closely monitor evolving local and regional climate regulations. • Implementing low-carbon technologies and green building practices. • Enhancing environmental data tracking systems to streamline reporting and smoothly adapt to updated disclosure mandates.	• Downstream (Operations): Concentrated in corporate governance, hotel property compliance, facility engineering, and administrative legal reporting. • Upstream (Supply Chain): Indirectly concentrated in local electricity and utility providers, whose regulatory compliance costs could influence hotel operational expenses.
Transition Risk *Legal risk:* Legal risk involves the potential for climate-related litigation or regulatory enforcement actions brought by third parties, consumers, or governing bodies. While the Group has recorded zero climate-related lawsuits to date, evolving legal landscapes mean that hospitality operators face increasing scrutiny regarding "greenwashing" (misleading environmental claims), non-compliance with stricter municipal environmental laws, or failure to uphold green clauses in commercial contracts.	Medium to Long Term	• Financial expenditures required to defend against potential civil claims or greenwashing disputes. • Financial penalties resulting from accidental non-compliance with rapidly changing local environmental regulations or codes. • Potential decline in brand value, guest loyalty, and investor confidence if legal disputes arise, impacting room occupancy and asset valuation.	• Related legal reviews into existing legal and compliance frameworks. • Maintaining a highly flexible operational model across business lines, allowing adjustment to new legislation and standards. • Including climate compliance and force majeure clauses in partnerships with vendors and third-party managers to limit liability.	• Downstream (Operations): Concentrated in legal departments, executive governance, marketing communications, and compliance. • Upstream (Supply Chain): Concentrated in procurement contracts and partnership agreements with construction or engineering vendors who must meet evolving legal-environmental benchmarks.

Risk Category & Description	Primary Horizon	Potential Business & Financial Impact	Strategic Response & Integration	Concentration in Business Model & Value Chain
Transition Risk *Reputational risk:* Reputational risk stems from shifting public sentiment, guest preferences, and investor expectations regarding climate action. As society increasingly favors sustainable practices, failure to align our hotel operations with eco-friendly standards or falling behind industry benchmarks could lead to negative public perception, diminished brand loyalty, and a mismatch with community values.	Short to Medium Term	• Eco-conscious leisure travelers and corporate clients with strict sustainable procurement policies may choose competitors with better green credentials. • Institutional investors and financial partners increasingly tie funding to ESG performance; weak climate alignment could affect capital availability or financing costs. • A perceived lack of commitment to environmental stewardship can hinder the recruitment and retention of hospitality talent.	• Maintaining rigorous, continuous monitoring of greenhouse gas emissions across all hotel operations. • Scaling up visible on-site green initiatives (such as eliminating single-use plastics, optimizing energy usage, and offering sustainable dining choices). • Researching and piloting innovative, low-carbon hospitality solutions to consistently minimize the environmental footprint.	• Downstream (Operations): Concentrated in brand management, public relations, marketing, guest loyalty programs, and corporate B2B sales channels. • Upstream (Supply Chain): Concentrated in procurement, as our choice of eco-labeled, sustainable suppliers directly influences public perception of our overall sustainability profile.

C4. Financial Position, Financial Performance and Cash Flows

Based on continuous monitoring of both physical and transition risks, the Group has established a scenario analysis framework, which is now integrated into its business model assessments and strategic planning. This framework spans short, medium, and long-term horizons and references pathways aligned with the goals of the Paris Agreement. Given the nature of the Group's hospitality operations, the analysis specifically evaluates how climate-related factors may influence the carrying values of our property assets, energy-related operating expenses, and long-term insurance premiums.

At this stage, while the direct impact of climate-related risks and opportunities on the Group's consolidated financial statements and cash flows remains manageable, the Group has conducted preliminary scenario analysis across its key business segments. This enables us to proactively assess the potential impact of evolving environmental policies, carbon pricing, and market demand for green-certified hotel assets on our financial position. Looking ahead, the Group remains committed to strengthening its monitoring mechanisms and will gradually incorporate climate resilience factors into its capital allocation, property renovation strategies, and comprehensive financial planning to ensure long-term asset value preservation.

C5. Climate Resilience

The Group attaches great importance to building climate resilience and actively plans to incorporate climate scenario analysis into the strategic decision-making process. While the Group is currently refining its methodology towards adopting specific quantitative climate scenario models, it remains closely aligned with the evolution of international reporting standards and best practices within the hospitality sector. Based on an assessment of existing assets and reliable climate data, the Group is confident in its ability to manage potential climate-related risks through robust building management and operational preparedness. Looking forward, the Group will continue to enhance its adaptability to diverse climate scenarios through continuous investments in energy-efficient technologies, sustainable property renovations, and the implementation of flexible operational procedure, ensuring long-term resilience.

C6. Risk Management

To address climate-related risks and opportunities, the Group has initiated the process of systematically incorporating climate factors into its overall risk management framework. We understand the importance of robust management processes and are committed to enhancing internal governance capabilities. Currently, we identify climate-related physical and transition risks primarily through industry research, policy analysis, and qualitative assessments, focusing on key hospitality-specific issues such as the impact of extreme weather on hotel properties and the sustainable management of energy and water resources.

This process covers all business segments, including hotel operations and car park and facilities management. We have established regular monitoring mechanisms to track operational performance through Key Performance Indicators (KPIs) such as energy intensity, water consumption, and carbon footprint per guest night. Compared to the previous reporting period, the Group has expanded the scope of climate risk identification, improved the systematic nature of data collection, and increased the granularity of its climate scenario analysis.

Furthermore, the Group has strengthened cross-departmental collaboration to integrate climate risk factors more closely into preliminary project assessments and investment decision-making processes. Looking ahead, the Group will continue to refine its climate risk management framework, proactively address challenges and capitalize on opportunities arising from the green transition, and further enhance its climate scenario analysis, thereby creating long-term sustainable value for shareholders, guests, and society.

C7. Metrics and Targets

C7.1 Greenhouse Gas Emissions

During the Reporting Period, the Group produced a total of 651.87 tonnes of carbon emissions, increased in comparison with the last Reporting Period. The Group will continue to assess and record its greenhouse gas emissions and other environmental data annually and compare it with last year's data to assist the Group in further developing emission reduction targets in the future.

The data are referenced from the quantification methodology stated on "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong 2010" and the emission factor is based on the latest figure provided by the China Light and Power Company Limited, Drainage Services Department and Water Supplies Department.

Emission[1]	**Unit**[2]	**2025/26**	2024/25
Scope 1 GHG Emission (Direct)[3]	tCO_2e	**13.54**	35.60
Scope 2 GHG Emission (Indirect)[4]	tCO_2e	**629.08**	537.50
Scope 3 GHG Emission (Other Indirect)[5]	tCO_2e	**9.25**	11.43
Total GHG Emission	tCO_2e	**651.87**	584.52
GHG Emission Intensity by Area	tCO_2e/m^2	**0.12**	0.11

Notes:

1. Reference was made to Appendix C2 of the Listing Rules governing the Main Board and the relevant guidance of the Stock Exchange of Hong Kong Limited for the emission factors, unless stated otherwise.

2. tCO_2e represents tonnes of carbon dioxide equivalent.

3. Scope 1 direct emissions of the Group were from fuel combustion due to vehicle and cooking activities. The decrease in Scope 1 emissions during this Reporting Period is primarily attributable to the streamlining of restaurant operating hours and the strategic repositioning of our dining offerings from a traditional Chinese-style format to a casual café-style concept.

4. Scope 2 indirect emissions of the Group were from purchased electricity and Towngas consumption.

5. Scope 3 other indirect emissions of the Group included paper used and electricity used for fresh water and sewage processing by government department.

The largest proportion of the Group's GHG emissions is derived from Scope 2, primarily consisting of indirect emissions from purchased electricity used in hotel operations, property management, and car park facilities. The Group is committed to the comprehensive disclosure of Scope 3 (other indirect GHG emissions) to enhance the transparency and quality of its Environmental, Social, and Governance (ESG) reporting, thereby providing investors and stakeholders with a deeper understanding of the Group's ESG performance.

Given that electricity consumption remains the primary source of the Group's GHG emissions, enhancing energy efficiency and optimizing the energy performance of our property portfolio have become the core pillars of the Group's sustainable development strategy. Looking ahead, the Group will continue to refine its environmental impact monitoring mechanism to track energy-related emissions and address potential risks associated with its diverse operational assets. Through the implementation of diversified emission reduction initiatives – such as retrofitting hotel facilities with energy-efficient systems, optimizing HVAC performance, and promoting sustainable practices across all managed properties – the Group strives to reduce energy intensity, improve overall energy efficiency, and commit to achieving a steady decline in total carbon emissions to support a low-carbon future.

To minimize our carbon footprint and enhance energy efficiency across our hotel properties, we have implemented the following operational policies:

- Utilizing automated building management systems to optimize heating, cooling, and lighting in guest rooms and public areas. We enforce strict "lights-out" procedures for back-of-house and non-operational facilities;
- Prioritizing the purchase of energy-efficient appliances and eco-labeled stationery for all hotel administrative functions;
- Streamlining in-room amenities to reduce single-use plastics and implementing comprehensive waste-sorting systems for guests and staff;
- Placing detailed sorting and recycling bins (paper, plastic, metal, general waste) in office areas to increase resource recovery rates;
- Setting printers to "double-sided black and white" by default to reduce the consumption of paper and toner; and
- Adhering to rigorous maintenance cycles for HVAC and kitchen equipment to ensure peak energy performance and longevity.

C8. Internal Carbon Pricing

The introduction of internal carbon pricing is a forward-looking management tool that the Group is actively exploring to align with global climate transition trends. Currently, this mechanism is in the internal deliberation stage and has not yet been formally integrated into the Group's investment decision-making processes.

Looking ahead, the Group will evaluate the feasibility of establishing an internal carbon pricing mechanism by benchmarking against international market best practices and assessing its application within our hospitality and property management.

C9. Industry-based Metrics

The Company has noted the industry-based guidance mentioned in IFRS S2 and will, in conjunction with its own business operational characteristics, gradually adopt relevant industry-specific metrics for disclosure when conditions are mature. Currently, the specific implementation timetable is under review and has not yet been formally established.

C10. Climate-related Targets

The Group has established a phased climate target framework, with a long-term vision aligned with the Paris Agreement to achieve operational carbon neutrality (Scope 1 and Scope 2) for its hotel and property management by 2050. Adopting a progressive strategy, the Group aims to accelerate its low-carbon transition by integrating energy-efficient technologies and sustainable practices across its operations, thereby laying the foundation for setting more ambitious absolute emission reduction targets and Science-Based Targets (SBTs).

To ensure the scientific validity and credibility of these targets, the Group is establishing systematic management processes that reference industry-leading benchmarks for the hospitality sector. We consider conducting rigorous research and introducing third-party assessments of our carbon performance in the coming years. Progress will be continuously disclosed through our annual ESG reports, under the oversight of the Board of Directors, ensuring accountability and transparency. The Group maintains a robust historical baseline and emission data compilation system, which supports comprehensive year-on-year performance analysis. Looking ahead, the Group will disclose performance against the base year annually and dynamically optimize its key performance indicators (KPIs) to align with evolving international standards and climate agreements. Regarding carbon credit, the Group is continuously assessing the feasibility of high-quality procurement mechanisms to ensure such strategies remain consistent with international standards and our internal technical capabilities in managing related emissions.

APPENDIX – ESG GUIDE CONTENT INDEX

This ESG Report has been prepared in line with the ESG Guide contained in Appendix C2 to The Rules Governing the Listing of Securities on the Stock Exchange.

Subject Areas, Aspects, General Disclosures and KPIs

A. Environmental

Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note:* Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	A1. Emissions
	KPI A1.1	The types of emissions and respective emissions data.	A1.1 Emission Sources and Use of Resources
	KPI A1.2	Repealed 1 January 2025	
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A2.5 Hazardous Waste
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A2.6 Non-hazardous Waste
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A1. Emissions
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A1. Emissions
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note:* Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	A2. Use of Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	A2.1 Energy and Water Consumption
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2.1 Energy and Water Consumption
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2.1 Energy and Water Consumption
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2.1 Energy and Water Consumption

Subject Areas, Aspects, General Disclosures and KPIs			
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2.3 Packaging Materials
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		A3. The Environment and Natural Resources
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources
Aspect A4: Climate Change	Repealed 1 January 2025		N/A
	KPI A4.1	Repealed 1 January 2025	N/A
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		B1. Employment and Labor Practices
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	B1. Employment and Labor Practices
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1. Employment and Labor Practices
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		B2. Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2. Health and Safety
	KPI B2.2	Lost days due to work injury.	B2. Health and Safety
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2. Health and Safety

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Subject Areas, Aspects, General Disclosures and KPIs				
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note:* Training refers to vocational training. It may include internal and external courses paid by the employer.		B3.	Development and Training
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3.	Development and Training
	KPI B3.2	The average training hours completed per employee by gender and employee category.	B3.	Development and Training
Aspect B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		B4.	Labor Standards
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4.	Labor Standards
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4.	Labor Standards
Operating Practices				
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		B5.	Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	B5.	Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5.	Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5.	Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5.	Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs

Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		B6. Operating Practices and Product Responsibility
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6.1 Service Responsibility
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6.1 Service Responsibility
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6.3 Intellectual Property
	KPI B6.4	Description of quality assurance process and recall procedures.	B6.1 Service Responsibility
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6.3 Intellectual Property
Aspect B7: Anticorruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		B7. Anti-corruption and Anti-money Laundering
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7. Anti-corruption and Anti-money Laundering
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7. Anti-corruption and Anti-money Laundering
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption and Anti-money Laundering
Community			
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		B8. Community
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8. Community
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. Community

Climate-related Disclosures		FY2026 Response
(I) Governance		
19	An issuer shall disclose information about:	
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of ***climate-related risks and opportunities***. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to ***climate-related risks and opportunities***;	C1. Governance
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
	(iii) how the body(s) or individual(s) takes into account ***climate-related risks and opportunities*** when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	C1. Governance
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	
(II) Strategy		
Climate-related risks and opportunities		
20	An issuer shall disclose information to enable an understanding of ***climate-related risks and opportunities*** that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe ***climate-related risks and opportunities*** that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	C3. Climate-Related Risks and Opportunities
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a ***climate-related physical risk*** or ***climate-related transition risk***;	
	(c) specify, for each ***climate-related risk and opportunity*** the issuer has identified, over which time horizons – short, medium or long term – the effects of each ***climate-related risk and opportunity*** could reasonably be expected to occur; and	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

Climate-related Disclosures		FY2026 Response
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of ***climate-related risks and opportunities*** on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of ***climate-related risks and opportunities*** on the issuer's ***business model*** and ***value chain***; and	C3. Climate-Related Risks and Opportunities
	(b) a description of where in the issuer's ***business model*** and ***value chain climate-related risks and opportunities*** are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of ***climate-related risks and opportunities*** on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a) information about how the issuer has responded to, and plans to respond to, ***climate-related risks and opportunities*** in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's ***business model***, including its resource allocation, to address ***climate-related risks and opportunities***;	C3. Climate-Related Risks and Opportunities
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
	(iii) any ***climate-related transition plan*** the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a ***climate-related transition plan***; and	
	(iv) how the issuer plans to achieve any climate-related targets (including any ***greenhouse gas*** emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	C3. Climate-Related Risks and Opportunities
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	
	(a) how ***climate-related risks and opportunities*** have affected its financial position, financial performance and cash flows for the reporting period; and	C4. Financial Position, Financial Performance and Cash Flows
	(b) the ***climate-related risks and opportunities*** identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

Climate-related Disclosures		FY2026 Response
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage ***climate-related risks and opportunities***, taking into consideration:	C3. Climate-Related Risks and Opportunities
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage ***climate-related risks and opportunities***.	
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and ***business model*** to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified ***climate-related risks and opportunities***. An issuer shall use climate-related scenario analysis to assess its ***climate resilience*** using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
	(a) the issuer's assessment of its ***climate resilience*** as at the reporting date, which shall enable an understanding of:	C5. Climate Resilience
	(i) the implications, if any, of the issuer's assessment for its strategy and ***business model***, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its ***climate resilience***; and	
	(iii) the issuer's capacity to adjust, or adapt its strategy and ***business model*** to climate change over the short, medium or long term;	
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including:	
	1. which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	C5. Climate Resilience
	2. whether the analysis included a diverse range of climate-related scenarios;	
	3. whether the climate-related scenarios used for the analysis are associated with ***climate-related transition risks*** or ***climate-related physical risks***;	
	4. whether the issuer used, among its scenarios, a climate-related scenario aligned with the ***latest international agreement on climate change***;	
	5. why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	6. time horizons the issuer used in the analysis; and	
	7. what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	

Climate-related Disclosures		FY2026 Response
	(ii) the key assumptions the issuer made in the analysis; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	
(III) Risk Management		
27	An issuer shall disclose information about:	
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	I. the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	C6. Risk Management
	II. whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	III. how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
	IV. whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	V. how the issuer monitors climate-related risks; and	
	VI. whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring ***climate-related risks and opportunities*** are integrated into and inform the issuer's overall risk management process.	
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross ***greenhouse gas*** emissions generated during the reporting period, expressed as metric tons of ***CO_2 equivalent***, classified as	
	(a) ***Scope 1 greenhouse gas emissions***;	C7.1 Greenhouse Gas Emissions
	(b) ***Scope 2 greenhouse gas emissions***; and	
	(c) ***Scope 3 greenhouse gas emissions***.	
29	An issuer shall:	
	(a) measure its ***greenhouse gas*** emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring ***greenhouse gas*** emissions;	C7.1 Greenhouse Gas Emissions

Climate-related Disclosures		FY2026 Response
	(b) disclose the approach it uses to measure its ***greenhouse gas*** emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its ***greenhouse gas*** emissions;	C7.1 Greenhouse Gas Emissions
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its ***greenhouse gas*** emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for ***Scope 2 greenhouse gas emissions*** disclosed in accordance with paragraph 28(b), disclose its location-based ***Scope 2 greenhouse gas emissions***, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's ***Scope 2 greenhouse gas emissions***; and	
	(d) for ***Scope 3 greenhouse gas emissions*** disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of ***Scope 3 greenhouse gas emissions***, in accordance with the ***Scope 3 categories*** described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to ***climate-related transition risks***.	C3. Climate-Related Risks and Opportunities
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to ***climate-related physical risks***.	C3. Climate-Related Risks and Opportunities
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	C3. Climate-Related Risks and Opportunities
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards ***climate-related risks and opportunities***.	C3. Climate-Related Risks and Opportunities
Internal carbon prices		
34	An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	C8. Internal Carbon Pricing
	(b) the price of each metric tonne of ***greenhouse gas*** emissions the issuer uses to assess the costs of its ***greenhouse gas*** emissions;	
	or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	C1. Governance

Climate-related Disclosures		FY2026 Response
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	C9. Industry-based Metrics
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	C10. Climate-related Targets
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) milestones or interim targets (if any);	
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h) how the ***latest international agreement on climate change***, including jurisdictional commitments that arise from that agreement, has informed the target.	
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	C10. Climate-related Targets
	(b) the issuer's processes for reviewing the target;	
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	C10. Climate-related Targets

Climate-related Disclosures				FY2026 Response
40	For each ***greenhouse gas*** emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:			
	(a)	which ***greenhouse gases*** are covered by the target;		C10. Climate-related Targets
	(b)	whether ***Scope 1***, ***Scope 2*** or ***Scope 3 greenhouse gas emissions*** are covered by the target;		
	(c)	whether the target is a gross ***greenhouse gas*** emissions target or a net ***greenhouse gas*** emissions target. If the issuer discloses a net ***greenhouse gas*** emissions target, the issuer is also required to separately disclose its associated gross ***greenhouse gas*** emissions target;		
	(d)	whether the target was derived using a sectoral decarbonisation approach; and		
	(e)	the issuer's planned use of ***carbon credits*** to offset ***greenhouse gas*** emissions to achieve any net ***greenhouse gas*** emissions target. In explaining its planned use of ***carbon credits***, the issuer shall disclose:		
		(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	C10. Climate-related Targets
		(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
		(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
		(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	

COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The board of directors of the Company (the "Directors" and the "Board", respectively) and its senior management ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company (the "Shareholders").

Throughout the year ended 31 March 2026 (the "Year"), the Company had complied with all the code provisions of the Corporate Governance Code (the "Code") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively), except for the following:

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The role of chairman is responsible for formulating and setting the strategies and policies of the Company and its subsidiaries (collectively the "Group") in conjunction with the Board.

The role of chief executive is responsible for managing the Group's strategic initiatives, investor relations, corporate and investor communications, mergers or acquisitions, and financing.

Mr. Derek Chiu, an executive Director, is also the Managing Director, the Chief Executive and the chairman of the Board (the "Chairman"). The Board believes that vesting the roles of the Chairman, the Managing Director and the Chief Executive in the same person has the benefit of ensuring strong consistent leadership with the Group and enable more effective and efficient planning and implementation of business decisions and strategies. The Board also believes that it will not impair the balance of power and authority between the Board and the management of the Company.

In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

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

Code provision C.1.5 of the Code stipulates that independent non-executive directors and non-executive directors shall attend the general meetings and develop a balanced understanding of the views of shareholders. Non-executive Directors, namely Madam Chiu Ju Ching Lan and Mr. Alex Chiu, did not attend the annual general meeting of the Company held on 2 September 2025 due to other business engagements. Other Board members and the chairmen of the relevant Board committees also attended the annual general meeting to inter-face with, and answer questions from the Shareholders.

THE BOARD OF DIRECTORS

The Board's primary responsibilities are to formulate long-term corporate strategy, oversee the management of the Group, to evaluate the performance of the Group and assess the achievement of targets periodically set by the Board. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for execution of the business plan, strategies and policies adopted by the Board and assigned to it from time to time. The Board is directly accountable to the Shareholders and is responsible for preparing the financial statements.

As at the date of this annual report, the Board comprises seven Directors, whose biographical details are set out in the "Profile of Directors" of this annual report. Two of the Directors are executive, two are non-executive and three are independent non-executive. The five non-executive Directors (including the independent non-executive Directors) bring a broad range of legal, financial, regulatory and commercial experience and skills to the Board, which contribute to the effective strategic management of the Group. The executive Directors are not permitted to engage in any other business which is in competition with that of the Group, and are required, to devote all of their active business time to the business and affairs of the Group.

Please refer to the "Directors' Report" and the "Profile of Directors" of this annual report for the composition of the Board and relationship among the members. Save for such relationship disclosed in the "Profile of Directors", there is no other financial, business, family or other material/relevant relationships among the members of the Board.

Mr. Lo Chun Chiu Adrian was appointed as an independent non-executive Director on 1 April 2025 and obtained legal advice on 27 March 2025 from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and Mr. Lo has confirmed he understood his obligations as a director of a listed issuer under the Listing Rules.

Pursuant to the independence requirements set out in Rule 3.13 of the Listing Rules, the Company has received annual written confirmation from all independent non-executive Directors of their independence and the Company considers them to be independent.

Board Independent Evaluation Mechanism

The Board has adopted a board independent evaluation mechanism (the "Mechanism") on 15 July 2022 for Directors to seek independent professional advices for them to discharge their duties and responsibilities, and to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests.

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Mechanism, the Directors may, in making decisions to perform their duties as Directors, seek such independent professional advice and opinions as they considered necessary to fulfil their responsibilities and in exercising independent judgement at the Company's expense (the "Policy"). Independent professional advice shall include advice of lawyers, auditors, accountants, financial advisers and other professional on matters of law, accounting, tax and other regulatory and professional matters. If the Directors consider that independent professional advice and views are necessary, the Directors should communicate with the Executive Director/the Chairman/the Company Secretary and to provide background and details of the events and/or transactions and/or the issues involved and/or their problems, questions, concerns or specific advice to be sought. Subject to the approval of the Board/ Chairman, the Company or the Directors shall contact a professional adviser within a reasonable period of time to seek independent professional advice. Any advice obtained through the Policy shall be duly documented and made available to other members of the Board.

The Board has reviewed the implementation and the effectiveness of the Mechanism and considered it to be effective.

Term of Appointment of Non-executive Directors

The term of office for each non-executive Director (including independent non-executive Director) is the period up to his or her annual retirement by rotation in accordance with the articles 106 and 107 of the Company's articles of association (the "Articles of Association").

Corporate Governance Report

BOARD MEETINGS

Six board meetings and one general meeting were held during the Year. The attendance record of each individual Director at the Board meetings and the Shareholders' meeting is set out in the table below:

	Number of Board meetings attended/eligible to attend	Number of Shareholders' meeting* attended/ eligible to attend
Executive Directors		
Derek Chiu *(Chairman, Managing Director and Chief Executive)*	6/6	1/1
Amanda Chiu	6/6	1/1
Non-executive Directors		
Chiu Ju Ching Lan	0/6	0/1
Alex Chiu	0/6	0/1
Independent Non-executive Directors		
Choy Wai Shek Raymond	6/6	1/1
Ng Chi Kin	6/6	1/1
Lo Chun Chiu Adrian (appointed on 1 April 2025)	5/5	1/1

* An annual general meeting was held on 2 September 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective risk management and internal control systems of the Group. The Company has an established risk framework under which it identifies risks (including environmental, social and governance (the "ESG") risks) relevant to the operations and activities of the Group, and assesses these risks in relation to their likelihood and potential impacts. The Group's internal control system includes a well-defined management structure with limits of authority, which is designed to achieve business objectives, safeguard assets against unauthorised use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and ensure compliance with relevant legislations and regulations. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss. In addition, the Board also considers the adequacy of resources, staff qualification and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function as well as those relating to the ESG performance and reporting.

The Company does not have internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size, nature and complexity of the Group's business. The need for an internal audit function will be reviewed from time to time. The Audit Committee has been set up to review the Group's risk management and internal control systems so as to ensure that such systems are sound and adequate, and to protect the Shareholders' investment and the integrity, effectiveness and efficiency of the Company's assets. The Board expects that a review of the risk management and internal control systems will be performed annually. During the Year, the Company has carried out a review of, and the Audit Committee and the Board have received a confirmation from the management on, the effectiveness of the risk management and internal control systems of the Group and no significant areas of concern were identified. Based on the outcome of the review performed by the Audit Committee, administrative management and the independent auditor of the Company (the "Independent Auditor"), the Directors were of the view that the systems of internal control and risk management are effective and adequate; and there were no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's risk management and internal control systems for the Year.

The Group has formulated a whistle-blowing policy for employees, customers and suppliers to raise concerns, in confidence, about possible improprieties in operation, financial reporting or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

The Group has also formulated the anti-corruption policy to promote and support anti-corruption laws and regulations. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regards to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;

- the Group has strictly prohibited unauthorised use of confidential or inside information; and

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, the company secretary and investor relations officers are authorised to communicate with parties outside the Group.

COMMUNICATION WITH SHAREHOLDERS

The Board adopts an open and transparent Shareholders' communication policy and encourages full disclosure to the public as a way to enhance corporate governance. The Board aims to provide the Shareholders and the public with the necessary information to form their own judgement on the Company. Also, the Board would review the Shareholders' communication policy on a regular basis.

The Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. The corporate website of the Company (www.tricor.com.hk/webservice/00037) provides an effective communication platform to the public and the Shareholders.

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company by post to the Company's office, Unit 1004, 10th Floor, Harcourt House, 39 Gloucester Road, Wan Chai, Hong Kong for the attention of Mr. Derek Chiu, the Chairman, Managing Director and Chief Executive.

The Board welcomes views of the Shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by the Shareholders. The Board reviewed the shareholders' communication policy during the Year and its effectiveness was confirmed since the policy was able to facilitate open and ongoing communication with the Shareholders on a fair disclosure basis.

INDEPENDENT AUDITOR'S REMUNERATION

For the Year, the Independent Auditor received HK$870,000 (2025: HK$870,000) for audit service and HK$10,000 (2025: HK$40,000) for non-audit service in connection with ESG service and review of preliminary results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a new code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Following a specific enquiry made by the Company with each Director, the Directors have confirmed that they had fully complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. They ensure that the preparation of the consolidated financial statements of the Group is in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure that the publication of the consolidated financial statements of the Group is in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the Independent Auditor regarding its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

AUDIT COMMITTEE

The Company has established the Audit Committee. The terms of reference of the Audit Committee are consistent with the provisions set out in the relevant sections of the Code.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control systems, and financial reporting matters including the review of the consolidated financial statements. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ng Chi Kin (chairman of the Audit Committee), Mr. Choy Wai Shek Raymond and Mr. Lo Chun Chiu Adrian.

The principal duties of the Audit Committee include the review and supervision of the Group's financial statements, financial reporting system, risk management and internal control systems. It also acts as an important link between the Board and Independent Auditor in matters within the scope of the Group's audit.

During the Year, the Audit Committee, amongst other matters, reviewed the Group's draft annual results for the year ended 31 March 2025 and draft interim results for the six months ended 30 September 2025 and recommended the same to the Board for approval.

During the Year, three meetings were held by the Audit Committee. The individual attendance record of each member of the Audit Committee is as follows:

	Number of meetings attended/eligible to attend
Ng Chi Kin (appointed as Chairman of the Audit Committee on 1 April 2025)	3/3
Choy Wai Shek Raymond	3/3
Lo Chun Chiu Adrian (appointed on 1 April 2025)	3/3

The Audit Committee met on 25 June 2026 and, among other matters, reviewed the Group's draft audited consolidated results for the Year.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee. The terms of reference of the Remuneration Committee are consistent with the provisions set out in the relevant sections of the Code. On 29 June 2023, the terms of reference of the Remuneration Committee were updated to reflect additional responsibility of the Remuneration Committee arising from the amendments to the Listing Rules pertaining to the share option schemes and share award schemes came into effect on 1 January 2023.

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Choy Wai Shek Raymond (chairman of the Remuneration Committee), Mr. Ng Chi Kin and Mr. Lo Chun Chiu Adrian, and an executive Director who is also the Chairman, the Managing Director and the Chief Executive, Mr. Derek Chiu.

The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. None of the Directors is involved in deciding his/her own remuneration.

During the Year, two meetings were held by the Remuneration Committee to review the remuneration package of all the Directors and made recommendation to the Board for approval. The individual attendance record of each member of the Remuneration Committee is as follows:

	Number of meeting attended/eligible to attend
Choy Wai Shek Raymond *(Chairman of the Remuneration Committee)*	2/2
Ng Chi Kin	2/2
Derek Chiu	2/2
Lo Chun Chiu Adrian (appointed on 1 April 2025)	1/1

The Remuneration Committee met on 25 June 2026 and reviewed the remuneration package of all the Directors and senior management.

NOMINATION COMMITTEE

The Nomination Committee was established by the Board on 2 March 2012. The terms of reference of the Nomination Committee are consistent with the provisions set out in the relevant sections of the Code.

The Nomination Committee comprises three independent non-executive Directors, namely Mr. Lo Chun Chiu Adrian (chairman of the Nomination Committee), Mr. Choy Wai Shek Raymond and Mr. Ng Chi Kin, and two executive Directors, namely Mr. Derek Chiu and Ms. Amanda Chiu.

The Nomination Committee is principally responsible for formulating and making recommendation to the Board regarding the composition of the Board. The Nomination Committee also reviews the structure, size and composition of the Board, recommends the re-appointment of Directors and assesses the independence of the independent non-executive Directors.

During the Year, three meetings were held by the Nomination Committee, among other matters, (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of the independent non-executive Directors; and (iii) re-appointment of the retiring Directors. The individual attendance record of each member of the Nomination Committee is as follows:

	Number of meeting attended/eligible to attend
Lo Chun Chiu Adrian *(Chairman of the Nomination Committee)* (appointed on 1 April 2025)	2/2
Choy Wai Shek Raymond	3/3
Ng Chi Kin (ceased to be Chairman of the Nomination Committee on 1 April 2025 and remains as a member)	3/3
Derek Chiu	3/3
Amanda Chiu (appointed on 2 September 2025)	0/0

The Nomination Committee met on 25 June 2026 and recommended the re-election of all the retiring Directors at the forthcoming annual general meeting of the Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy in September 2013 and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and education background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board comprises seven Directors. Two of them are female, three of the Directors are independent non-executive Directors who are independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of gender, professional background and skills. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives.

DIVERSITY IN WORKFORCE

As at 31 March 2026, the Group had a total of 40 employees (including the senior management). The gender composition of the employees (including the senior management) was approximately 45% male employees and 55% female employees. The Group considers that the current gender diversity of employees is satisfactory.

NOMINATION POLICY

The Company has adopted a nomination policy (the "Nomination Policy") for the purpose to identify and evaluate a candidate for nomination to the Board for appointment or to the Shareholders for election as a Director. The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

(a) reputation for integrity;

(b) accomplishment and experience in the business in which the Group is engaged in;

(c) commitment in respect of available time and relevant interest;

(d) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), educational background, professional experience, skills and length of service;

(e) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(f) the number of existing directorships and other commitments that may demand the attention of the candidate;

(g) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rule 3.13 of the Listing Rules;

(h) board diversity policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and

(i) such other perspectives appropriate to the Company's business.

Each proposed new appointment, election or re-election of a director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

COMPANY SECRETARY

Ms. Cheng Lucy ("Ms. Cheng") was appointed as company secretary of the Company on 29 November 2018.

Ms. Cheng was nominated by Boardroom Corporate Services (HK) Limited ("Boardroom") to assume such position and Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom. The primary person at the Company with whom Ms. Cheng has been contacting in respect of company secretarial matters is Mr. Derek Chiu, an executive Director who is also the Chairman, the Managing Director and the Chief Executive, or his delegate.

Ms. Cheng had received no less than 15 hours of relevant professional training for the Year.

BOARD'S CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions of the Company as set out in code provision A.2.1 of the Code. The Board has, among others, reviewed this corporate governance report in discharge of its corporate governance functions, ensuring compliance with the Listing Rules.

REMUNERATION OF DIRECTORS

Particulars of the Directors' remuneration for the Year are set out in note 9 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the Code, the remuneration payable to the senior management of the Company, including those members of senior management who are also the executive Directors, is shown in the following table by band:

Remuneration Band	Number of Individuals
Nil to HK$1,000,000	1
HK$1,000,001–HK$1,500,000	1

DIVIDEND POLICY

The Company formalised and adopted a dividend policy (the "Dividend Policy") on 29 November 2018. In deciding on whether to propose a dividend and in determining the dividend amount, the Board shall take into account, *inter alia*, the following factors:

(a) the Company's actual and expected financial performance;

(b) retained earnings and distributable reserves of the Company and each of the members of the Group;

(c) the Group's working capital requirements, capital expenditure requirements and future expansion plans;

(d) the Group's liquidity position;

(e) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

(f) other factors that the Board deems relevant.

The declaration and payment of dividends shall also be subject to all applicable requirements under the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "Companies Ordinance") and the Articles of Association. If the Board thinks fit it may from time to time make a recommendation as to the amount (if any) which it considers ought to be paid by way of dividend and the Company may thereafter declare the amount of the dividend to be paid but such dividend shall not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders, or any class of Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company.

The Board endeavours to strike a balance between the Shareholders' interests and prudent capital management with a sustainable dividend policy. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

SHAREHOLDERS' RIGHTS

The general meetings shall be convened by the Directors on the requisition of Shareholders pursuant to section 566 of the Companies Ordinance.

The Directors are required to call a general meeting if the Company has received requests to do so from Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings. A request must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Requests may consist of several documents in like form. A request may be sent to the Company in hard copy form or in electronic form, and must be authenticated by the person or persons making it.

For putting forward proposals at any general meeting or enquiries to the Board, a Shareholder may do so in writing to the Chairman, the Managing Director and Chief Executive. The letter shall state clearly the identity of the Shareholder, the number of shareholding, correspondence address and contact telephone number, and the related suggestions and enquiries. The Company shall, in a reasonable and practicable manner, pass the said matter to the Board and respond according to the situation.

In addition, the Company may receive letters or phone enquiries from Shareholders from time to time, and it shall, in a reasonable and practicable manner, respond as quickly as possible.

Contact particulars of the Company are as follows:

Unit 1004, 10th Floor
Harcourt House
39 Gloucester Road
Wan Chai, Hong Kong

Tel: (852) 2744 9110

Fax: (852) 2785 3342

Website: www.tricor.com.hk/webservice/00037

Office Hours: 9:00 a.m. to 5:00 p.m.
Monday to Friday (except public holidays, the hoisting of tropical cyclone warning signal no. 8 or above or the issue of a black rainstorm warning notice)

CONSTITUTIONAL DOCUMENTS

During the Year, there was no amendments made to the constitutional documents of the Company.

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its Articles of Association on the respective websites of the Stock Exchange and the Company.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company has been encouraging the Directors to enroll in a wide range of professional development courses and seminars so as to develop and refresh their professional skills. During the Year, all the Directors, namely Mr. Derek Chiu, Ms. Amanda Chiu, Madam Chiu Ju Ching Lan, Mr. Alex Chiu, Mr. Choy Wai Shek Raymond, Mr. Ng Chi Kin and Mr. Lo Chun Chiu Adrian, have participated in continuous professional development by either reading materials on the amendments to or updates on the relevant laws, rules and regulations or attending seminar or conference according to the training records maintained by the Company. All Directors have been required to provide the Company with their training records.

Deloitte. 德勤

To the Members of Far East Hotels and Entertainment Limited
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Far East Hotels and Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 146 which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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 Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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 (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of certain agricultural lands included in investment properties of the Group	
We have identified the valuation of certain agricultural lands included in investment properties of the Group as a key audit matter due to the significant judgements and estimates associated with determining the fair value, right of ownership and the significance of the carrying amount of these agricultural lands to the consolidated financial statements as a whole. As disclosed in notes 4 and 15 to the consolidated financial statements, these agricultural lands are carried at HK$150,120,181 as at 31 March 2026. A net increase in fair value of HK$6,142,698 was recognised in profit or loss for the year ended 31 March 2026. These agricultural lands are carried at fair values based on the valuations performed by an independent qualified professional valuer (the "Valuer"). Details of the valuation techniques, key inputs and assumptions used in the valuations are disclosed in note 15 to the consolidated financial statements. The valuations have been arrived at using direct comparison approach, which are dependent on certain key inputs, including ex-gratia compensation rate of comparable properties less cost of disposal and the potential risks of dispossession due to the suspected trespass and unauthorised structures for these agricultural lands, as well as the possibility in recovering such lands, and adjusted based on the knowledge of the Valuer and management of the Group on the factors specific to the respective agricultural lands.	Our procedures in relation to evaluating the appropriateness of valuation of certain agricultural lands of the Group included: • Obtaining an understanding of the valuation process and significant assumptions and judgement made by the management of the Group and the Valuer to assess whether the approach adopted on valuing of certain agricultural lands is appropriate; • Evaluating the Valuer's competence, capabilities and objectivity and obtaining an understanding of the Valuer's scope of work and terms of engagement; and • Assessing the reasonableness of the key inputs and assumptions adopted in the valuation, including ex-gratia compensation rate of comparable properties less cost of disposal, the potential risks of dispossession due to the suspected trespass and unauthorised structures for these agricultural lands by reference to publicly available information, if any.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 skepticism throughout the audit. We also:

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

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

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

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

- 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 group 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

We also provide those charged with governance 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.

From the matters communicated with those charged with governance, we determine this matter that was of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter 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 SMART, Stephen David (practising certificate number: P05046).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

25 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	NOTES	2026 HK$	2025 HK$
Continuing operations			
Revenue	5		
Contracts with customers		**12,970,709**	15,965,248
Leases		**3,404,403**	2,570,206
		16,375,112	18,535,454
Cost of sales		**(10,994,793)**	(14,292,369)
Gross profit		**5,380,319**	4,243,085
Other income		**789,212**	791,826
Other gains or losses	6	**837,778**	6,981,399
Net decrease in fair values of investment properties	15	**(1,242,112)**	(24,397,892)
Administrative expenses		**(14,223,252)**	(15,673,057)
Selling expenses		**(648,210)**	(771,261)
Finance costs	7	**(405,738)**	(549,443)
Share of results of associates		**729,849**	718,634
Loss before tax	8	**(8,782,154)**	(28,656,709)
Income tax expense	11	**(580,590)**	(417,258)
Loss for the year from continuing operations		**(9,362,744)**	(29,073,967)
Discontinued operations			
Profit (loss) for the year from discontinued operations	43	**2,720,607**	(6,284,875)
Loss for the year		**(6,642,137)**	(35,358,842)
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**984,636**	(2,149,625)
Total comprehensive expense for the year		**(5,657,501)**	(37,508,467)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	NOTES	**2026** **HK$**	2025 HK$
(Loss) profit for the year attributable to owners of the Company			
– from continuing operations		**(9,362,744)**	(29,073,967)
– from discontinued operations		**2,720,607**	(6,284,875)
		(6,642,137)	(35,358,842)
Total comprehensive (expense) income attributable to owners of the Company			
– from continuing operations		**(8,751,990)**	(29,618,251)
– from discontinued operations		**3,094,489**	(7,890,216)
		(5,657,501)	(37,508,467)
(LOSS) EARNINGS PER SHARE	12B		
From continuing and discontinued operations			
Basic (HK cent(s))		**(0.88)**	(4.70)
Diluted (HK cent(s))		**(0.88)**	(4.70)
From continuing operations			
Basic (HK cents)		**(1.24)**	(3.86)
Diluted (HK cents)		**(1.24)**	(3.86)
From discontinued operations			
Basic (HK cent)		**0.36**	(0.84)
Diluted (HK cent)		**0.36**	(0.84)

Consolidated Statement of Financial Position

As at 31 March 2026

	NOTES	2026 HK$	2025 HK$
Non-current assets			
Property, plant and equipment	13	**22,751,981**	24,428,593
Right-of-use assets	14	**2,698,601**	2,172,110
Deposits for capital expenditure		**2,951,686**	493,700
Investment properties	15	**256,752,981**	253,828,529
Interests in associates	17	**462,354**	1,282,505
Paintings	18	**2,301,447**	2,281,549
		287,919,050	284,486,986
Current assets			
Financial assets at fair value through profit or loss ("FVTPL")	19	**11,639,629**	13,788,467
Inventories	20	**256,116**	321,339
Finance lease receivables	21	**–**	3,250,975
Trade receivables	22	**976,527**	2,550,589
Other receivables, deposits and prepayment		**1,442,370**	2,330,969
Demand deposits held with security broker companies	23	**–**	8,383,631
Cash and cash equivalents	23	**8,204,646**	7,893,839
		22,519,288	38,519,809
Current liabilities			
Trade and other payables and accruals	24	**3,563,728**	6,667,009
Contract liabilities	25	**45,415**	48,908
Rental deposits received		**300,000**	245,800
Amount due to an associate	26	**281,381**	803,381
Amounts due to related companies	27	**638,656**	647,356
Bank borrowing	28	**7,759,057**	8,433,757
Lease liabilities	29	**662,602**	2,017,696
Tax payable		**390,244**	2,483,971
		13,641,083	21,347,878
Net current assets		**8,878,205**	17,171,931
Total assets less current liabilities		**296,797,255**	301,658,917

Consolidated Statement of Financial Position

As at 31 March 2026

	NOTES	**2026 HK$**	2025 HK$
Capital and reserves			
Share capital	30	**329,138,773**	329,138,773
Reserves		**(34,791,931)**	(29,134,430)
		294,346,842	300,004,343
Non-current liabilities			
Deferred taxation	32	**284,947**	274,249
Provision for long service payments		**1,074,081**	1,133,913
Lease liabilities	29	**1,091,385**	246,412
		2,450,413	1,654,574
		296,797,255	301,658,917

The consolidated financial statements on pages 71 to 146 were approved and authorised for issue by the Board of Directors on 25 June 2026 and are signed on its behalf by:

DEREK CHIU
DIRECTOR

AMANDA CHIU
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Share capital HK$	Share option reserve HK$	Statutory reserve HK$	Translation reserve HK$	Accumulated profits (losses) HK$	Total HK$
At 1 April 2024	329,138,773	10,860,774	592,230	(8,920,795)	5,841,828	337,512,810
Loss for the year	–	–	–	–	(35,358,842)	(35,358,842)
Exchange differences arising on translation of foreign operations	–	–	–	(2,149,625)	–	(2,149,625)
Total comprehensive expense for the year	–	–	–	(2,149,625)	(35,358,842)	(37,508,467)
Lapsed share options transferred to accumulated losses	–	(627,101)	–	–	627,101	–
At 31 March 2025	**329,138,773**	**10,233,673**	**592,230**	**(11,070,420)**	**(28,889,913)**	**300,004,343**
Loss for the year	**–**	**–**	**–**	**–**	**(6,642,137)**	**(6,642,137)**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**984,636**	**–**	**984,636**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**984,636**	**(6,642,137)**	**(5,657,501)**
Lapsed share options transferred to accumulated losses	**–**	**(2,833,998)**	**–**	**–**	**2,833,998**	**–**
At 31 March 2026	**329,138,773**	**7,399,675**	**592,230**	**(10,085,784)**	**(32,698,052)**	**294,346,842**

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$	2025 HK$
Operating activities		
Loss before tax	**(8,611,557)**	(34,076,577)
Adjustments for:		
Net decrease in fair values of investment properties	**1,242,112**	24,397,892
Share of results of associates	**(729,849)**	(718,634)
Increase in fair values of financial assets at FVTPL	**(840,793)**	(5,374,770)
Interest income	**(289,768)**	(206,589)
Depreciation of property, plant and equipment	**2,787,164**	2,803,602
Depreciation of right-of-use assets	**1,152,250**	1,355,684
Finance costs	**405,738**	581,354
Gain on disposal of paintings	**–**	(1,609,470)
Loss on disposal of property, plant and equipment	**8,194**	39,955
Decrease in compensation provision	**(2,265,006)**	–
Operating cash flows before movements in working capital	**(7,141,515)**	(12,807,553)
Decrease in financial assets at FVTPL	**2,989,631**	7,784,226
Decrease in inventories	**65,223**	159,316
Decrease (increase) in trade receivables	**1,664,771**	(1,873,128)
Decrease (increase) in other receivables, deposits and prepayment	**933,331**	(863,241)
Decrease in trade and other payables and accruals	**(1,035,363)**	(660,189)
Decrease in contract liabilities	**(3,493)**	(661,917)
Increase in rental deposits received	**54,200**	28,500
Cash used in operations	**(2,473,215)**	(8,893,986)
Income tax paid	**(235,074)**	(824,462)
Net cash used in operating activities	**(2,708,289)**	(9,718,448)
Investing activities		
Dividend received from an associate	**1,028,000**	–
Interest received	**289,768**	119,978
Additions of investment properties	**(2,448,378)**	(73,217)
Additions of property, plant and equipment	**(1,088,398)**	(818,498)
Receipt of finance lease receivables	**3,397,508**	1,603,758
Deposits paid for capital expenditure	**(3,127,138)**	(565,800)
Proceeds from disposal of paintings	**–**	4,434,000
Net cash (used in) from investing activities	**(1,948,638)**	4,700,221

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$	2025 HK$
Financing activities		
Repayment of bank borrowing	**(674,700)**	–
Interest paid	**(405,738)**	(581,354)
Repayment of lease liabilities	**(2,238,652)**	(2,512,388)
Advance from an associate	**–**	516,000
Repayment to related companies	**(8,700)**	(8,700)
Net cash used in financing activities	**(3,327,790)**	(2,586,442)
Net decrease in cash and cash equivalents	**(7,984,717)**	(7,604,669)
Cash and cash equivalents brought forward	**16,277,470**	25,109,626
Effect of foreign exchange rate changes	**(88,107)**	(1,227,487)
Cash and cash equivalents carried forward	**8,204,646**	16,277,470
Represented by:		
Cash and cash equivalents	**8,204,646**	7,893,839
Demand deposits held with security broker companies	**–**	8,383,631
	8,204,646	16,277,470

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. GENERAL INFORMATION

Far East Hotels and Entertainment Limited (the "Company") is a public limited company incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company and its subsidiaries are together referred to as the Group. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate information" in the annual report.

The Company is an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries are set out in note 16.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's incurred a loss for the year from continuing operations amounting to HK$9,362,744 for the year ended 31 March 2026 and have accumulated losses of HK$32,698,052 as at 31 March 2026. In the opinion of the directors of the Company, after taking into account, among other things, the financial resources available to the Group including (i) the Group had net current assets of HK$8,878,205 and net assets of HK$294,346,842 as at 31 March 2026, (ii) the future cash flows to be generated from the hotel operation in Hong Kong and property investment in Hong Kong and overseas; and (iii) that the Group will be able to refinance its existing banking facilities or obtain additional financing from financial institutions by taking into account the current value of the Group's assets which have not been pledged, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly these consolidated financial statements have been prepared on a going concern basis.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

Ownership interests in leasehold land and building

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties which are recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in notes 5 and 25.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

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

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within “investment properties”.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

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

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Classification and measurement of leases (Continued)
Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract
When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Sublease
When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

Lease modification to operating leases
Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and paintings

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and paintings to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and paintings (Continued)

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

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

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

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)
All other financial assets are subsequently measured at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and deposits, demand deposits held with security broker companies and bank balances) and finance lease receivables which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and financial lease receivables.

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

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

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

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

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

Financial liabilities at amortised cost
Financial liabilities including bank borrowing, trade and other payables, rental deposits received, amounts due to an associate and related companies are subsequently measured at amortised cost, using the effective interest method.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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

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

Current and deferred tax are recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For investment properties amounting to HK$256,752,981 (2025: HK$253,828,529) located in Hong Kong and Fiji, the presumption that the carrying amounts of these investment properties measured using fair value model were recovered entirely through sales was not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Measurement of fair value of investment properties regarding certain agricultural lands in Survey District No. 4, Tsuen Wan, New Territories (the "Agricultural Lands")

As disclosed in note 15, the Group holds certain plots of agricultural lands in Survey District No. 4, Tsuen Wan, New Territories as investment properties with carrying amount of HK$150,120,181 as at year ended 31 March 2026 (2025: HK$141,507,773). Certain plots within the Group's Agricultural Lands are subject to potential risk of dispossession due to suspected trespass resulting from individuals occupying the land without lawful authority or the Group's consent. In addition, these individuals have erected unauthorised structures on certain plots of the Group's Agricultural Lands resulting in the Group receiving notification letters (the "Letters") issued by the Lands Department of the Hong Kong Special Administrative Region ("HKSAR") (the "Lands Department") to the Group stated that such unauthorised structures were in breach of lease conditions and the Group is required to purge the said breach by demolishing or removing the unauthorised structures. It is further stated in the Letters that, in the event that the unauthorised structures still remain on such plots of the Group's Agricultural Lands on the expiry of the time limit stipulated, the Lands Department shall without further warning re-enter the lot or vest all the interests held under the Government lease in the Financial Secretary Incorporated under the Government Rights Re-entry and Vesting Remedies Ordinance (Chapter 126), in which the rights in the lot held under the Government lease will be forfeited. The allowable time to remove the unauthorised structure has expired.

For those plots of Agricultural Lands subject to the potential risk of dispossession due to suspected trespass or unauthorised structures, the directors have taken into account such risks by assessing various factors such as the occupation status of the property, portions of the property are occupied by or encroached by unauthorised and non-conforming users when measuring the fair value of Group's Agricultural Lands. For those plots of Agricultural Lands in which the possibility of restoration or recovery is remote, have been measured at a fair value of HK$1.

A net decrease in fair value of HK$6,142,698 in respect of these plots of Agricultural Lands was recognised in profit or loss for the year ended 31 March 2026.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

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

Fair values of investment properties

The determination of the fair value of investment properties involves certain assumptions of market conditions which are set out in note 15, based on the valuation performed by independent professional valuers.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. For Agricultural Lands, changes in key inputs, including ex-gratia compensation rate of comparable properties less cost of disposal and the potential risks of dispossession due to the suspected trespass and unauthorised structures for these Agricultural Lands, as well as the possibility in recovering such lands, for other investment properties measurements, key inputs including market unit rate of comparable properties, those key inputs would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Deferred taxation on unused tax losses

As at 31 March 2026, a deferred tax asset in relation to unused tax losses of HK$11,474,000 (2025: HK$13,025,000) has been recognised in the Group's consolidated statement of financial position, details of which are set out in note 32. No deferred tax asset has been recognised on the tax losses of approximately HK$335,869,000 (2025: HK$302,906,000) as at 31 March 2026, due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

(i) Disaggregation of revenue from contracts with customers

Segments	**2026 Hotel operation in Hong Kong HK$**	2025 Hotel operation in Hong Kong HK$
Types of goods or services		
Hotel operation		
– Hotel rooms revenue	**11,243,232**	10,884,266
– Food and beverages	**1,727,477**	5,080,982
Total	**12,970,709**	15,965,248
Geographical market		
Hong Kong	**12,970,709**	15,965,248
Timing of revenue recognition		
A point in time	**1,727,477**	5,080,982
Over time	**11,243,232**	10,884,266
Total	**12,970,709**	15,965,248

5. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Revenue (Continued)

(ii) Performance obligations from contracts with customers

Hotel operation

For income from hotel rooms revenue, revenue is recognised over time using output method when the service and facilities are provided. The Group allows an average credit period of not more than 30 days to travel agents and corporate customers. All the hotel operation services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

For income from food and beverages, revenue is recognised when control of the goods has transferred to customers, being at the point the food and beverages are delivered to the customer.

(iii) Leases

	2026 **HK$**	2025 HK$
For operating leases:		
Lease payments that are fixed	**3,404,403**	2,570,206

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

Set out below is the reconciliation of the revenue from contracts with customers with from continuing operations the amounts disclosed in the segment information.

	2026 **HK$**	2025 HK$
Hotel operation in Hong Kong		
– Hotel rooms revenue	**11,243,232**	10,884,266
– Food and beverages	**1,727,477**	5,080,982
Revenue from contracts with customers	**12,970,709**	15,965,248
Property investment in Hong Kong	**1,052,851**	1,044,878
Property investment overseas	**2,351,552**	1,525,328
Gross rental income from properties	**3,404,403**	2,570,206
Total revenue	**16,375,112**	18,535,454

Information reported to the executive directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance is based on the financial information of subsidiaries engaged in different operations at different locations. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. Hotel operation in Hong Kong

2. Property investment in Hong Kong

3. Property investment overseas

4. Securities investment and trading

The serviced property letting business in the Mainland China was discontinued since 2025. The segment information reported below excluded the results of these discontinued operations, which are described in more detail in note 43.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

	2026				
	Hotel operation in Hong Kong HK$	Property investment in Hong Kong HK$	Property investment overseas HK$	Securities investment and trading HK$	Total HK$
Revenue	12,970,709	1,052,851	2,351,552	–	16,375,112
Segment profit (loss)	149,752	(892,276)	254,055	1,413,828	925,359
Unallocated other gains and losses					(1,060)
Unallocated other income					41,696
Unallocated expenses					(10,073,840)
Unallocated finance costs					(404,158)
Share of results of associates					729,849
Loss before tax					(8,782,154)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

	2025				
	Hotel operation in Hong Kong HK$	Property investment in Hong Kong HK$	Property investment overseas HK$	Securities investment and trading HK$	Total HK$
Revenue	15,965,248	1,044,878	1,525,328	–	18,535,454
Segment profit (loss)	34,317	(25,243,509)	(797,922)	6,060,394	(19,946,720)
Unallocated other gains and losses					1,609,470
Unallocated other income					105,240
Unallocated expenses					(10,593,890)
Unallocated finance costs					(549,443)
Share of results of associates					718,634
Loss before tax					(28,656,709)

The accounting policies of the operating segments are same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of certain other gains and losses, certain other income, corporate expenses including auditor's remuneration, directors' emoluments, administrative staff costs and depreciation of unallocated corporate assets, certain finance costs and share of results of associates. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Information about major customers

Revenue from external customers included in property investment overseas segment contributing over 10% of the total revenue of the Group is as follows:

	2026 HK$	2025 HK$
Customer A	**2,351,552**	N/A

There is no revenue from customers for the year ended 2025 contributed over 10% of the total operating revenue of the Group.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2026 **HK$**	2025 HK$
Segment assets from continuing operations		
Hotel operation in Hong Kong	**14,653,563**	16,077,212
Property investment in Hong Kong	**231,543,565**	228,372,673
Property investment overseas	**29,920,021**	28,387,333
Securities investment and trading	**13,840,613**	22,209,411
Total segment assets	**289,957,762**	295,046,629
Paintings	**2,301,447**	2,281,549
Assets relating to discontinued operations	**1,422,991**	6,200,735
Other unallocated assets	**16,756,138**	19,477,882
Consolidated assets	**310,438,338**	323,006,795
Segment liabilities from continuing operations		
Hotel operation in Hong Kong	**1,603,176**	1,886,377
Property investment in Hong Kong	**1,964,332**	2,514,354
Property investment overseas	**907,363**	791,500
Securities investment and trading	**67,000**	67,000
Total segment liabilities	**4,541,871**	5,259,231
Bank borrowing	**7,759,057**	8,433,757
Liabilities relating to discontinued operations	**350,869**	6,192,762
Unallocated lease liabilities	**1,637,259**	1,126,267
Other unallocated liabilities	**1,802,440**	1,990,435
Consolidated liabilities	**16,091,496**	23,002,452

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment assets and liabilities (Continued)

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

- all assets are allocated to reportable segments other than paintings, other unallocated corporate assets (including interests in associates) and assets relating to discontinued operations.
- all liabilities are allocated to reportable segments other than bank borrowing, certain unallocated lease liabilities, other corporate liabilities and liabilities relating to discontinued operations.

Other segment information

The following segment information is included in the measurement of segment profit or loss and segment assets and segment liabilities:

	2026						
	Hotel operation in Hong Kong HK$	Property investment in Hong Kong HK$	Property investment overseas HK$	Securities investment and trading HK$	Segment total HK$	Unallocated HK$	Total HK$
Continuing operations							
Cost of sales	10,587,777	354,327	52,689	-	10,994,793	-	10,994,793
Additions of property, plant and equipment	488,398	600,000	-	-	1,088,398	-	1,088,398
Additions of investment properties	-	2,469,710	647,820	-	3,117,530	-	3,117,530
Depreciation of property, plant and equipment	2,126,317	56,250	-	-	2,182,567	471,926	2,654,493
Depreciation of right-of-use assets	38,562	-	-	-	38,562	1,078,961	1,117,523
(Increase) decrease in fair values of investment properties	-	(802,698)	2,044,810	-	1,242,112	-	1,242,112
Finance costs	-	-	-	-	-	405,738	405,738
Increase in fair values of financial assets at FVTPL	-	-	-	(840,793)	(840,793)	-	(840,793)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Other segment information (Continued)

	2025						
	Hotel operation in Hong Kong HK$	Property investment in Hong Kong HK$	Property investment overseas HK$	Securities investment and trading HK$	Segment total HK$	Unallocated HK$	Total HK$
Continuing operations							
Cost of sales	13,509,343	557,168	225,858	–	14,292,369	–	14,292,369
Additions of property, plant and equipment	818,498	–	–	–	818,498	–	818,498
Additions of investment properties	–	15,300	416,720	–	432,020	–	432,020
Depreciation of property, plant and equipment	2,161,403	–	–	–	2,161,403	473,625	2,635,028
Depreciation of right-of-use assets	28,016	–	–	–	28,016	1,182,357	1,210,373
Decrease in fair values of investment properties	–	22,300,500	2,097,392	–	24,397,892	–	24,397,892
Finance costs	–	–	–	–	–	549,443	549,443
Increase in fair values of financial assets at FVTPL	–	–	–	(5,374,770)	(5,374,770)	–	(5,374,770)

Geographical information

The Group's operations are located in Hong Kong, the Mainland China and overseas.

The Group's revenue from external customers and the Group's non-current assets by geographical location are analysed below.

	Revenue from external customers		Non-current assets	
	2026 HK$	2025 HK$	**2026 HK$**	2025 HK$
Hong Kong	**14,023,560**	17,010,126	**258,430,831**	256,889,716
Mainland China	**–**	–	**565,783**	706,514
Overseas	**2,351,552**	1,525,328	**28,922,436**	26,890,756
	16,375,112	18,535,454	**287,919,050**	284,486,986

6. OTHER GAINS OR LOSSES

	2026 HK$	2025 HK$
Continuing operations		
Increase in fair values of financial assets at FVTPL	**840,793**	5,374,770
Gain on disposal of paintings	**–**	1,609,470
Loss on disposal of property, plant and equipment	**(3,015)**	(2,841)
	837,778	6,981,399

7. FINANCE COSTS

	2026 HK$	2025 HK$
Continuing operations		
Interests on borrowings	**343,343**	475,419
Interests on lease liabilities	**62,395**	74,024
	405,738	549,443

8. LOSS BEFORE TAX

	2026 HK$	2025 HK$
Loss before tax from continuing operations has been arrived at after charging:		
Auditor's remuneration		
– audit service	**870,000**	870,000
– non-audit services	**10,000**	40,000
Cost of inventories recognised as an expense	**995,816**	2,373,922
Depreciation of property, plant and equipment	**2,654,494**	2,635,028
Depreciation of right-of-use assets	**1,117,523**	1,210,373
Staff costs:		
– Directors' remuneration (note 9)	**1,280,800**	1,593,800
Other staff:		
– Salaries and other allowances	**7,137,590**	8,369,341
– Retirement benefit schemes contributions	**213,415**	276,526
	7,351,005	8,645,867
and crediting:		
Interest income (included in other income)		
– Bank deposits	**67,309**	113,022
– Debt instrument	**220,923**	–
	288,232	113,022
Dividend income from financial assets at FVTPL (included in other income)	**326,520**	678,743

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors were as follows:

Name of directors	Fees HK$	Salaries and other allowances HK$	Retirement benefit schemes contributions HK$	Estimated money value of other benefits HK$ (Note a)	Total HK$
2026					
Executive directors:					
Mr. Derek Chiu	10,000	420,000	18,000	–	448,000
Ms. Amanda Chiu	10,000	336,000	16,800	678,600	1,041,400
	20,000	756,000	34,800	678,600	1,489,400
Non-executive directors:					
Madam Chiu Ju Ching Lan	10,000	150,000	–	–	160,000
Mr. Alex Chiu	10,000	–	–	–	10,000
	20,000	150,000	–	–	170,000
Independent non-executive directors:					
Mr. Choy Wai Shek Raymond	100,000	–	–	–	100,000
Mr. Ng Chi Kin	100,000	–	–	–	100,000
Mr. Lo Chun Chiu Adrian (appointed on 1 April 2025)	100,000	–	–	–	100,000
	300,000	–	–	–	300,000
	340,000	906,000	34,800	678,600	1,959,400

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Name of directors	Fees HK$	Salaries and other allowances HK$	Retirement benefit schemes contributions HK$	Estimated money value of other benefits HK$ (Note a)	Total HK$
2025					
Executive directors:					
Mr. Derek Chiu	10,000	465,000	18,000	–	493,000
Ms. Amanda Chiu	10,000	336,000	16,800	658,800	1,021,600
	20,000	801,000	34,800	658,800	1,514,600
Non-executive directors:					
Madam Chiu Ju Ching Lan	10,000	240,000	–	–	250,000
Mr. Alex Chiu	10,000	–	–	–	10,000
	20,000	240,000	–	–	260,000
Independent non-executive directors:					
Mr. Ip Shing Hing (retired on 2 September 2024)	76,000	–	–	–	76,000
Mr. Ng Wing Hang Patrick (deceased on 9 November 2024)	90,000	–	–	–	90,000
Mr. Choy Wai Shek Raymond	180,000	–	–	–	180,000
Mr. Ng Chi Kin	132,000	–	–	–	132,000
	478,000	–	–	–	478,000
	518,000	1,041,000	34,800	658,800	2,252,600

Note:

(a) Other benefits include certain property of the Group with estimated rateable value of HK$678,600 (2025: HK$658,800) occupied by Ms. Amanda Chiu (2025: Ms. Amanda Chiu) as her residence.

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the years ended 31 March 2026 and 2025, no share options were granted. Details of the share option schemes are set out in note 36 to the Group's consolidated financial statements.

Mr. Derek Chiu is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

No emolument was paid to any directors as an inducement to join or upon joining the Group or as compensation for loss of office in both years ended 31 March 2026 and 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were mainly for their services as directors of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2025: two directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining three (2025: three) highest paid employee who are neither a director nor Chief Executive of the Company are as follows:

	2026 **HK$**	2025 HK$
Salaries and other allowance	**1,636,711**	1,943,000
Retirement benefit schemes contributions	**46,500**	54,000
	1,683,211	1,997,000

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2026 **No. of employees**	2025 No. of employees
Nil to HK$1,000,000	**3**	3

11. INCOME TAX EXPENSE

	2026 HK$	2025 HK$
Continuing operations		
Current tax:		
Fiji	**570,160**	332,831
Under provision in prior years:		
Hong Kong	**10,430**	–
Deferred taxation (note 32)	**–**	84,427
	580,590	417,258

Hong Kong Profits Tax is provided at 16.5% on the estimated assessable profits for the year ended 31 March 2026. For the year ended 31 March 2025, no provision for Hong Kong Profits Tax is required as the individual companies comprising the Group either incurred a loss or has tax losses brought forward from prior years to offset the assessable profits.

Fiji corporate income tax is calculated in accordance with Income Tax Act at a rate of 25% for both years.

The tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK$	2025 HK$
Loss before tax from continuing operations	**(8,782,154)**	(28,656,709)
Tax at the Hong Kong Profits Tax rate of 16.5% (note)	**(1,449,055)**	(4,728,357)
Tax effect of share of results of associates	**(120,425)**	(118,575)
Tax effect of expenses not deductible for tax purposes	**1,586,623**	4,351,317
Tax effect of income not taxable for tax purposes	**(1,121,579)**	(1,027,164)
Tax effect of tax losses not recognised	**1,475,581**	1,921,306
Under provision in prior years	**10,430**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**195,403**	(67,824)
Others	**3,612**	86,555
Income tax expense for the year	**580,590**	417,258

Note: The domestic tax rate which is Hong Kong Profits Tax rate in the jurisdiction where the operation of the Group is substantially based is used.

12A. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

12B. LOSS PER SHARE

For continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the loss for the year of HK$9,362,744 (2025: HK$29,073,967) and the number of shares as calculated below.

	2026	2025
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**752,529,810**	752,529,810

The computation of the diluted loss per share for the years ended 31 March 2026 and 2025 did not assume the exercise of the Company's share options, because this would result in decrease in the loss per share.

From discontinued operations

Basic and diluted earnings per share for the discontinued operations is HK0.36 cent per share (2025: HK0.84 cent loss per share), based on the profit for the year from the discontinued operations of HK$2,720,607 (2025: loss for the year of HK$6,284,875) and the denominators detailed above for both basic and diluted earnings per share.

From continuing and discontinued operations

Basic and diluted loss per share for the continuing and discontinued operations is HK0.88 cent per share (2025: HK4.70 cents per share), based on the loss for the year from the continuing and discontinued operations of HK$6,642,137 (2025: HK$35,358,842) and the denominators detailed above for both basic and diluted loss per share.

13. PROPERTY, PLANT AND EQUIPMENT

	Hotel building HK$	Owned property HK$	Leasehold improvements HK$	Furniture, fixtures, equipment, motor vehicles and others HK$	Total HK$
COST					
At 1 April 2024	37,323,408	19,846,984	9,277,491	41,739,532	108,187,415
Exchange adjustments	–	–	–	(76,471)	(76,471)
Additions	–	–	–	818,498	818,498
Disposals/written off	–	–	–	(453,493)	(453,493)
At 31 March 2025	37,323,408	19,846,984	9,277,491	42,028,066	108,475,949
Exchange adjustments	–	–	–	176,017	176,017
Additions	–	–	475,000	613,398	1,088,398
Disposals/written off	–	–	(327,910)	(271,148)	(599,058)
At 31 March 2026	37,323,408	19,846,984	9,424,581	42,546,333	109,141,306
DEPRECIATION					
At 1 April 2024	30,356,440	9,156,963	4,723,227	37,481,427	81,718,057
Exchange adjustments	–	–	–	(60,765)	(60,765)
Provided for the year	746,472	454,895	634,224	968,011	2,803,602
Eliminated on disposals/ written off	–	–	–	(413,538)	(413,538)
At 31 March 2025	31,102,912	9,611,858	5,357,451	37,975,135	84,047,356
Exchange adjustments	–	–	–	145,669	145,669
Provided for the year	746,472	454,895	322,366	1,263,431	2,787,164
Eliminated on disposals/ written off	–	–	(327,910)	(262,954)	(590,864)
At 31 March 2026	31,849,384	10,066,753	5,351,907	39,121,281	86,389,325
CARRYING VALUES					
At 31 March 2026	5,474,024	9,780,231	4,072,674	3,425,052	22,751,981
At 31 March 2025	6,220,496	10,235,126	3,920,040	4,052,931	24,428,593

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 March 2026, furniture and fixtures amounted to HK$4,711,772 (2025: HK$4,464,468) are fully depreciated but still in use.

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Hotel building	Over 50 years
Owned property	Over the shorter of the terms of the lease, or 50 years
Leasehold improvements	Over the shorter of the terms of the lease, or 10 years
Furniture, fixtures, equipment, motor vehicles and others	10% to 33.3%

14. RIGHT-OF-USE ASSETS

	Leased machinery HK$	Leasehold land HK$	Leased properties HK$	Motor vehicles HK$	Total HK$
As at 31 March 2026					
Carrying amount	**116,002**	**553,155**	**1,335,322**	**694,122**	**2,698,601**
As at 31 March 2025					
Carrying amount	–	581,172	670,768	920,170	2,172,110
For the year ended 31 March 2026					
Depreciation charge	**(10,546)**	**(28,016)**	**(887,640)**	**(226,048)**	**(1,152,250)**
For the year ended 31 March 2025					
Depreciation charge	–	(28,016)	(1,101,620)	(226,048)	(1,355,684)

	2026 HK$	2025 HK$
Expense relating to short-term leases	**127,426**	94,154
Total cash outflow for leases	**2,417,638**	2,712,477
Additions to right-of-use assets	**1,677,244**	–

14. RIGHT-OF-USE ASSETS (Continued)

For the year ended 31 March 2026, the Group leases office, staff quarters, vending machines and motor vehicles (2025: office, staff quarters and motor vehicles) for its operation. Lease contracts are entered into for fixed term of one to five years (2025: one to five years).

Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group is the registered owner of a hotel property and a residential unit in Hong Kong, including the underlying leasehold land. Lump sum payments were made upfront to acquire these properties. The leasehold land component of the hotel property is presented separately as a right-of-use assets as the payments made therefore can be ascertained reliably. As regards the residential unit, as the purchase cost cannot be allocated reliably between the leasehold land and the building components, the entire property is classified as property, plant and equipment.

15. INVESTMENT PROPERTIES

	HK$
FAIR VALUE	
At 1 April 2024	278,736,862
Exchange adjustments	(942,461)
Additions	432,020
Net decrease in fair values recognised in profit or loss	(24,397,892)
At 31 March 2025	253,828,529
Exchange adjustments	1,049,034
Additions	3,117,530
Net decrease in fair values recognised in profit or loss	(1,242,112)
At 31 March 2026	256,752,981

The Group leases out properties under operating leases with rentals generally payable monthly. The leases generally run for an initial period of a few months to 5 years (2025: a few months to 5 years), without any termination or extension options. All of the Group's property interests which are held to earn rentals, for capital appreciation purposes or for an undetermined future use are measured using the fair value model and are classified and accounted for as investment properties.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain any residual value guarantees or any lessee's option to purchase the property.

The investment properties which are stated at fair value at the end of the reporting period are situated in Hong Kong and Fiji.

15. INVESTMENT PROPERTIES (Continued)

On 12 November 2013, the High Court of the HKSAR dismissed the claims of a subsidiary of the Group and a related company controlled by Mr. Derek Chiu and his family ("Chiu Family") as trustee for the Group in respect of the possession of seven plots that had been included as part of the Agricultural Lands. The titles held by the Group pertaining to these plots of the Agricultural Lands were extinguished and accordingly, the respective plots of land with a carrying amount of HK$4,981,457 were de-recognised and charged to profit or loss for the year ended 31 March 2014.

In view of this event, at the end of the reporting period, the directors have performed an internal assessment of the potential risk of further dispossession in relation to the Group's Agricultural Lands. Certain plots of Agricultural Lands are considered having risks of dispossession due to suspected trespass.

In addition, unauthorised structures have been found to be erected on certain plots of the Group's Agricultural Lands and, as a result of an inspection, Letters issued by the Lands Department to the Group stated that such unauthorised structures were in breach of the lease conditions and that the Group is required to remedy the said breach by demolishing or removing the unauthorised structures. It is further stated in the Letters that, in the event that the unauthorised structures still remain on such plots of the Group's Agricultural Lands on the expiry of the time limit stipulated, the Lands Department shall without further warning re-enter the lot or vest all the interests held under the Government lease in the Financial Secretary Incorporated under the Government Rights Re-entry and Vesting Remedies Ordinance (Chapter 126), in which the rights in the lot held under the Government lease will be forfeited. The allowable time to remove the unauthorised structure has expired.

The carrying amount of the Agricultural Lands is HK$150,120,181 as at year ended 31 March 2026 (2025: HK$141,507,773). A net increase in fair value of HK$6,142,698 in respect of these plots of Agricultural Lands was recognised in profit or loss for the year ended 31 March 2026.

When measuring the fair value of the Agricultural Lands, the directors have taken into account the potential risk of dispossession by assessing various factors such as the occupation status of the property, the portions of the property that are occupied by or encroached by unauthorised and non-conforming users.

As at 31 March 2026, the carrying amount of those plots of Agricultural Lands which are subject to the potential risk of dispossession amounted to HK$12,348,711 (2025: HK$11,887,187). For those plots of Agricultural Lands in which the possibility of restoration or recovery is considered to be remote, the fair value has been measured at HK$1.

As at 31 March 2026, a subsidiary of the Company has removed certain of the occupiers or has entered into rental agreements with the occupiers who have been occupying the plots of Agricultural Lands for a number of years. Pursuant to signed rental agreements, the occupiers forfeited the right to possess the ownership of the plots of Agricultural Lands they occupied previously and as a result, the Group considers the risk of dispossession for these plots to be remote. As at 31 March 2026, the carrying amount of these plots of Agricultural Lands is HK$137,771,470 (2025: HK$129,620,586).

15. INVESTMENT PROPERTIES (Continued)

In estimating the fair values of other investment properties, the Group has made use of market-observable data to the extent it is available. The Group engaged an independent qualified valuer to perform a valuation of the Group's investment properties. At the end of each reporting period, the Group works closely with the valuer to establish and determine the appropriate valuation techniques and inputs to the model.

For the Group's investment properties located in Hong Kong, the fair value of HK$230,210,181 at 31 March 2026 (2025: HK$226,937,773) has been arrived at on the basis of a valuation carried out on that date by Moore Transaction Services Limited, an independent qualified professional valuer not connected with the Group. The valuation was arrived at by adopting the direct comparison approach making reference to the recent transactions of similar properties under the prevailing property market conditions and adjusted based on the knowledge of the independent qualified professional valuer and management of the Group on the factors specific to the respective properties. In the valuation under direct comparison approach, which falls under Level 3 of the fair value hierarchy, market unit rate of comparative properties and the ex-gratia compensation rates of comparable properties less cost of disposal are the key inputs for the Group's residential units and the lands respectively. The higher/lower the market unit rate or ex-gratia compensation rate of comparable properties less cost of disposal is the higher/lower the fair value will be. The adopted market unit rates for the Group's residential units are from range of HK$2,371 to HK$3,514 (2025: HK$3,286 to HK$3,657) per square foot and the ex-gratia compensation rates of comparable properties less cost of disposal for the Group's interests in various lots of land range from HK$482 to HK$565 (2025: HK$474 to HK$533) per square foot.

For the Group's investment property located in Fiji, the fair value of HK$26,542,800 at 31 March 2026 (2025: HK$26,890,756) has been arrived at on the basis of a valuation carried out on that date by Savills Valuations Pty Ltd., an independent qualified professional valuer not connected with the Group. The valuation was arrived at by adopting the direct comparison approach making reference to the recent transactions of similar properties under the prevailing property market conditions and adjusted based on the knowledge of the independent qualified professional valuer and management of the Group on the factors specific to the respective properties. In the valuation under direct comparison approach, which falls under Level 3 of the fair value hierarchy, market unit rates of comparable properties are the key inputs for the Group's investment property. The higher/lower the market unit rates is the higher/lower the fair value will be. The adopted market unit rate for the Group's investment property is FJ$11 (equivalent to HK$37) (2025: FJ$11 (equivalent to HK$37)) per square foot.

16. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Name of subsidiaries	Issued and fully paid ordinary share capital/ registered capital	Proportion of issued share capital/ registered capital held by the Company 2026 %	2025 %	Principal activities
Direct owned subsidiaries				
Alabama Investment Company Limited	HK$9,000	**97.8**	97.8	Hotel operation
Kingwell Century Limited	HK$2	**100**	100	Property holding
Lai Chi Kok Amusement Park Company, Limited	HK$25,200,000	**100**	100	Property investment
Mainstar International Limited	HK$1	**100**	100	Property investment
Rex Entertainment Limited	HK$100,000	**100**	100	Property investment
Sino Noble Development Limited	HK$100	**100**	100	Property investment
Indirect owned subsidiaries				
Beijing Hai Lian Property Management Co., Ltd.	US$3,000,000 Paid up registered capital	**90**	90	Property investment
Oneyon Limited	HK$2	**100**	100	Investment holding
Tradeland Investments Limited	HK$250,000	**100**	100	Investment holding
Yuk Sue Investment Limited	HK$2	**100**	100	Securities trading and investment
Far East Beach Villa Pte Limited	FJ$250,000	**100**	100	Property investment

16. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries of the Company will be of excessive length and therefore the above list contains only the particulars of principal subsidiaries which have a significant impact on the results or assets of the Group.

All principal subsidiaries are incorporated and operate in Hong Kong except for Beijing Hai Lian Property Management Co., Ltd. which is a sino-foreign equity joint venture registered and operates in the Mainland China and Far East Beach Villa Pte Limited which is incorporated and operates in Fiji.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. All these other subsidiaries were established in the Hong Kong and their principal activities are mainly either investment holding or inactive.

17. INTERESTS IN ASSOCIATES

	2026 **HK$**	2025 HK$
Unlisted shares, at cost	**2**	2
Share of post-acquisition results, net of dividends received	**462,352**	1,282,503
	462,354	1,282,505

The financial year end date of the associates is 31 December which is different from that of the Company. For the purpose of applying the equity method of accounting, their financial statements for the year ended 31 December 2025 (2025: 31 December 2024) have been adopted and adjusted for the effects of significant transactions, if any, that occur from 1 January 2026 to 31 March 2026 (2025: 1 January 2025 to 31 March 2025).

17. INTERESTS IN ASSOCIATES (Continued)

Particulars of the associates are as follows:

Name of associates	Place of incorporation/ operation	Issued share capital	Proportion of nominal value of issued share capital held by the Group		Principal activities
			2026	2025	
			%	%	
Central More Limited ("Central More")	Hong Kong	HK$2 Ordinary shares	**50**	50	Property development
Nob Hill Management Limited ("Nob Hill")	Hong Kong	HK$2 Ordinary shares	**50**	50	Property management

The Group holds 50% of the issued share capital of its associates. However, under the agreement, the other shareholders control the composition of the board of directors of these associates and have control over these associates. The directors of the Company consider that the Group has significant influence over these associates and they are therefore classified as associates of the Group.

All of these associates are accounted for using equity method in these consolidated financial statements.

No individual or aggregate financial information of Central More and Nob Hill is presented as they are not individually material to the Group.

18. PAINTINGS

Paintings are stated at cost less impairment at the end of the reporting period. The accumulated impairment losses of HK$395,188 at 31 March 2026 (2025: HK$395,188) were made by the directors of the Company with reference to the open market values of those paintings.

19. FINANCIAL ASSETS AT FVTPL

	2026	2025
	HK$	HK$
Equity securities listed in Hong Kong and Singapore, at fair value	**9,935,795**	13,788,467
Unlisted equity-link notes	**1,703,834**	–
	11,639,629	13,788,467

These investments are held-for-trading and their fair values have been determined by reference to the quoted market bid prices available on the Stock Exchange and Singapore Stock Exchange Limited at the end of each reporting period.

The fair values of unlisted equity-linked notes are based on prices quoted by financial institutions.

20. INVENTORIES

The amount mainly represents food and beverage and other consumables and is stated at the lower of cost and net realisable value.

21. FINANCE LEASE RECEIVABLES

The Group entered into a sublease arrangement as a lessor for lease of premises.

The terms of subleases ranged from two to five years with expiry dates on 31 May 2024 and 31 December 2026. As the head lease of the properties would originally expire in September 2024, the Group accounted the sublease arrangements as finance leases for the lease terms covering till the end of the expiry date of the head lease on 30 September 2024, accordingly.

During the year ended 31 March 2025, the landlord issued written notices to the Group requiring the return of possession of the leased properties to the landlord. Accordingly, the Group had delivered the leased properties to the landlord in June and December 2024. The rental income from one of the subleases beyond the original lease period (i.e. from 1 October to 31 December 2024) was accounted as operating lease.

	Minimum lease payments 2025 HK$	Present value of minimum lease payments 2025 HK$
Finance lease receivables comprise:		
Gross investment in the lease and within one year	3,250,975	3,250,975
Analysed as:		
Current		3,250,975

The finance lease receivables as at 31 March 2025 represent gross receivables from the tenant.

Details of impairment assessment of finance lease receivables are set out in note 39.

22. TRADE RECEIVABLES

Trade debtors mainly comprise of receivable from renting of properties and hotel operation. Rentals are payable on presentation of demand notes. No credit is allowed to these customers. Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of not more than 30 days to travel agents and corporate customers.

	2026	2025
	HK$	HK$
Trade receivables		
– contracts with customers	**174,730**	343,439
– leases	**801,797**	2,207,150
	976,527	2,550,589

As at 1 April 2024, trade receivables from contracts with customers amounted to HK$216,290.

The following is an aged analysis of trade receivables based on the invoice dates at the end of the reporting period which approximate the respective date of rendering of services.

	2026	2025
	HK$	HK$
0–30 days	**976,527**	922,685
Over 60 days	**–**	1,627,904
	976,527	2,550,589

Trade receivables aged over 30 days are normally past due. As at 31 March 2026, none of the Group's trade receivables balance (2025: HK$1,627,904) are past due. The directors of the Company are in the view that there has not been a significant increase in credit risk nor default because that debtor continues to make settlements and has no default history noted.

Trade receivable due from the related party

As at 31 March 2026, included in the Group's trade receivables is an unsecured amount due from the Group's related company of HK$660,726 (2025: HK$447,128). None of the balance is past due at the reporting date. No impairment has been recognised in accordance with ECL model in respect of the amount outstanding from the related company. The related company is controlled by a common director of a subsidiary of the Company.

Details of impairment assessment of trade receivables are set out in note 39.

23. DEMAND DEPOSITS HELD WITH SECURITY BROKER COMPANIES/CASH AND CASH EQUIVALENTS

As at 31 March 2025, bank balances and demand deposits held with security broker companies carry interest at prevailing market rate of 0.06% per annum. As at 31 March 2026, the Group did not maintain any bank balance and deposits with security broker companies.

Details of impairment assessment of bank balances and demand deposits held with security broker companies are set out in note 39.

24. TRADE AND OTHER PAYABLES AND ACCRUALS

	2026	2025
	HK$	HK$
Trade payables	**107,119**	323,659
Other payables and accruals	**3,344,766**	6,225,424
Rental receipts in advance	**111,843**	117,926
	3,563,728	6,667,009

The following is an aged analysis of the trade payables based on invoice date:

	2026	2025
	HK$	HK$
0–30 days	**79,589**	238,508
31–60 days	**–**	58,215
Over 60 days	**27,530**	26,936
	107,119	323,659

The average credit period on purchase of goods is 60 days.

Included in the other payables and accruals is HK$1,243,771 (2025: HK$1,541,424) related to accrued professional fees.

25. CONTRACT LIABILITIES

	2026	2025
	HK$	HK$
Hotel rooms operation	**45,415**	48,908

As at 1 April 2024, contract liabilities amounted to HK$710,825.

During the year ended 31 March 2026, contract liabilities of HK$48,908 (2025: HK$710,825) at the beginning of the year was recognised as revenue.

26. AMOUNT DUE TO AN ASSOCIATE

The amount is non-trade related, unsecured, interest-free and repayable on demand.

27. AMOUNTS DUE TO RELATED COMPANIES

The amounts are non-trade related, unsecured, interest-free and repayable on demand. The related companies are controlled by a director of the Company, who is also a shareholder of the Company.

28. BANK BORROWING

	2026 HK$	2025 HK$
Carrying amount of secured bank borrowing that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	**674,701**	674,701
Within a period of more than one year but not exceeding two years	**674,701**	674,701
Within a period of more than two years but not exceeding five years	**6,409,655**	7,084,355
	7,759,057	8,433,757

During the year ended 31 March 2025, the Group has renewed the existing banking facility with the banker and the banking facility, which has been fully drawn down on, will expired in January 2030.

The amounts due are based on scheduled repayment dates set out in the loan agreement. The bank borrowing is secured by the pledge of assets as set out in note 33.

The bank borrowing carries floating-rate interest based on the Hong Kong Interbank Offered Rate ("HIBOR") plus 1.6% and the effective interest rates ranged from 2.19% to 5.41% (2025: 5.38% to 5.83%) per annum.

In respect of a bank borrowing with carrying amount of HK$7,759,057 as at 31 March 2026 (2025: HK$8,433,757), the Group is required to comply with the following financial covenant throughout the continuance of the relevant borrowing as long as the amount is outstanding:

- the ratio of the borrowing to fair value of the owned property classified under property, plant and equipment shall not be more than 0.4:1

The Group has complied with the covenant throughout both reporting periods.

29. LEASE LIABILITIES

	2026 HK$	2025 HK$
Lease liabilities payable:		
Within one year	**662,602**	2,017,696
Within a period of more than one year but not more than two years	**698,520**	105,445
Within a period of more than two year but not more than five years	**392,865**	140,967
	1,753,987	2,264,108
Less: Amount due for settlement with 12 months shown as current liabilities	**(662,602)**	(2,017,696)
Amount due for settlement after 12 months shown as non-current liabilities	**1,091,385**	246,412

The incremental borrowing rates applied to lease liabilities range from 3.9% to 5.9% (2025: from 3.6% to 5.9%).

30. SHARE CAPITAL

	Number of shares	HK$
Issued and fully paid:		
Ordinary shares with no par value		
At 1 April 2024, 31 March 2025 and 2026	752,529,810	329,138,773

31. RETIREMENT BENEFIT

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all qualifying employees in Hong Kong commencing from December 2000. The Group contributes 5% of relevant payroll costs to the MPF Scheme or HK$1,500 per month, whichever is the lower.

According to the relevant laws and regulations in the Mainland China, the Mainland China subsidiary is required to contribute a certain percentage of the salaries of its employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

Provision for long service payments represents the present value of the retirement benefit obligation as adjusted for unrecognised past service cost in accordance to the Employment Ordinance, Cap. 57.

During the year ended 31 March 2026 and 2025, the Group had no forfeited contributions under the retirement benefits scheme utilised to reduce future contributions.

32. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Finance lease receivables HK$	Lease liabilities related to right-of-use disposed HK$	Accelerated tax depreciation HK$	Tax losses HK$	Total HK$
At 1 April 2024	949,512	(307,495)	811,062	(2,239,248)	(786,169)
(Credit) charge to profit or loss	(932,843)	302,097	1,591,127	89,054	1,049,435
Exchange realignment	(16,669)	5,398	22,254	–	10,983
At 31 March 2025	–	–	2,424,443	(2,150,194)	274,249
(Credit) charge to profit or loss	–	–	(256,952)	256,952	–
Exchange realignment	–	–	10,698	–	10,698
At 31 March 2026	–	–	2,178,189	(1,893,242)	284,947

For the purpose of presentation in the consolidated statement of financial position, the above deferred tax assets and liabilities have been offset.

At 31 March 2026, the Group has unused tax losses of approximately HK$331,124,000 (2025: HK$324,349,000) available for offset against future assessable profits. A deferred tax asset has been recognised in respect of approximately HK$11,474,000 (2025: HK$13,025,000) of such tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK$$319,650,000 (2025: HK$311,324,000) due to the unpredictability of future assessable profit streams.

As at 31 March 2026 and 2025, all unrecognised tax losses may be carried forward indefinitely at the end of each reporting period.

33. PLEDGE OF ASSETS/RESTRICTIONS ON ASSETS

The secured bank borrowing is secured by assets of the Group analysed as follows:

	2026 **HK$**	2025 HK$
Property, plant and equipment	**9,780,231**	10,244,726

Lease liabilities of HK$246,380 (2025: HK$430,575) are secured over the related right-of-use assets of motor vehicles amounting to HK$694,122 as at 31 March 2026 (2025: HK$920,170). In addition, lease liabilities of HK$1,390,880 (2025: HK$695,693) are recognised with related right-of-use assets of leased properties amounting to HK$1,335,322 (2025: HK$670,768) as at 31 March 2026. Furthermore, lease liabilities of HK$1,137,840 are recognised with finance lease receivables of HK$3,250,975 as at 31 March 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

34. OPERATING LEASES

The Group as lessee

A subsidiary entered into an agreement with its non-controlling shareholder for the lease of its properties for a non-cancellable period of twenty-eight years at a fixed rent of RMB4,200,000 per year. Supplementary agreement has been entered to increase the rent to RMB5,000,000 per year effective from 1 October 2019. The lease expired on 30 September 2024.

The Group as lessor

The Group’s investment properties have committed tenants under operating leases for a remaining term of one to six years (2025: one to seven years) at fixed rental amounts.

Minimum lease payments receivable on leases are as follows:

	2026 **HK$**	2025 HK$
Within one year	**2,702,033**	2,757,733
In the second year	**2,897,700**	2,510,408
In the third year	**2,897,700**	2,897,700
In the fourth year	**2,897,700**	2,897,700
In the fifth to seventh year	**293,474**	3,191,174
	11,688,607	14,254,715

35. RELATED PARTY DISCLOSURES

The Group has entered into an agreement with a related company which is controlled by Ms. Tammie Tam, the director of the Company's subsidiary. The agreement grants a licence to the related company to operate the Group's hotel properties in Fiji. In February 2023, the agreement (the "Old Agreement") was renewed for 5 years at effective annual rental of US$220,000. In Mach 2026, the Group has early terminated the Old Agreement and entered into a new agreement with the related company to operate the Group's hotel properties in Fiji for 5 years at effective annual rental of US$330,000. During the year ended 31 March 2026, rental income from this related company is amounting to HK$2,351,552 (2025: HK$1,525,328)

Remuneration to the key management personnel comprising the directors and three (2025: three) highest paid employees is disclosed in notes 9 and 10, respectively. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Balances with associates and related companies are set out in the Group's consolidated statement of financial position and related notes.

36. SHARE OPTION SCHEMES

The share option scheme (the "Scheme") was approved and adopted on 1 June 2007 for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business associates or any other person who will contribute or have contributed to the Company or any of its subsidiaries. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The Scheme was terminated by an ordinary resolution duly passed at the general meeting of the Company held on 2 September 2016. Upon termination of the Scheme, no further options were granted thereunder, and the options granted prior to and remaining outstanding at termination shall continue to be valid and exercisable in accordance with the terms of the Scheme.

Without prior approval from the Company's shareholders, (a) the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time; (b) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options vested immediately may be exercised at any time not exceeding a period of 10 years from the date on which the share options are accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

36. SHARE OPTION SCHEMES (Continued)

On 2 September 2016, the Company terminated the Scheme adopted on 1 June 2007 and adopted a new share option scheme (the "New Scheme"). The New Scheme was approved by the Company for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the New Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Without prior approval from the Company's shareholders, the total number of shares to be issued under the New Scheme is not permitted to exceed 10% of the shares of the Company then in issue; and the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the shares of the Company then in issue and with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

Options granted will be taken up upon payment of HK$1 by the grantee. Options vested immediately may be exercised at any time not exceeding a period of 10 years from the date on which the share options are accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options were granted during the years ended 31 March 2025 and 2026.

At 31 March 2026, the number of share options held by the directors and employees remained outstanding under the Scheme was 43,493,000 (2025: 54,293,000), which, if exercise in full, the new shares issued would represent 6% (2025: 7%) of the enlarged capital of the Company.

36. SHARE OPTION SCHEMES (Continued)

The following table sets out the movements of the Company's share options during the year ended 31 March 2026 and 2025:

2026

Eligible person	Date of grant	Fair value of the options at the grant date	Exercise period	Exercise price HK$	Number of options: Outstanding as at 1.4.2025	Lapsed during the year	Exercised during the year	Outstanding as at 31.3.2026
Directors	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	7,000,000	(7,000,000)	–	–
	23.10.2017	0.254	23.10.2017 to 22.10.2027	0.4430	13,070,000	(1,000,000)	–	12,070,000
	6.8.2018	0.340	6.8.2018 to 5.8.2028	0.3570	6,200,000	–	–	6,200,000
	18.3.2019	0.340	18.3.2019 to 17.3.2029	0.3400	12,100,000	–	–	12,100,000
	25.3.2020	0.071	25.3.2020 to 24.3.2030	0.1420	10,823,000	(1,000,000)	–	9,823,000
	18.8.2021	0.057	18.8.2021 to 17.8.2031	0.1272	3,300,000	(1,000,000)	–	2,300,000
					52,493,000	(10,000,000)	–	42,493,000
Employees and other providing similar services	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	800,000	(800,000)	–	–
	18.8.2021	0.048	18.8.2021 to 17.8.2031	0.1272	1,000,000	–	–	1,000,000
					1,800,000	(800,000)	–	1,000,000
Exercisable at the end of the year					54,293,000	–	–	43,493,000
Weighted average exercise price					0.3420	0.4704	–	0.3101

36. SHARE OPTION SCHEMES (Continued)

2025

Eligible person	Date of grant	Fair value of the options at the grant date	Exercise period	Exercise price HK$	Number of options: Outstanding as at 1.4.2024	Lapsed during the year	Exercised during the year	Outstanding as at 31.3.2025
Directors	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	8,000,000	(1,000,000)	–	7,000,000
	23.10.2017	0.254	23.10.2017 to 22.10.2027	0.4430	14,070,000	(1,000,000)	–	13,070,000
	6.8.2018	0.340	6.8.2018 to 5.8.2028	0.3570	6,200,000	–	–	6,200,000
	18.3.2019	0.340	18.3.2019 to 17.3.2029	0.3400	12,100,000	–	–	12,100,000
	25.3.2020	0.071	25.3.2020 to 24.3.2030	0.1420	11,823,000	(1,000,000)	–	10,823,000
	18.8.2021	0.057	18.8.2021 to 17.8.2031	0.1272	4,300,000	(1,000,000)	–	3,300,000
					56,493,000	(4,000,000)	–	52,493,000
Employees and other providing similar services	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	800,000	–	–	800,000
	18.8.2021	0.048	18.8.2021 to 17.8.2031	0.1272	1,000,000	–	–	1,000,000
					1,800,000	–	–	1,800,000
Exercisable at the end of the year					58,293,000	–	–	54,293,000
Weighted average exercise price					0.3404	0.3181	–	0.3420

No share options were granted or cancelled during the two years ended 31 March 2026 and 2025. 10,800,000 (2025: 4,000,000) share options were lapsed during the year ended 31 March 2026.

37. CAPITAL COMMITMENT

	2026 HK$	2025 HK$
Capital expenditure in respect of the acquisition of property, plant and equipment and investment properties contracted for but not provided in the consolidated financial statements	**614,363**	2,250,613

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of bank borrowing, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves as disclosed in consolidated statement of changes in equity.

The management of the Group reviews the capital structure periodically. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Currently, the management mainly uses short-term funding to finance its daily operation to minimise finance costs. The Group will balance its overall capital structure through raising new debt or repayment of existing debt.

There are no changes on the Group’s approach to capital management during the year.

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2026 HK$	2025 HK$
Financial assets		
Amortised cost	**9,467,173**	19,280,659
Financial assets at FVTPL	**11,639,629**	13,788,467
Financial liabilities		
Amortised cost	**11,076,872**	13,027,164

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables and deposits, finance lease receivable, demand deposits held with security broker companies, cash and cash equivalents, trade and other payables, rental deposits received, amounts due to an associate and related companies and bank borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's exposure to risks or the manner in which they manage and measure the risks.

(i) Currency risk

Certain subsidiaries of the Company have foreign currency inter-company balances which expose the Group to foreign currency risk in which settlement is neither planned nor likely to occur and therefore forming part of the net investment in the relevant foreign operations. Other than that, the transactions made by the group entity is denominated in the group entities' respective functional currencies. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

In management's opinion, the foreign currency risks related to these balances are insignificant and no further details to be disclosed.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk

The Group has exposures to cash flow interest rate risk as the bank balances, demand deposits held with security broker companies and bank borrowing are carried at variable interest rate.

In addition, the Group also has exposures to fair value interest rate risk relating to its lease liabilities which are carried at amortised cost at a fixed effective interest rate.

The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the floating rates and ensure they are within reasonable range.

In management's opinion, the Group's exposure to cash flow interest rate risk is insignificant and no further details to be disclosed.

(iii) Other price risk

The Group is exposed to price risks arising from financial assets at FVTPL. The management manages the exposure to price risk by maintaining a portfolio of investments in various securities.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to price risks of financial assets at FVTPL at the end of the reporting period. If the market price of the financial assets at FVTPL had been 15% (2025: 15%) higher/lower while all other variables were held constant, the Group's loss after tax for the year would decrease by approximately HK$1,458,000 (2025: HK$1,727,000), as a result of the changes in fair value of the financial assets at FVTPL.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) *Credit risk and impairment assessment*

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, deposits, demand deposits held with security broker companies, bank balances and finance lease receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and finance lease receivables

Before accepting any new customer or tenant, the Group uses an internal credit grading system to assess the potential customer's or tenant's credit quality and defines credit limits. Limits and scoring attributed to customers or tenants are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk on trade receivables as 68% (2025: 69%) of the total trade receivables was due from the Group's related company within the property investment overseas segment (2025: largest customer within the serviced property letting in the Mainland China segment).

The Group has no concentration of credit risk on finance lease receivables as at 31 March 2026. The Group has concentration of credit risk on finance lease receivables as the total finance lease receivables was due from one customer within the serviced property letting in the Mainland China segment as at 31 March 2025. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performed and applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL on trade receivable and finance lease receivables balances individually. The directors of the Company consider that the impairment on trade receivables are insignificant as there has been no significant increase in credit risk of these amounts since initial recognition or events of default occurred. For the years ended 31 March 2026 and 2025, the Group assessed the ECL was insignificant and thus no loss allowance was recognised.

Other receivables and deposits

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group provided impairment based on 12m ECL. For the years ended 31 March 2026 and 2025, the Group assessed the ECL on other receivables and deposits was insignificant and thus no loss allowance was recognised.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Demand deposits held with security broker companies and bank balances
The credit risks on demand deposits held with security broker companies and bank balances are limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for demand deposits held with security broker companies and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on demand deposits held with security broker companies and bank balances was considered to be insignificant.

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

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

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

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

	NOTES	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
					2026	2025
					HK$	HK$
Financial assets at amortised cost						
Trade receivables	22	N/A	Low risk	Lifetime ECL – not credit impaired	**976,527**	922,685
			Watch list	Lifetime ECL – not credit impaired	**–**	1,627,904
					976,527	2,550,589
Other receivables and deposits	N/A	N/A	Low risk	12m ECL	**286,000**	452,600
Demand deposits held with security broker companies and bank balances	23	Baa2–Aa1	N/A	12m ECL	**8,122,909**	16,173,675
Other item						
Finance lease receivables	21	N/A	Low risk	Lifetime ECL – not credit impaired	**–**	3,250,975

(v) Liquidity risk

The Group finances its working capital requirements through a combination of funds generated from operations and banking facilities.

The directors of the Company believe that these loan facilities will continue to be made available to the Group and will not be withdrawn by the banks within the next twelve months from the end of the reporting period. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations. The Group will be able to refinance its existing banking facilities or obtain additional financing from financial institutions by taking into account the current value of the Group's assets which have not been pledged. As at 31 March 2026 and 2025, the Group has no available unutilised overdraft and bank borrowing facilities.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk (Continued)

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity of its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average effective interest rate	Repayable on demand or less than 1 year	1–2 years	2–5 years	Total undiscounted cash flows	Carrying amounts
	%	HK$	HK$	HK$	HK$	HK$
2026						
Non-derivative instruments						
Trade payables	–	107,119	–	–	107,119	107,119
Other payables	–	1,990,659	–	–	1,990,659	1,990,659
Rental deposits received	–	300,000	–	–	300,000	300,000
Amount due to an associate	–	281,381	–	–	281,381	281,381
Amounts due to related companies	–	638,656	–	–	638,656	638,656
Bank borrowing at variable rate	3.55	7,759,057	–	–	7,759,057	7,759,057
Lease liabilities	5.35	738,996	738,996	399,549	1,877,541	1,753,987
		11,815,868	738,996	399,549	12,954,413	12,830,859
2025						
Non-derivative instruments						
Trade payables	–	323,659	–	–	323,659	323,659
Other payables	–	2,573,211	–	–	2,573,211	2,573,211
Rental deposits received	–	245,800	–	–	245,800	245,800
Amount due to an associate	–	803,381	–	–	803,381	803,381
Amounts due to related companies	–	647,356	–	–	647,356	647,356
Bank borrowing at variable rate	5.66	8,433,757	–	–	8,433,757	8,433,757
Lease liabilities	4.51	2,046,985	117,396	146,745	2,311,126	2,264,108
		15,074,149	117,396	146,745	15,338,290	15,291,272

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

Bank borrowing with a repayment on demand clause is included in the "repayable on demand or less than 1 year" time band in the above maturity analysis. As at 31 March 2026, the carrying amount of the bank borrowing amounted to HK$7,759,057 (2025: HK$8,433,757). Taking into account the Group's financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	On demand or less than 1 year HK$	1–2 years HK$	2–5 years HK$	Total undiscounted cash flows HK$	Carrying amounts HK$
As at 31 March 2026					
Bank borrowing with a repayment on demand clause	**983,724**	**957,178**	**6,858,387**	**8,799,289**	**7,759,057**
As at 31 March 2025					
Bank borrowing with a repayment on demand clause	1,125,250	1,088,734	8,064,039	10,278,023	8,433,757

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(vi) Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and

- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

The only financial instrument of the Group that is measured at fair value is the financial assets at FVTPL and is grouped into Level 1 whose fair value measurements are derived from quoted prices (unadjusted) in an active market for identical assets with carrying value of HK$11,639,629 (2025: HK$13,788,467).

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Amount due to an associate	Amounts due to related companies	Lease liabilities	Bank borrowings	Total
	HK$	HK$	HK$	HK$	HK$
At 1 April 2024	287,381	656,056	4,819,727	8,433,757	14,196,921
Financing cash flows	516,000	(8,700)	(2,618,323)	(475,419)	(2,586,442)
Finance costs	–	–	105,935	475,419	581,354
Exchange adjustments	–	–	(43,231)	–	(43,231)
At 31 March 2025	**803,381**	**647,356**	**2,264,108**	**8,433,757**	**12,148,602**
Financing cash flows	**–**	**(8,700)**	**(2,301,047)**	**(1,018,043)**	**(3,327,790)**
New lease liabilities	**–**	**–**	**1,677,244**	**–**	**1,677,244**
Non-cash transaction	**(522,000)**	**–**	**–**	**–**	**(522,000)**
Finance costs	**–**	**–**	**62,395**	**343,343**	**405,738**
Exchange adjustments	**–**	**–**	**51,287**	**–**	**51,287**
At 31 March 2026	**281,381**	**638,656**	**1,753,987**	**7,759,057**	**10,433,081**

41. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2026, the Group entered into a new lease agreement for the use of vending machines for 3 years. On the lease commencement date, the Group recognised right-of-use assets and lease liabilities amounted to HK$126,548, respectively

During the year ended 31 March 2026, the Group entered into a new lease agreement for the use of office premises for three years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities amounted to HK$1,550,696, respectively.

For the year ended 31 March 2026, dividend declared by an associate amounted to HK$1,000,000 of which HK$522,000 was set off against the amount due to an associate.

42. FINANCIAL POSITION OF THE COMPANY

Below is the financial position of the Company at the end of the reporting period:

	2026 HK$	2025 HK$
Non-current assets		
Property, plant and equipment	**20,705**	29,197
Interests in subsidiaries (Note 2)	**254,825,022**	258,112,051
Paintings	**1,840,087**	1,840,087
	256,685,814	259,981,335
Current assets		
Financial assets at FVTPL	**172,323**	176,742
Other receivables, deposits and prepayment	**281,515**	343,360
Cash and cash equivalents	**1,498,294**	1,674,607
	1,952,132	2,194,709
Current liabilities		
Other payables and accrued charges	**476,298**	188,300
Amounts due to subsidiaries	**5,357,318**	6,542,113
Amounts due to related companies	**733,990**	742,690
	6,567,606	7,473,103
Net current liabilities	**(4,615,474)**	(5,278,394)
Total assets less current liabilities	**252,070,340**	254,702,941
Share capital	**329,138,773**	329,138,773
Reserves (Note 1)	**(77,285,118)**	(74,642,373)
Total equity	**251,853,655**	254,496,400
Non-current liability		
Provision for long service payments	**216,685**	206,541
Net assets	**252,070,340**	254,702,941

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 25 June 2026 and is signed on its behalf by:

DEREK CHIU	**AMANDA CHIU**
DIRECTOR	*DIRECTOR*

42. FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(1) The movements in reserve of the Company are presented below.

	Share option reserve HK$	Accumulated losses HK$	Total HK$
At 1 April 2024	10,860,774	(82,537,109)	(71,676,335)
Loss for the year	–	(2,966,038)	(2,966,038)
Lapsed share options transferred to accumulated losses	(627,101)	627,101	–
At 31 March 2025	**10,233,673**	**(84,876,046)**	**(74,642,373)**
Loss for the year	**–**	**(2,642,745)**	**(2,642,745)**
Lapsed share options transferred to accumulated losses	**(2,833,998)**	**2,833,998**	**–**
At 31 March 2026	**7,399,675**	**(84,684,793)**	**(77,285,118)**

(2) Included in interests in subsidiaries of HK$151,351,611 (2025: HK$154,638,642) represented the net investments in subsidiaries.

43. DISCONTINUED OPERATIONS

In 2025, the Group had delivered the leased properties to the landlord. Accordingly, the serviced property letting business in the Mainland China was discontinued in that year. The loss for the year from the discontinued operation is set out below.

	2026 **HK$**	2025 HK$
Revenue		
Contracts with customers	**–**	3,637,416
Leases	**–**	1,428,570
	–	5,065,986
Cost of sales	**(1,171,930)**	(6,738,702)
Other income	**1,536**	93,567
Other gains or losses	**2,259,827**	(37,114)
Administrative expenses	**(918,836)**	(3,771,694)
Finance costs	**–**	(31,911)
Profit (loss) before tax	**170,597**	(5,419,868)
Income tax credit (expense)	**2,550,010**	(865,007)
Profit (loss) for the year	**2,720,607**	(6,284,875)

43. DISCONTINUED OPERATIONS (Continued)

The net cash flows attributable to the operating, investing and financing activities of serviced property letting business in the Mainland China are shown as follows:

	2026	2025
	HK$	HK$
Net cash used in operating activities	**(815,121)**	(10,809,349)
Net cash from investing activities	**1,134,038**	555,437
Net cash used in financing activities	**(1,189,128)**	(3,215,687)

44. CONTINGENT LIABILITY

A non-wholly subsidiary incorporated in the Mainland China of the Company (the "Subsidiary") made an application to the court in January 2025 for an order against the landlord for, among others, compensation for the losses of the Subsidiary as a result of the landlord's failure to renew the lease, and the costs and expenses previously incurred by the Subsidiary for the re-development, extension and refurbishment of the leased properties.

During the year, the landlord made a claim against the Subsidiary for lease payments covering the period from July 2024 until the termination date of one of the subleases, which represented the date the control of the respective leased property was transferred back to the landlord.

As at 31 March 2025, the Group had recognised related lease liabilities of HK$1,137,840, representing the total lease payments from 1 July 2024 until the date of termination of the sublease based on the original head lease agreement. During the year, the Group settled an amount of HK$1,582,106 in relation to these liabilities fully satisfying the landlord's claim.

As at 31 March 2026, no further obligations remain outstanding in respect of the landlord's claim, and management does not expect any additional financial impact on the Group arising from this matter.

List of Major Properties Held by the Group

Location	Approximate gross floor area/ site areas* (square feet)	Group's interest	Existing land use	Term of lease
Leasehold land and buildings				
Duplex No. 1 on 1/F and 2/F with Garden and Rear Open Yard of House 15 (Dynasty Villa 6) and car park space No. 202, Dynasty Heights, No. 2 Yin Ping Road, Kowloon, Hong Kong	2,592	100.0%	Residential	Medium-term
Hotel property				
East Bay, Cheung Chau, New Territories, Hong Kong 8443/9000 parts or shares of and in C.C.L. 1147	27,000*	97.8%	Hotel	Medium-term
Investment properties				
Wing On Street, Peng Chau, New Territories, Hong Kong 370/700 parts or shares of and in P.C.L. 415	5,230*	100.0%	Cinema	Medium-term
Various agricultural lots in Survey District No. 4 in Lai Chi Kok, Kowloon, Hong Kong	265,579*	100.0%	Agricultural land	Medium-term
Various agricultural lots in DD118, Yuen Long, New Territories, Hong Kong	149,846*	100.0%	Agricultural land	Medium-term
Nasausau & Raramakawa Lots 1 & 2 on N1825, Coral Coast, Viti Levu, Fiji	717,673*	100.0%	Resort	Long lease

Five-Year Financial Summary

RESULTS

	For the year ended 31 March				
	2022 HK$'000	2023 HK$'000	2024 HK$'000	2025 HK$'000	**2026** **HK$'000**
Revenue	51,070	37,166	29,639	23,601	**16,375**
Profit (loss) before taxation	52,188	(8,733)	(33,053)	(34,077)	**(8,612)**
Income tax credit (expense)	1,794	787	36	(1,282)	**1,970**
Profit (loss) for the year attributable to owners of the Company	53,982	(7,946)	(33,017)	(35,359)	**(6,642)**

ASSETS AND LIABILITIES

	At 31 March				
	2022 HK$'000	2023 HK$'000	2024 HK$'000	2025 HK$'000	**2026** **HK$'000**
Total assets	433,360	407,678	364,305	323,007	**310,438**
Total liabilities	(50,530)	(36,218)	(26,792)	(23,003)	**(16,091)**
Equity attributable to owners of the Company	382,830	371,460	337,513	300,004	**294,347**