PIONEER GLOBAL GROUP LIMITED
建生國際集團有限公司

Stock Code 股份代號：00224

ANNUAL REPORT **2025/2026** 年報

PIONEER GLOBAL GROUP LIMITED

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Rossana WANG GAW, *Chairman*
Goodwin GAW, *Vice Chairman*
Kenneth GAW, *Managing Director*
Christina GAW
Alan Kam Hung LEE

Independent Non-executive Directors
Dr. Charles Wai Bun CHEUNG, JP
Arnold Tin Chee IP
Stephen TAN
Kin CHAN

AUDIT COMMITTEE

Dr. Charles Wai Bun CHEUNG, JP, *Chairman*
Arnold Tin Chee IP
Stephen TAN
Kin CHAN

REMUNERATION COMMITTEE

Arnold Tin Chee IP, *Chairman*
Dr. Charles Wai Bun CHEUNG, JP
Stephen TAN
Kin CHAN

NOMINATION COMMITTEE

Rossana WANG GAW, *Chairman*
Dr. Charles Wai Bun CHEUNG, JP
Arnold Tin Chee IP
Stephen TAN
Kin CHAN

COMPANY SECRETARY

Clara Yuk Yee CHENG

BANKERS

BNP Paribas
Citibank N.A. Hong Kong
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

SOLICITORS

Fangda Partners
Johnson Stokes & Master

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Auditors
Level 8, K11 ATELIER King's Road
728 King's Road
Quarry Bay, Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

PRINCIPAL OFFICE IN HONG KONG

18th Floor, 68 Yee Wo Street
Causeway Bay
Hong Kong

SHARE REGISTRAR & TRANSFER OFFICE IN BERMUDA

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

SHARE REGISTRARS & TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

INFORMATION

http://www.pioneerglobalgroup.com
http://www.irasia.com/listco/hk/pioneer
Bloomberg: 224:HK
Reuters: 0224.hk

BUSINESS REVIEW

The fiscal year 2025/2026 has been one of meaningful recovery across our key markets, with Hong Kong displaying broadening momentum and our Thai hotels demonstrating resilience in overcoming a significant unexpected challenge.

In Hong Kong, the residential property market continued its recovery trajectory, underpinned by structural drivers that are providing durability to the upturn. The government's Top Talent Pass Scheme and New Capital Investment Entrant Scheme have together brought a sustained influx of high-quality new residents to the city, generating genuine end-user demand. Complementing this, the relaxation of non-local student quotas at Hong Kong universities has broadened the city's population base, while the robust recovery of the Hong Kong stock market has materially restored investment confidence. These converging forces have translated into healthy transaction volumes and a firming of residential values over the course of the year.

The hotel and tourism sector in Hong Kong continued on its upward path, with both Mainland Chinese and international visitor arrivals recording solid growth for the full fiscal year. The Hong Kong government's concerted efforts to attract major business conferences, concerts, and international sports events have proven effective in driving arrival numbers, incremental visitor spending, and extending average length of stay. The Regent Hong Kong has benefited from this improving environment, and its consistent recognition by leading travel publications and industry awards – including top honors from Travel + Leisure, Condé Nast Traveler, and Virtuoso – has further reinforced its standing as one of the pre-eminent luxury hotel in the city.

The commercial office sector, on the other hand, is still navigating a challenging environment, with our investment properties continuing to suffer from declining rental rates and valuations. However, there has been some encouraging signs of stabilization as the year progressed, especially for the Central CBD area. Of particular significance has been the strong performance of the Hong Kong IPO market, which ranked number one globally in 2025 in terms of funds raised. This resurgence in capital markets activity has prompted banks, law firms and professional services providers – the natural occupiers of Central CBD – to resume hiring and, in some cases, expand their footprints. The market also witnessed several substantial en-bloc office transactions during the year, driven by end-user purchasers from Mainland China and Southeast Asia, which is a positive indicator of long-term confidence in Hong Kong commercial real estate.

In Thailand, the fiscal year presented a tale of two halves. The devastating earthquake in Myanmar on 28 March 2025 had a pronounced impact on Bangkok's hotel market, with tremors causing damages across numerous high-rise properties and triggering widespread booking cancellations. Our Pullman Bangkok Hotel G was not spared, sustaining non-structural damages that necessitated taking approximately two-thirds of its guest rooms out of service for repairs. These works were completed comprehensively by September 2025, and while the associated repair costs were substantially covered by insurance, the operational disruption weighed heavily on the hotel's performance during the first half of the fiscal year. The broader Thai tourism market similarly experienced a period of suppressed arrivals and traveller caution in the wake of the earthquake. The second half of the fiscal year told a markedly different story. Thailand's hotel and tourism market recovered with considerable vigour in the fourth quarter of 2025 and into early 2026, and both of our Thai hotels delivered strong performances during this period, providing meaningful recovery in full-year results.

For the twelve months ended 31 March 2026, the Group had revenues of HK$222.8 million, a decrease of 7.1% from last year's revenues of HK$239.9 million.

The drop in revenues was mainly due to lower rental income from the Group's investment properties as well as lower dividend and interest income from our investment portfolio and cash holdings. During the twelve months reporting period, operating profit was HK$147.7 million, a decrease of 11.4% from HK$166.7 million the year before. The overall share of results of associates turned to a profit of HK$63.7 million, compared with a loss of HK$109.3 million during the same period in 2025. This was mainly attributable to the share of profit of HK$18.7 million from the Group's 30% ownership in The Regent Hong Kong, compared to a loss of HK$149.3 million in the prior year, together with continued positive contributions from the Group's Thai hotel investments and Shanghai K. Wah Centre. Fair value of investment properties decreased by HK$2.1 million, narrowing the loss compared with a decrease of HK$34.0 million during the same period in 2025. The Group also recorded a fair value decrease of HK$48.5 million under equity instruments at fair value through profit or loss, compared to a decrease of HK$64.3 million in 2025. The finance costs dropped to HK$96.4 million compared to the previous year's HK$120.4 million. As a result, the Group recorded a profit for the year of HK$59.4 million for the fiscal year ending 31 March 2026 (2025: loss of HK$163.3 million), of which profit attributable to shareholders was HK$52.3 million (2025: loss of HK$161.7 million).

Property Investments (Hong Kong and China)

By Subsidiaries

As of 31 March 2026, the occupancy rate of Pioneer Place in Kwun Tong, Hong Kong was 68% (March 2025 occupancy rate: 76%). Due to a substantial supply of new office stock in the area, the East Kowloon district remained challenging for office leasing, with high vacancies and continued pressure on rental rates. For the twelve months reporting period, Pioneer Place contributed rental and related revenues of HK$42.5 million (2025: HK$44.0 million) and recorded a fair value decrease of HK$1.0 million (2025: a fair value decrease of HK$7.0 million).

At the end of March 2026, the Group's 60% owned 68 Yee Wo Street Building in Causeway Bay, Hong Kong had an occupancy rate of 74% (March 2025: 81%). The decrease in occupancy was mainly due to the non-renewal of an anchor tenant who occupied two floors of our property. For the fiscal year, the property had rental and related revenues of HK$88.8 million (2025: HK$94.2 million) and a fair value decrease of HK$2.0 million (2025: a fair value decrease of HK$17.0 million).

For the twelve months period ended 31 March 2026, the Club Lusitano Building in Central, Hong Kong had an occupancy rate of 100% (March 2025: 92%). During the fiscal year period, the property contributed HK$47.2 million (2025: HK$51.0 million) in rental and related revenues and recorded no fair value change (2025: a fair value decrease of HK$5.0 million).

At the end of March 2026, the commercial podium of Kiu Fat Building (115–119 Queen's Road West) in Sai Ying Pun, Hong Kong maintained an occupancy rate of 100% (2025: 100%), benefiting from long-term leases. For the reporting period, the property contributed HK$20.5 million (2025: HK$21.0 million) in rental and related revenues and recorded no fair value change (2025: a fair value decrease of HK$4.5 million).

By Associates

The Group has an investment in Shanghai K. Wah Centre (7.7%) in China through an associate company. As of 31 March 2026, the property maintained an occupancy rate of 80% (March 2025: 80%) and the share of associate's results recorded a profit pick up of HK$12.4 million (2025: a profit of HK$8.5 million).

By Equity Instruments

The Group is part of an investment consortium that owns the Cityplaza Three (half block) and Cityplaza Four in Tai Koo Shing, Hong Kong. The Group's investment constitutes a 0.9% effective stake in the properties. As of 31 March 2026, the properties had an occupancy rate of 76% (March 2025: 74%). This investment recorded an equity value loss of HK$19.5 million during the period (2025: loss of HK$27.6 million) due mainly to lower rental rates upon leases renewal.

The Group has an investment in Ciro's Plaza (4.0%) in Shanghai, China through an equity instrument. As the majority investors in the asset decided to sell the investment under pressure from banks, the Group recorded an equity value loss of HK$29.0 million (2025: loss of HK$36.7 million) for the reporting period.

Hotel Investments (Hong Kong and Thailand)

The Group's investments in the hotel industry have all been made through associate companies.

The Group owns 30% in The Regent Hong Kong, a 497 rooms luxury hotel which has been fully refurbished and reopened since February 2024. During the twelve months ended 31 March 2026, the hotel had revenues of HK$1,022.6 million (2025: HK$840.7 million) and operating profit of HK$250.5 million (2025: HK$131.5 million). With the hotel and tourism industry in Hong Kong in recovery mode, the average occupancy rate of the hotel improved to 67% during the fiscal period (2025: 51%). And operating profit was nearly sufficient to cover finance costs of HK$281.5 million during the period (2025: HK$321.4 million). In addition, the fair value of the hotel increased by HK$83.4 million (2025: a fair value decrease of HK$313.8 million). As a result, the share of results from the associate recorded a profit of HK$18.7 million (2025: loss of HK$149.3 million).

For the twelve months ended 31 March 2026, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 522.7 million (HK$122.8 million equivalent), compared to Baht 588.3 million (HK$132.7 million equivalent) in the fiscal year 2025. Operating profit was Baht 180.8 million (HK$42.5 million equivalent), compared to Baht 213.6 million (HK$48.2 million equivalent) the year before, with average occupancy at 67% (2025: 83%). During the same period, the Pullman Pattaya Hotel G (held by the Group through the same 49.5%


The Regent Hong Kong – Exterior Landscape


The Regent Hong Kong – Corner Suite

The Regent Hong Kong – Nobu Hong Kong

owned associate that holds the Pullman Bangkok Hotel G) had revenues of Baht 424.4 million (HK$99.7 million equivalent), compared to Baht 437.3 million (HK$98.7 million equivalent) in the fiscal year 2025. Operating profit was Baht 149.9 million (HK$35.2 million equivalent), compared to Baht 157.2 million (HK$35.5 million equivalent) in the previous year, with an average occupancy rate of 79% (2025: 80%). Along with the insurance compensation from the March 2025 Myanmar earthquake and operations recovery in Q4 2025 and Q1 2026, the share of results of the Thai associate recorded a profit of HK$32.6 million (2025: profit of HK$32.3 million) including fair value change of the hotels.


The Regent Hong Kong – Lai Ching Heen

PROSPECTS

The year ahead presents a complex and evolving backdrop. The U.S. trade tariffs introduced in April last year and the outbreak of the Iran War since late February this year have, among other factors, injected considerable uncertainty into the global economy. These disruptions are stoking inflationary pressures worldwide and reversing the interest rate easing cycle that had begun to provide relief to property markets, with recent rate increases already seen in Europe, Australia and Japan, and the US Federal Reserve now likely to delay any planned cuts. A sustained higher-for-longer interest rate environment is an obvious headwind for a business such as ours that holds investment properties and hotels, and we are monitoring these macroeconomic developments closely.


The Regent Hong Kong – The Steak House

Notwithstanding these external pressures, our outlook for Hong Kong remains constructive. With reportedly 500 active listing applications now in the pipeline at HKEX, the IPO market here should remain robust, and we expect the resulting expansion in financial sector employment and space requirements to sustain the recovery of the commercial office market, hopefully broadening from the core CBD outward to other districts as confidence builds. The hotel market in Hong Kong also continues on a positive trajectory. Based on April and May performance and near-term forecast, we are cautiously optimistic that The Regent Hong Kong will


The Regent Hong Kong – Qura Bar – Dining Area

achieve cash flow positive in the coming fiscal year, generating sufficient operating profit to cover interest obligations, which will be a first since the start of COVID shutdowns. Reflecting this improved financial position, the Board of Directors intends to resume dividend distribution to shareholders this year.

In Thailand, following a strong high season performance in the first quarter of 2026, the market has encountered fresh turbulence. The Iran War has prompted major Middle Eastern carriers to reduce flight capacity, and elevated fuel costs are bearing on travel demand to Thailand. We view this as a temporary disruption rather than a structural shift, and we expect the Thai tourism market to recover as the situation stabilises, as it has done with previous external shocks.

Overall, while the operating environment remains uncertain, the combination of positive momentum in our Hong Kong businesses, the resilience demonstrated by our Thai hotels, and the Group's improving cash flow underpins our cautious optimism as we enter the new fiscal year.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continued to enjoy a healthy financial position. As at 31 March 2026, the Group had bank balances and cash amounting to HK$388.4 million (31 March 2025: HK$389.6 million) together with an undrawn standby banking facility of HK$50.0 million (31 March 2025: HK$50.0 million).

As at 31 March 2026, the total bank borrowings of the Group were HK$2,223.1 million (31 March 2025: HK$2,281.0 million), among which HK$721.4 million (31 March 2025: HK$57.9 million) was classified as current liabilities and HK$1,501.7 million (31 March 2025: HK$2,223.1 million) was non-current liabilities. The effective interest rate was 4.06% p.a. for the year (2025: 4.88% p.a.). The Group's total debts to total assets ratio was 20.4% (31 March 2025: 21.0%) and net debt to total assets ratio was 16.8% (31 March 2025: 17.4%).

Among the bank loans of HK$2,223.1 million (31 March 2025: HK$2,281.0 million), HK$1,430 million (31 March 2025: HK$830 million) bear interest at fixed rates while the rest are at floating rates.

There is no foreign currency risk to the Group's financial liabilities as they are all denominated in Hong Kong dollars. However, the Group has investments in associates operating in Thailand and China with carrying amounts of HK$447.6 million and HK$218.4 million equivalents respectively as at 31 March 2026 (31 March 2025: HK$406.2 million and HK$197.7 million equivalents respectively). The Group also has equity instrument investments in Malaysia denominated in Malaysian ringgit with fair value of HK$141.6 million equivalents as at 31 March 2026 (31 March 2025: HK$129.5 million equivalents). The management will closely monitor the currency market and take any necessary measures to reduce the exposure.

Pledge of Assets

At the year-end date, investment properties with a carrying value of HK$7,777.0 million (31 March 2025: HK$7,780.0 million) were pledged to secure bank loan facilities to the extent of HK$2,223.1 million (31 March 2025: HK$2,281.0 million) of which all facilities have been fully utilised.

Contingent Liabilities

As at 31 March 2026, the Group had guarantees of HK$1,879.8 million (31 March 2025: HK$1,879.8 million) given to banks in respect of banking facilities utilised by subsidiaries.

Kenneth Gaw
Managing Director
Hong Kong, 25 June 2026

Directors' Report

The Directors are pleased to present their report together with the audited financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its major subsidiaries and associated companies are shown in notes 32 and 16 to the financial statements. An analysis of the Group's revenue and contribution to results by principal activity of operations is set out in note 6 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2026 are set out in the consolidated statement of profit or loss on page 42.

No interim dividend had been paid for the year ended 31 March 2026.

The Board of Directors recommends the payment of a final dividend of HK2.0 cents (2025: Nil) per share for the year ended 31 March 2026. The proposed dividend is subject to the approval of shareholders at the forthcoming annual general meeting of the Company ("AGM") and payable on 21 October 2026 to all persons registered as shareholders on 2 October 2026.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 25 September 2026.

SHARE CAPITAL

There was no movement in the share capital of the Company during the financial year.

DISTRIBUTABLE RESERVES

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

The reserves of the Company available for distribution to shareholders as at 31 March 2026, including contributed surplus and retained earnings amounted to HK$1,298,043,000 (2025: HK$1,288,854,000).

Details of movements in reserves are set out in note 30 to the financial statements.

GROUP FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 120.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant & equipment are set out in note 15 to the financial statements.

MAJOR SUBSIDIARIES

Details of the major subsidiaries as at 31 March 2026 are set out in note 32 to the financial statements.

LOANS AND BORROWINGS

Details of loans and borrowings are set out in note 21 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2026, the Group's five largest customers together accounted for about 27% (2025: 27%) of the Group's total revenue and the largest customer accounted for about 9% (2025: 10%) of the Group's total revenue while the Group's five largest suppliers accounted for less than 30% (2025: less than 30%) of the Group's purchases.

To the best of the Company's knowledge, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, each serving as Executive Directors, with Mr. Kenneth Gaw holding a 10.18% beneficial interest in the Company, collectively hold a 95% beneficial interest in one of the Group's top five customers, Gaw Capital Advisors Limited. The Group entered into tenancy agreement with Gaw Capital Advisors Limited, which constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Details of the transactions are set out in the section of "Connected Transactions" to this report.

Save as disclosed above, none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the issued share capital) had an interest in any of the Group's five largest customers or suppliers.

DIRECTORS

The Directors in office during the financial year and up to the date of this report were:

Executive Directors
Rossana WANG GAW
Goodwin GAW
Kenneth GAW
Christina GAW
Alan Kam Hung LEE

Independent Non-executive Directors
Dr. Charles Wai Bun CHEUNG, JP
Arnold Tin Chee IP
Stephen TAN
Kin CHAN

In accordance with the Bye-Laws 82 & 83, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Mr. Kin Chan will retire by rotation, and being eligible, offer themselves for re-election at the forthcoming AGM.

DISCLOSURE OF DIRECTORS' INTERESTS

As at 31 March 2026, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

Long Position in Shares of the Company

	Number of ordinary shares				
Name of director	Personal Interests	Interests held by controlled corporation	Others	Total	%
Rossana Wang Gaw	–	528,683,206[1]	–	528,683,206	45.81
Kenneth Gaw	61,418,428	56,018,515[2]	–	117,436,943	10.18
Christina Gaw	–	20,699,216[3]	–	20,699,216	1.79
Goodwin Gaw	–	1,749,000[4]	–	1,749,000	0.15
Stephen Tan	–	8,401,276[5]	504,658[6]	8,905,934	0.77
Kin Chan	–	1,156,000[7]	–	1,156,000	0.10

1 Mrs. Rossana Wang Gaw owns the entire issued share capital of Forward Investments Inc., Intercontinental Enterprises Corp. and Vitality Holdings Ltd., which were beneficially interested in 283,200,215 shares, 215,768,260 shares and 29,714,731 shares respectively.

2 Mr. Kenneth Gaw owns the entire issued share capital of Rising Crescent Enterprises Limited and Top Elite Company Limited, which were beneficially interested in 43,246,863 shares and 12,771,652 shares respectively.

3 Ms. Christina Gaw owns the entire issued share capital of Eternity Rich Investments Ltd., which was beneficially interested in 20,699,216 shares.

4 Mr. Goodwin Gaw owns the entire issued share capital of Time Legend International Limited, which was beneficially interested in 1,749,000 shares.

5 Mr. Stephen Tan and his spouse together own 33.8% issued share capital of United-Asia Enterprises Inc. which was beneficially interested in 8,401,276 shares.

6 Mr. Stephen Tan is one of the trustees and administrators of his father's residuary estate which was beneficially interested in 504,658 shares.

7 Mr. Kin Chan is a significant shareholder of Argyle Street Management Holdings Limited and ASMH (Cayman) Limited which were beneficially interested in 1,156,000 shares.

Long Position in Shares of Associated Corporations

Name of company	Name of director	Number of ordinary shares held by controlled corporation	%
Pioneer Hospitality Siam (GBR) Limited	Rossana Wang Gaw	30,300,000*	50.5
Pioneer Hospitality Siam (GBR) Limited	Kenneth Gaw	30,300,000*	50.5
Keencity Properties Limited	Rossana Wang Gaw	5,019,205*	50.5
Keencity Properties Limited	Kenneth Gaw	5,019,205*	50.5

* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at 31 March 2026, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2026, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Name of shareholder	Number of ordinary shares	%
Asset-Plus Investments Ltd.	115,351,866	9.99
Forward Investments Inc.	283,200,215[1]	24.54
Intercontinental Enterprises Corp.	215,768,260[2]	18.70
Prosperous Island Limited	97,324,936	8.43

1 Forward Investments Inc. of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 283,200,215 shares, which duplicated to those disclosed in "Long Position in Shares of the Company".

2 Intercontinental Enterprises Corp. of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares, which duplicated to those disclosed in "Long Position in Shares of the Company".

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at 31 March 2026, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

BUSINESS REVIEW

A fair review of the business of the Group, including description of the possible risks and uncertainties that the Group may be facing, the important events and its future prospect of the Group is set out in the "Managing Director's Report" of the annual report.

An analysis of the Group's performance for the reporting year using financial key performance indicator and the financial risk management are set out on page 120 and in note 29 to the financial statements respectively.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group adheres to environmental sustainability from office throughout the property portfolio. As a responsible corporation, we strive to ensure minimal environmental impacts by carefully managing our energy consumption, water usage, property design and waste production.

At office level, the Company participated in the Green Office Awards Labelling Scheme organized by World Green Organization to implement green initiatives and encourage staff to join environmental related training. At rental property level, we advocated e-bill and e-receipt to our tenants and actively launched various energy savings and waste recycling programmes.

More details of the environmental policies and performance of the Company will be published separately in the environmental, social and governance report ("ESG Report"). The ESG Report can be assessed under the section "ESG Reports" at the websites of the Company and the Stock Exchange.

COMPLIANCE TO LAWS AND REGULATIONS

The Board paid attention to the Group's policies and practices on compliance with legal and regulatory requirements. External compliance and legal advisors are engaged to ensure transactions and business performed by the Group are within the applicable laws' framework. Updates on applicable laws, rules and regulations are brought to the attention of relevant employees and operation units from time to time.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

(a) Employees

The Company recognizes the value of employee involvement in effective communications and the need for their contribution to decision making on matters affecting their jobs. The employment policies of the Company embody the principles of equal opportunity and are tailored to meet the needs of the Company and the areas in which it operates. This includes suitable procedures to support the Company's policy that individuals should not be discriminated against on the basis of race, disability, age, gender, sexuality or religion and that they should be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

(b) Customers

Tenants are the Group's main customers. We endeavour to maintain a close and lasting relationship with them and pursue their satisfaction. The tenants can contact our asset management team directly via telephone and emails as and when needed. We also pay attention to the tenant's dissatisfaction and put the best effort to respond instantly to the problem and complaint submitted by the tenants.

(c) Suppliers

The Group seeks to develop long-standing and maintains good relationship with our key suppliers. We select our suppliers prudently and assess them based on criteria such as track record, experience, reputation and history of meeting our standards. We also discussed with the suppliers on areas of improvement so as to increase efficiency and foster long-term business benefits.

EMOLUMENT POLICY

As at 31 March 2026, the number of salaried staff at the holding company level was 18 (31 March 2025: 18). The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. The emoluments of the directors of the Company are determined with reference to his/her position, duties and responsibilities, remuneration policy of the Company and the prevailing market conditions. All the employees in Hong Kong are entitled to join the defined contribution mandatory provident fund retirement benefits scheme under the Mandatory Provident Fund Scheme Ordinance.

DONATIONS

Charitable and other donations made by the Group during the financial year amounted to approximately HK$396,000 (2025: HK$250,000).

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

As at 31 March 2026, there were no outstanding options to subscribe for the shares of the Company. There were no other arrangements to which the Company or any of its subsidiaries was a party to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of the Company or any other body corporate.

DIRECTORS' SERVICE CONTRACTS

No Director, including those proposed for re-election at the forthcoming AGM, has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation other than statutory compensation.

INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under "Connected Transactions" and in note 28 to the financial statements, no Director or an entity connected with a Director, a controlling shareholder or any of its subsidiaries, has a material beneficial interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries is a party during the financial year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

The Company's Bye-laws provides that all directors or other officers of the Company shall be entitled to be indemnified out of the Company's fund against all losses or liabilities which he or she may incur or sustain in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors' and officers' liability insurance throughout the financial year, which provides appropriate cover for certain legal actions brought against its directors and officers.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in Bermuda, the jurisdiction in which the Company was incorporated.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the date of the annual report, there was a sufficient public float of the Company.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 22 to 35.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

COMPETING INTERESTS

None of the Directors had, either directly or indirectly, an interest in a business which significantly competes or may compete with the business of the Group.

CONNECTED TRANSACTIONS

Continuing Connected Transactions

On 20 May 2022, Treasure Spot Investments Limited ("Treasure Spot"), a non-wholly owned subsidiary of the Company, as the landlord, entered into the lease agreements (the "2022 Lease Agreements") for rental income with Gaw Capital Advisors Limited ("GCAL") and Gaw Capital Asset Management (HK) Limited ("GCAM"), as the tenants, pursuant to which Treasure Spot agreed to lease the partial of 18th and 19th Floors, 68 Yee Wo Street, Causeway Bay, Hong Kong (the "First Property") at HK$676,480 per calendar month, and a unit on 10th Floor, 68 Yee Wo Street, Hong Kong (the "Second Property") at HK$132,755 per calendar month to GCAL and GCAM, respectively, for a term of 3 years from 1 July 2022 to 30 June 2025. On 23 May 2025, Treasure Spot entered into the new lease agreements with GCAL and GCAM to renew the 2022 Lease Agreements for a new term of 3 years from 1 July 2025 to 30 June 2028 (the "2025 Lease Agreements"). Pursuant to the 2025 Lease Agreements, Treasure Spot agreed to lease the First Property at HK$507,360 per calendar month, the Second Property at HK$113,790 per calendar month to GCAL and GCAM, respectively.

On 27 February 2024, Treasure Spot entered into another lease agreement with GCAM pursuant to which Treasure Spot agreed to renew the lease of Unit 1505, 15th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong for a term of 3 years from 1 March 2024 to 28 February 2027 at a monthly rental of HK$114,444, HK$117,810 and HK$121,176 per calendar month for the first year, second year and third year respectively.

The ultimate beneficial owners of GCAL and GCAM include Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are Executive Directors, and are therefore connected persons of the Company under the Listing Rules.

The Independent Non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance to the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirmed that the Auditor has issued its unqualified independent assurance report on 25 June 2026 containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 28 to the financial statements. None of these related party transactions constitutes a connected transaction, except for those described under "Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

AUDITOR

Baker Tilly Hong Kong Limited was appointed as the auditor of the Company with effect from 25 November 2025 to fill the casual vacancy following the resignation of Cheng & Cheng Limited. Save as disclosed above, there have been no other changes in the auditor of the Company during the past three years.

The financial statements for the year ended 31 March 2026 have been audited by Baker Tilly Hong Kong Limited who will retire and being eligible offer itself for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditor of the Company will be proposed at the forthcoming AGM.

On Behalf of the Board

Rossana Wang Gaw
Chairman
Hong Kong, 25 June 2026

Biographical Details of Directors

EXECUTIVE DIRECTORS

Mrs. Rossana WANG GAW (Chairman)

Aged 80, was appointed to the Board in 1980 and has been Chairman of the Group since February 1999. She is responsible for the management of the real estate sector in the Group. Mrs. Gaw has 8 years of experience in the garment manufacturing industry and over 35 years of experience in real estate investments and hotels business. Mrs. Gaw is a graduate of the University of California, Berkeley, and holds a Degree in Business Administration. She is the mother of Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw.

Mr. Goodwin GAW (Vice Chairman)

Aged 57, was appointed to the Board in 1994 and became Vice Chairman of the Group in August 1996. He is the Chairman of Gaw Capital Partners, a multi-asset investment management firm. He is also the President of Downtown Properties Holdings, a private real estate investment company with commercial properties interest in the United States. Mr. Gaw graduated with a Bachelor of Science Degree in Civil Engineering from the University of Pennsylvania, a Finance Degree from Wharton Business School and a Master of Science Degree in Construction Management from Stanford University. He is the son of Mrs. Rossana Wang Gaw, and the brother of Mr. Kenneth Gaw and Ms. Christina Gaw.

Mr. Kenneth GAW (Managing Director)

Aged 55, was appointed to the Board in 1994 and became Managing Director of the Group in February 1999. He holds directorship at Hong Kong-Thailand Business Council. He was previously a director of Dusit Thani Public Company Limited until 2018, a director of Home Inns Hotels and Management Inc until 2016, a director of Siam Food Products Public Company Limited until 2006 and a director and Deputy Chairman of Wah Kwong Shipping Holdings Limited until 2000. Mr. Gaw co-founded Gaw Capital Partners, a multi-asset investment management firm, in July 2005 and serves as its President and Managing Principal. Mr. Gaw has been a member of Young Presidents' Organization since 1999 and served as Chapter Chair for its Hong Kong Chapter in 2010/2011. Mr. Gaw was honored in the Outstanding Category (Financial Services) at the Asia Pacific Entrepreneurship Awards in Hong Kong in 2014 and was also awarded "Outstanding Entrepreneur" by Capital Entrepreneur in 2017. He graduated with a Bachelor of Science Degree in Applied Mathematics and Economics from Brown University (Magna Cum Laude). Before joining the Group, Mr. Gaw worked in the structured finance group at Goldman, Sachs & Co. in New York and in corporate finance with Goldman Sachs (Asia) LLC in Hong Kong. He is the son of Mrs. Rossana Wang Gaw, and the brother of Mr. Goodwin Gaw and Ms. Christina Gaw.

Ms. Christina GAW

Aged 53, Christina Gaw was appointed to the Board in 2014. She also serves as an Independent Non-executive Director and a Member of the Sustainability Committee of CLP Holdings Limited and an Independent Non-executive Director and a Member of the Audit Committee of JD Logistics, Inc. Both companies are listed on The Stock Exchange Hong Kong Limited. She is the Managing Principal and Global Head of Capital Markets, Co-Chair of Alternative Investments of Gaw Capital Partners. She works closely with limited partners relating to capital raising and new product developments. Since 2005, Gaw Capital Partners, a multi-asset investment management firm, has raised seven commingled funds in Asia, three US funds, one Vietnam fund, two hospitality funds and one growth equity fund alongside other global separate account mandates within the real estate space. Ms. Gaw was named Global PERE's Rainmaker 30 and one of the Top 10 PERE's Women of Influence in 2021. She was also honored as "Real Estate Visionary" by Asia Society Southern California in 2024 and listed among the PERE 100 Most Influential in 2025, ranking No. 50. Prior to joining Gaw Capital Partners, Ms. Gaw worked at Goldman Sachs (Asia) LLC for almost 9 years and UBS for 6 years as Managing Director with responsibilities as Head of Asian Regional Sales and latest capacity as Head of APAC Capital Introduction team within Prime Brokerage. Christina is also active in community and educational sector capacity work in Hong Kong. She is currently an honorary advisor of Hong Kong PropTech Association, a board member of InspiringHK Sports Foundation and an advisor of Teach for Hong Kong and Time Auction, a facilities committee member, finance committee member and board member of Hong Kong International School, board member of Stellart International School of Arts, corporate member of the Cheltenham Ladies College UK, school supervisor for TWGHs S. C. Gaw Memorial College. She has also served as a member of the Listing Committee of The Stock Exchange of Hong Kong Limited from 2022 to 2024, the council member of Lingnan University, Hong Kong from 2020 to 2025, the board member of The Women's Foundation for over 10 years from 2009 to 2019 and the board treasurer of The Hong Kong Ballet Group from 2010 to 2017. Christina received her B.S in Business Administration from the University of San Francisco, California. Ms. Gaw is the daughter of Mrs. Rossana Wang Gaw, and the sister of Mr. Goodwin Gaw and Mr. Kenneth Gaw.

Mr. Alan Kam Hung LEE

Aged 70, was appointed to the Board in 2013 and has been the Chief Financial Officer of the Group since 2000. He is also the Chief Operating Officer, Managing Director and Principal of Gaw Capital Partners, a multi-asset investment management firm. Mr. Lee graduated with a Bachelor of Science Degree in Civil Engineering from Imperial College London, a Master of Science Degree in Engineering from the University of Hong Kong and a Master of Business Administration Degree from the University of Toronto. He is a Chartered Professional Accountant (Canada) and a fellow member of the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Charles Wai Bun CHEUNG, JP

Aged 89, was appointed to the Board in 1986. He is the Chairman of the Audit Committee of the Company. Dr. Cheung holds an Honorary Doctor's Degree, a Master's Degree in Business Administration and a Bachelor of Science Degree. He has over 40 years of experience in the senior management of companies in various industries including over 30 years of experience of banking business in senior management positions. Dr. Cheung is an independent non-executive director and Chairman of Audit Committee of Modern Dental Group Limited and a non-executive director of Galaxy Entertainment Group Limited of which are listed on the main board of the Stock Exchange. He was formerly a director and Vice Chairman of the Executive Committee of Metropolitan Bank (China) Ltd. PRC. He also served as a director and director general of Audit Committee of China Resources Bank of Zhuhai Co. Ltd. He was previously an independent non-executive director of Shanghai Electric Group Company Limited (a Main Board listed company) and Universal Technologies Holdings Limited (a GEM Board listed company). He also formerly served as an independent non-executive director of Jiayuan International Group Limited (in liquidation), a company whose shares were delisted on the Main Board on 29 October 2024, during the period from 12 February 2016 to 30 April 2024. He is the advisor of the Institute of ESG & Benchmark. He was formerly a council member of The Hong Kong Institute of Directors. Dr. Cheung was formerly an Executive Deputy Chairman and Group Chief Executive of Mission Hills Group and Visiting Professor of School of Business of Nanjing University, China. He was a former director and advisor of Tung Wah Group of Hospitals, a former member of Hospital Governing Committee of both Kowloon Hospital and Hong Kong Eye Hospital and a former member of the Regional Advisory Committee of Kowloon of Hong Kong Hospital Authority. He was awarded the Directors of the year Awards 2002 of Listed Company Non-executive Director. Dr. Cheung was elected Outstanding Director Award by the Chartered Association of Directors, Outstanding Management Award by Chartered Management Association and Outstanding CEO Award by the Asia Pacific CEO Association in December 2010.

Mr. Arnold Tin Chee IP

Aged 63, was appointed to the Board in 1999. He is the Chairman of the Remuneration Committee of the Company. Mr. Ip is a graduate of Trinity College, Cambridge University. Mr. Ip is chairman of Altus Holdings Limited, a company listed on the GEM board of the Stock Exchange, which focuses on providing corporate finance services to listed and unlisted companies in Hong Kong, and property investment. He is an independent non-executive director of Sam Woo Construction Group Limited, a company listed on the main board of the Stock Exchange; and an independent non-executive director of SV Vision Limited (formerly known as Icicle Group Holdings Limited), a company listed on the GEM board of the Stock Exchange. He was an independent non-executive director of Pak Fah Yeow International Limited, a company listed on the main board of the Stock Exchange until September 2022. He was the chairman of Japan Residential Assets Manager Limited, manager of Saizen REIT which was listed in Singapore until it subsequently delisted in 2017. Between 1989 and March 1997, Mr. Ip worked for Standard Chartered Asia Limited and was a director of Yuanta Securities (Hong Kong) Limited thereafter until January 2001, specializing in a range of corporate finance and advisory activities for companies based in Hong Kong and China. From 1984 to 1988, he worked at Arthur Andersen & Co in London specializing in taxation and qualified as a Chartered Accountant in 1988.

Mr. Stephen TAN

Aged 72, was appointed to the Board in 2007. He was educated in the United States and holds a Bachelor's Degree in Business Administration at Rutgers University, and a Master's Degree in Business Administration at St. John's University. Mr. Tan is currently an executive director of Asia Financial Holdings Limited and was appointed as an independent non-executive director of China Motor Bus Company, Limited and Keck Seng Investments (Hong Kong) Limited in April 2014 and June 2019 respectively, and all of which are listed on the main board of the Stock Exchange. He also sits on the boards of Bank Consortium Trust Company Limited, BCT Financial Limited and AFH Charitable Foundation Limited. Mr. Tan serves as the Honorary President of the Federation of Hong Kong Shantou Community Organizations, the Honorary President of the Council of the Ninth Shantou Overseas Friendship Association, the Honorary President and Managing Director of Hong Kong Chiu Chow Chamber of Commerce Limited and the Chairman of Bangkok Mercantile (Hong Kong) Company Limited. He is a Managing Director of the Chinese General Chamber of Commerce, the Incumbent Honorary President of Chiu Yang Residents Association of Hong Kong Limited, the Supervisor of Chiu Yang Por Yen Primary School and the Manager of Chiu Yang Primary School of Hong Kong. Mr. Tan is also a voting member of Tung Wah Group of Hospitals and a charter member of the Rotary Club of The Peak thus the Chairman of Customs and Excise Service Children's Trust Fund Committee. Mr. Tan remains a Voting member of Hong Kong Sinfonietta Limited but ceased to be a member of its Board of Governors with effect from 31 March 2026. He also ceased to be a board member of Hong Kong Life Insurance Limited upon the expiry of his term of office in October 2025.

Mr. Kin CHAN

Aged 60, Mr. Chan is the founding shareholder of Argyle Street Management Limited and has been the Chief Investment Officer since its inception in 2002. He is the Chairman and a deemed Executive Director of TIH Limited and a Non-Executive Non-Independent Director of OUE Limited, both listed on the Singapore Exchange. He is also a Non-Executive Director of CITIC Resources Holdings Limited, a natural resources company listed on the main board of the Stock Exchange, and a member of the board of commissioners of PT Lippo Karawaci Tbk, a real estate company listed on Indonesia Stock Exchange. Mr. Chan was the Chief Executive and Managing Director of Lazard Asia Limited ("Lazard") from 2000 to 2001 and managed the firm's advisory business in Asia outside of Japan. Prior to joining Lazard, Mr. Chan was an Executive Director at Goldman, Sachs & Co. where he worked in Hong Kong, New York and Singapore from 1992 to 1999. Mr. Chan has over 30 years experience in international capital markets, investment banking, corporate advisory and major transactions, particularly in Asia. Mr. Chan holds an AB degree from Princeton University and a Master's degree in Business Administration from the Wharton School of University of Pennsylvania where he was a Palmer Scholar.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Good corporate governance provides a framework that is essential for effective management, healthy corporate culture, successful business growth and better shareholders' value. The Group's corporate governance practices emphasize a well-balanced quality Board, effective risk management and internal control and accountability to shareholders. The Company has adopted the principles and the corporate governance code (the "CG Code") set out in Part 2 of Appendix C1 of the Listing Rules. The Company has complied with all the code provisions set out in the CG Code throughout the year under review.

PURPOSE, VALUES AND STRATEGY

The Group aims to generate attractive returns to the Shareholders by investing in real estates assets. Operating with integrity, social responsibility and environmental sustainability are the Group's guiding principles. To this end, the Group upholds high probity standards, ethical and anti-corruption business practices, and embraces green property management to minimize the environmental footprint.

The Board has been adopting a strategy to focus on the long term sustainable returns instead of short term gains. This also enables the Group to fulfill its social responsibility and environmental sustainability obligations.

THE BOARD OF DIRECTORS

Responsibilities of the Board

The Company is headed by an effective Board which is accountable to shareholders for the long-term performance and interests of the Company. The Board is responsible for directing business affairs of the Group which include determining the corporate objectives and business strategies, setting appropriate policies to manage risks and performing the corporate governance function. On the other hand, the Board delegated the management with the day to day running and operational matters of the Group.

Regarding the corporate governance duties, the Board as a whole is responsible for developing and reviewing the policies and practices on corporate governance and the legal and regulatory compliance; reviewing and monitoring the code of conduct and ethical behavior applicable to the Directors and employee; reviewing and monitoring the training and continuous professional development of Directors; and reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the year under review, the Board has reviewed the corporate governance practices of the Company and the disclosure in this corporate governance report. It also monitored the training and continuous professional development of Directors regularly.

Decisions on important matters, including those affect the Group's strategic policies, annual and interim results, material transactions and funding exercises are reserved to the Board whereas the Group's general operations decisions are reserved to the management. The respective functions to the Board and the management have been formalized and set out in writing and are reviewed annually to ensure that they remain appropriate to the Company.

Composition of the Board

The Board currently comprises nine Directors, including five Executive Directors and four Independent Non-executive Directors. The number of Independent Non-executive Directors in the Company represents more than one-third of the Board, which satisfied the requirement under Rule 3.10(A) of the Listing Rules. The biographical details of the Directors including their names, positions and relationships are set out on pages 18 to 21. In particular, Mrs. Rossana Wang Gaw (Chairman) is the mother of Mr. Goodwin Gaw (Vice Chairman), Mr. Kenneth Gaw (Managing Director) and Ms. Christina Gaw (Executive Director). Save as aforesaid, none of the members of the Board is related to one another.

The Company has maintained on its website and that of Stock Exchange an updated list of Directors identifying their roles and functions and disclosed the names of Directors, including those Independent Non-executive Directors, in all corporate communications.

Chairman and Managing Director

The roles of the Chairman and the Managing Director of the Company are separate to reinforce their respective independence and accountability.

The Chairman provides leadership to and oversees the effective functioning of the Board with good corporate governance practices. The Chairman should encourage all directors to make positive contribution to and act in the best interest of the Company. With the support of the senior management, the Chairman ensures that all Directors receive adequate, complete and reliable information, and are properly briefed on issues arising at Board meetings and that all key and appropriate issues are discussed by the Board in a timely manner. The Chairman should also create an environment that promotes constructive discussion among Board members and effective communication with shareholders.

The Managing Director heads the management and focuses on implementing objectives, policies and strategies approved and delegated by the Board. He has the executive responsibilities over the Company's day-to-day management and operation.

During the year under review, the Chairman of the Company is Mrs. Rossana Wang Gaw and the Managing Director is Mr. Kenneth Gaw.

Independent Non-executive Director

Each Independent Non-executive Director is appointed for a term of three years and is subject to retirement by rotation and re-election at the AGM in accordance with the provisions of the Bye-Laws. There is at least one Independent Non-executive Director possesses appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The active participation of the Independent Non-executive Directors in the Board and committee meetings brings an independent and constructive view on issues such as, strategy, policy, performance, accountability, resources, key appointments and standards of conduct; helps to scrutinize the Company's performance in achieving agreed corporate goals and objectives, and monitors performance reporting as well as protects the minority interests.

The Company has received in writing the annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the Independent Non-executive Directors and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment.

Any re-appointment of an Independent Non-executive Director who has served the Board for more than nine years will be subject to a separate resolution to be approved by shareholders. Reasons will be given in the circular to shareholders to explain why the Board believes those Independent Non-executive Directors are still independent and should be re-elected.

If an Independent Non-executive Director is holding his seventh (or more) listed company directorship, the Board will explain in the circular why he will still be able to devote sufficient time to the Board.

Directors and Officers Liability Insurance

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group. The insurance coverage is reviewed and renewed on annual basis.

Board Meetings and Procedures

The Board meets regularly, and at least four times a year, to review the business development and discuss any matters arising from corporate governance, risk management, accounting and financing. Additional meetings will be held upon the request of the members when they think necessary. Every Director is entitled to have full access to information on the Group and may, in appropriate circumstances, take independent professional advice at the Company's expense.

In respect of regular Board meetings, at least 14 days' notice is normally given to all Directors and all Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying Board papers in respect of regular Board meetings are sent out in full to all Directors within reasonable time before the Board meetings, which enable the Board to make an informed decision on the matters. Draft minutes of every Board meeting are circulated to all Directors for their comment within a reasonable time after the Board meeting is held. All the minutes are kept by the Company Secretary and available for inspection by any Director.

All Directors, including the Independent Non-executive Directors, have devoted a reasonable amount of time and effort to the business affairs of the Company. The decisions made are collective decisions of all Directors after thorough discussion at the Board meetings. According to the current Board practices, any material transaction, which involves a conflict of interest for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting and the director concerned will abstain from voting.

During the financial year, five Board meetings, the 2025 AGM and one extraordinary general meeting were held. The composition of the Board and attendance record of each Director at these meetings are set out below:

Directors	Number of Board Meeting attended	Number of General Meeting attended
Executive Directors		
Rossana Wang Gaw *(Chairman)*	5/5	2/2
Goodwin Gaw *(Vice Chairman)*	5/5	2/2
Kenneth Gaw *(Managing Director)*	5/5	2/2
Christina Gaw	4/5	1/2
Alan Kam Hung Lee	5/5	2/2
Independent Non-executive Directors		
Dr. Charles Wai Bun Cheung, JP	5/5	2/2
Arnold Tin Chee Ip	5/5	2/2
Stephan Tan	5/5	2/2
Kin Chan	5/5	2/2

Directors' Induction and Training

On appointment to the Board, each newly appointed director receives a comprehensive induction package covering policies and procedures of the Company as well as the general, statutory and regulatory obligations of being a director to ensure that he is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements.

All Board members are encouraged to update their knowledge of and familiarity with the business environment related to the Group through active participation at Board meetings and enrolling in a wide range of professional development courses and seminars relating to the Listing Rules, Companies Ordinance, corporate governance practices and professional skills at the Company's expense. The Company provides Directors with regular updates on the performance, financial position and latest development of the Group. Directors are also updated on any material changes in the Listing Rules, Companies Ordinance, rules and regulatory requirements related to directors' duties and responsibilities from time to time.

All Directors have provided the Company Secretary with their training record for the financial year under review and the training received by each Director is summarized below:

Directors	Reading journals, Newspapers and/or updates*	Attending seminars, webinars, forums and/or conference*
Executive Directors		
Rossana Wang Gaw *(Chairman)*	✓	✓
Goodwin Gaw *(Vice Chairman)*	✓	✓
Kenneth Gaw *(Managing Director)*	✓	✓
Christina Gaw	✓	✓
Alan Kam Hung Lee	✓	✓
Independent Non-executive Directors		
Dr. Charles Wai Bun Cheung, JP	✓	✓
Arnold Tin Chee Ip	✓	✓
Stephen Tan	✓	✓
Kin Chan	✓	✓

* All the trainings are related to corporate governance, rules and regulations, market and economic analysis, accounting, financial, management, professional skills and/or directors' duties and responsibilities.

Risk Management and Internal Control

The Board acknowledges its responsibility for the risk management and internal control systems of the Company and reviewing their effectiveness. It has the overall responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains an appropriate and effective risk management and internal control systems. The Board also oversees the management in the design, implementation and monitoring of the risk management and internal control systems, and the management should provide a confirmation to the Board on the effectiveness of the systems.

The Board, through the Audit Committee, assesses the effectiveness of the Group's risk management and internal control systems, which covers all material controls, including financial, operational and compliance controls, on at least annual basis, reviews the effectiveness of the internal audit function, and also considers the adequacy of resources, staff qualifications and experience, training programmes and budgets.

The Company's risk management and internal control systems have five components, including control environment, risk assessment, control activities, information and communication, and monitoring which are embedded in each business unit or functional area. Such systems are designed to manage, rather than eliminate, the risk associated in failing to achieve certain business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The management with the coordination of different business units implements the risk management and internal control systems in accordance to the Board's direction. They meet regularly to review and identify any significant management and operational risks and each of identified risks is assessed and evaluated of its impact and likelihood. Various controls or safeguards are taken to address the significant risks. Timely and accurate information are effectively communicated among operational staff and the management. Material issues, particularly any incidence of control failings or weaknesses that may cause material impact on the business of the Group is to be reported to the Board and the Audit Committee on a timely basis.

The internal audit function undertaken by the internal auditor is also established to monitor the Group's internal governance and strive to provide an objective assurance to the Board on the adequacy, efficiency and effectiveness of the Group's risk management and internal control systems maintained by the management and to provide recommendations for improvement. The annual internal audit plan is reviewed and approved by the Audit Committee.

When handling and dissemination of inside information, senior management of the Company must take all reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company from time to time. They must promptly bring any possible leakage or divulgence of inside information to the attention of the Chief Financial Officer, who will notify the Board accordingly for taking the appropriate action promptly. Employees are required to keep confidential and are not permitted to the unauthorized use of all information relating to our suppliers, clients, transactions and the use of confidential information for the benefit of themselves and any third party is restricted.

In the year under review, the Board, through the Audit Committee and the external auditor, conducted the review of effectiveness of the Group's risk management and internal control systems, including all material financial, operational and compliance controls and assessed the adequacy of resources, qualification and experience of the staff of the Company's accounting and financial reporting function, and their training programs and budgets and the review of the internal audit function for the year ended 31 March 2026. The result of assessment was satisfactory and the Board was not aware any significant issues that would have an adverse impact on the effectiveness and adequacy of the systems of the Group. Also the management provided a confirmation to the Audit Committee and the Board on the effectiveness of the systems.

BOARD COMMITTEES

Remuneration Committee

As at 31 March 2026, the Remuneration Committee consisted of four Independent Non-executive Directors, including Mr. Arnold Tin Chee Ip (Chairman), Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Kin Chan. The responsibilities and functions of the Remuneration Committee are set out in its terms of reference and are available on the websites of the Company and the Stock Exchange.

The principal duties of the Remuneration Committee are to make recommendations to the Board regarding the Company's remuneration policy and structure; to assess the performance of executive directors; and to review and approve the remuneration packages of all the Directors and senior executives.

A formal and transparent remuneration policy is in place to determine the remuneration packages of Directors and senior management. The remuneration policy is built upon the principle of providing market competitive remuneration package with reference to corporate goals and objectives, his/her position, duties, responsibilities, time commitment and prevailing market condition. The remuneration packages of executive directors and senior management comprising basic salary and annual discretionary bonus.

The Remuneration Committee consults the Chairman and the Managing Director about their proposals relating to the remuneration of the Executive Directors and reviews and make recommendations to the remuneration of Directors and senior management with reference to the remuneration policy of the Company. Sufficient resources are provided to the Committee to discharge its duty. The Committee members can access to independent professional advice at the Company's expense if necessary.

During the financial year, one Remuneration Committee meeting was held and attendance record of each Director is set out as below:

Directors	Number of Remuneration Committee Meeting attended
Independent Non-executive Directors	
Arnold Tin Chee Ip *(Chairman)*	1/1
Dr. Charles Wai Bun Cheung, JP	1/1
Stephen Tan	1/1
Kin Chan	1/1

During the financial year, the Remuneration Committee assessed the performance of the Executive Directors, and approved the remuneration packages for the Executive Directors for year 2026 and the bonus for year 2025 with reference to the Group's corporate goals and objectives as well as the remuneration policy and reported the same to the Board. Details of the Directors' remuneration for year 2026 are set out in note 13 to the financial statements.

Audit Committee

As at 31 March 2026, the Audit Committee consisted of four Independent Non-executive Directors, including Dr. Charles Wai Bun Cheung, JP (Chairman), Mr. Arnold Tin Chee Ip, Mr. Stephen Tan and Mr. Kin Chan. The responsibilities and functions of the Audit Committee are set out in its terms of reference and are available on the websites of the Company and the Stock Exchange.

The principal duties of the Audit Committee are to assists the Board in overseeing financial reporting, risk management, and internal control systems within its terms of reference. They include reviewing the financial statements; overseeing external and internal audit functions; assessing the effectiveness of risk management and internal control systems; reviewing connected transactions, and ensuring compliance with applicable laws and regulations. The Audit Committee meets at least twice a year with external auditor and is provided with sufficient resources to discharge its duty and access to independent professional advice at the Company's expense if necessary.

During the financial year, four Audit Committee meetings were held and attendance record of each Director is set out as below:

Directors	Number of Audit Committee Meeting attended
Independent Non-executive Directors	
Dr. Charles Wai Bun Cheung, JP *(Chairman)*	4/4
Arnold Tin Chee Ip	4/4
Stephen Tan	4/4
Kin Chan	4/4

During the year, the Audit Committee reviewed the interim and annual financial statements and reports of the Group with the external auditor and the management before recommending them to the Board for consideration and approval. The Committee also reviewed the continuing connected transactions, monitored the integrity of the financial statements and considered changes in accounting policies and practices and their impact on the Group's financial statements.

In addition, the Audit Committee assisted the Board in meeting its responsibilities for maintaining an effective systems of risk management and internal control and the internal audit function during the financial year. The Committee reviewed the risk management and internal control systems report and internal audit report prepared by the management/internal auditor and discussed the same with the external auditor to ensure the effectiveness and efficiency of the Group's operation. The external auditor and the Audit Committee were satisfied that the overall financial and operational controls for the Group continued to be effective. The work and finding of the Audit Committee were reported to the Board.

Furthermore, the Audit Committee reviewed and recommended the appointment of the new auditor of the Company during the year.

Nomination Committee

As at 31 March 2026, the Nomination Committee consisted of four Independent Non-executive Directors and one Executive Director. Mrs. Rossana Wang Gaw is the Chairman of the Nomination Committee whereas Dr. Charles Wai Bun Cheung, JP, Mr. Arnold Tin Chee Ip, Mr. Stephen Tan and Mr. Kin Chan are the Committee members. The responsibilities and functions of the Nomination Committee are set out in its terms of reference and are available on the websites of the Company and the Stock Exchange.

The principal duties of the Nomination Committee are to review the structure, size and composition of the Board; to assess the independence of the Independent Non-executive Directors; and to make recommendation to the Board on selection of candidates for directorship, on appointment or reappointment of directors and on succession planning for directors, in particular the chairman and the chief executive.

The Company recognises and values the benefits of having a diverse Board and has adopted a board diversity policy with the objective of promoting diversity among the Company's board of directors. The board diversity policy takes into account a range of factors, including professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service. Under the board diversity policy, the Nomination Committee is responsible for leading the progress for Board appointments.

As at 31 March 2026, the Board consisted of seven male Directors and two female Directors and the gender ratio was 7:2 male to female. The Board considered that the Board was sufficiently diverse in terms of gender and balance of skills and experience. The gender ratio in the workforce (including senior management) was 1:2 male to female. The Company will continue to review our board diversity policy and our recruitment policy to promote gender diversity at all levels of the Group.

When there is a vacancy or an addition of director, the Committee will identify suitable candidates internally and externally for nomination. The Committee will assess the candidates including but not limited to character and reputation, qualifications (including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy), the willingness and ability to devote sufficient time to discharge duties as a member of the Board, and the board diversity policy. All directors so appointed by the Board are subject to election by shareholders at the forthcoming general meeting.

During the financial year, one Nomination Committee meeting was held and attendance record of each Director is set out as below:

Directors	**Number of Nomination Committee Meeting attended**
Executive Director	
Rossana Wang Gaw *(Chairman)*	1/1
Independent Non-executive Directors	
Dr. Charles Wai Bun Cheung, JP	1/1
Arnold Tin Chee Ip	1/1
Stephen Tan	1/1
Kin Chan	1/1

During the financial year, the Nomination Committee reviewed the structure, size and composition of the Board and the board diversity policy, assessed the independence of Independent Non-executive Directors and discussed the re-appointment of retiring Directors at 2026 AGM.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge that they are responsible for preparing the accounts in accordance with generally accepted accounting standards in Hong Kong, the requirements of the Listing Rules and applicable laws as well as the integrity of the financial information so reported. Starting from April 2012, the Company has provided all Directors with monthly management updates of the Company's performance, financial positions and other major matters, giving a balanced and understandable assessment to each Director to discharge their duties.

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to prepare the consolidated financial statements of the Company for the year ended 31 March 2026 (the "Consolidated Financial Statements") on the going concerns basis. The Consolidated Financial Statements have been audited by the external auditor, Baker Tilly Hong Kong Limited, and reviewed by the Audit Committee. The Auditor's reporting responsibilities are included in the Independent Auditor's Report on pages 36 to 41.

For the financial year ended 31 March 2026, the fees charged by the external auditor of the Company for their statutory audit services amounted to HK$700,000 (2025: HK$660,000) and no non-audit services were provided to the Group.

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Board has adopted the anti-corruption policy and code of conduct setting out the obligation of Group's directors, employees and related parties to foster the Group's standards of business conduct and to protect the Group's reputation from dishonesty, disloyalty or corruption.

The Board has also adopted the whistleblowing policy setting out the system for employees and those who deal with the Group to raise concern, in confidence and anonymity, if required and appropriate, with the Audit Committee of the Company, about any breach of the anti-corruption policy and code of conduct or any other improprieties related to the Group.

The anti-corruption policy and code of conduct and the whistleblowing policy are available on the websites of the Company.

DIRECTORS' DEALING IN SHARES OF THE COMPANY

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its code of conduct for securities transactions by Directors of the Company. The Company having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2026.

The relevant employees who are likely to be in possession of inside information of the Company are also required to comply with the provisions of the Model Code.

COMPANY SECRETARY

Our Company Secretary, a full time employee of the Company, is responsible for assisting the Board on corporate governance matters and communication with shareholders. All Directors have access to the advice and services of the Company Secretary on corporate governance and Board practices and matters. For the year under review, the Company Secretary has confirmed that she has undertaken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to convene a special general meeting

Pursuant to the Companies Act of Bermuda, a special general meeting may be convened by the Board of Directors upon requisition by any shareholder(s) holding not less than one-tenth of the paid-up capital of the Company as at the date of deposit carries the right of voting at the general meetings of the Company. The requisition must state the purpose of the meeting, and each must be signed by the relevant shareholders and deposited to the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

If the Board of Directors does not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the shareholder(s), or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedure for Shareholders to put forward proposals at a general meeting

Pursuant to the Companies Act of Bermuda, either any number of the registered shareholders holding not less than one-twentieth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolutions which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to receive notice of the next general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or business to be dealt with at that meeting.

Each of requisition must be signed by the relevant shareholders and deposited to the registered office of the company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda not less than six weeks before the meeting, in case of a requisition requiring notice of a resolution; and not less than one week before the meeting, in case of any other requisition, together with a sum reasonably sufficient to meet the Company's expense in sending the notice.

Procedure for Shareholders to propose a person for election as a director

The procedure for proposing a person for election as a director is stated at the Company's website under the Corporate Governance Section.

Procedure for Shareholders to direct enquiries to the Board

Any enquiries by shareholders drawing the Board's attention can be sent in writing to the Company Secretary at the Company's principal place of business in Hong Kong or via email (info@pioneerglobalgroup.com). Shareholders may also make enquiries during the general meetings of the Company.

Constitutional Documents

On 11 September 2025, the shareholders at the AGM had passed a special resolution to the adoption of the second amended and restated Bye-Laws to, among other things, (i) bring the Bye-laws up to date and in line with the latest regulatory requirements in relation to holding hybrid or electronic general meetings, providing voting by the shareholders of the Company by electronic means; (ii) allow the Company to hold and dispose of the shares of the Company as treasury shares, and the relevant amendments made to the Listing Rules; and (iii) incorporate certain consequential and house-keeping amendments where it is considered desirable. An up-to-date version of the Bye-Laws is available on the websites of the Company and the Stock Exchange.

DIVIDEND POLICY

The Company endeavors to maintain a balance between shareholders' interests and prudent capital management with sustainable dividend policy.

When proposing any dividends payout, the Board shall take into account, inter alia, global economics conditions, the Group's financial conditions and business performance; stable and sustainable returns to the shareholders; the expected future operations and working capital requirements; the Company's business plans and strategies; and other internal/external factors that may have an impact on the business or financial performance of the Group; any restrictions on payment of dividends and any other factors that the Board considers relevant.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders and had adopted the shareholders' communication policy setting out the channels of communication with the shareholders and other stakeholders. Information in relation to the Group is disseminated to them in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. They can also visit the Company's website (www.pioneerglobalgroup.com or www.irasia.com/listco/hk/pioneer) for relevant corporate and financial information.

The Board regards the Company's AGM another valuable forum to communicate directly with the shareholders. The Chairman, the management, Independent Non-executive Directors and external auditor participate in the meeting to answer any questions from the shareholders. An AGM circular is distributed to all shareholders at least 20 clear business days prior to the AGM. To facilitate enforcement of the shareholders' rights, significant issues are dealt with under separate resolutions. All resolutions at the AGM will be decided on a poll and the Company will engage external scrutineer for proper counting of the votes. Results of the poll will be published on the websites of the Company and the Stock Exchange.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy during the year and considered that the policy was able to facilitate an open and ongoing communication with the Shareholders on a fair disclosure basis.

The 2025 AGM was held on 11 September 2025 and at which the Board and senior management of the Group had exchanged views with the shareholders about the business of the Group.

Independent Auditor's Report

bakertilly
天職國際

TO THE SHAREHOLDERS OF
PIONEER GLOBAL GROUP LIMITED
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Pioneer Global Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 42 to 118, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We 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.

OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by another independent auditor whose report dated 27 June 2025 expressed an unmodified opinion on those consolidated financial statements.

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	How the matter was addressed in our audit
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the inherent level of subjective judgements and estimates required in determining the fair values. The Group's investment property portfolio comprises retail, office and residential properties, and is stated at fair value of HK$7,855,214,000 in aggregate, accounting for approximately 72% of the Group's total assets as at 31 March 2026 with a fair value loss of HK$2,074,000 recognised in the consolidated statement of profit or loss for the year then ended. All the Group's investment properties are measured at fair value based on valuations performed by an independent qualified professional valuer engaged by the Company. Details of the valuation techniques and key inputs used in the valuations are disclosed in Note 14 to the consolidated financial statements.	Our procedures in relation to the valuation of investment properties included: • Understanding the nature and extent of internal control in place over management's process for making the valuation; • Evaluating the competence, capabilities, and objectivity of the valuer and obtaining an understanding of the valuer's scope of work and their terms of engagement; • Obtaining and reviewing the valuation reports prepared by the valuer; • Evaluating the appropriateness of the valuer's valuation approach to assess if they were consistent with the industry norms and in accordance with the relevant accounting standards; • Evaluating and challenging the reasonableness of the key assumptions and inputs underpinning the valuation; and • Comparing the market transactions and market rental with similar properties and locations.

KEY AUDIT MATTERS *(Continued)*

Key audit matters	How the matter was addressed in our audit
Valuation of interest in associates	
We have identified the valuation of interest in associates as a key audit matter because of its material impact on the Group's consolidated financial statements and the management judgement involved in the preparation of the financial information of the associates. As disclosed in Note 16, the Group's interest in associates amounted to approximately HK$2,410,318,000, accounting for approximately 22% of the Group's total assets to the consolidated financial statements as at 31 March 2026. Included in this balance, Supreme Key Limited ("Supreme Key") is the most significant associate of the Group, with the aggregate amount of Group's share of net assets and amount due from an associate, amounted to approximately HK$1,744,283,000, accounting for 16% of the Group's total assets to the consolidated financial statements as at 31 March 2026. The principal underlying asset of Supreme Key comprises an unlisted equity instrument measured at fair value through profit or loss. This investee holds an investment property used for hotel operations. The investment property is measured at fair value based on valuations performed by an independent qualified professional valuer. The valuation of the investment property involves significant management judgement and estimation in determining the appropriate assumptions and inputs. Accordingly, we identified the valuation of the Group's interest in Supreme Key as a key audit matter.	Our procedures in relation to the valuation of the interest in associates included: • Discussing with the management of the Group about the financial reporting process of Supreme Key and how the associate prepared the financial statements, in particular, whether the accounting policies used by the associate in preparing its financial statements were in line with the Group's accounting policies; • Performing an audit of Supreme Key in accordance with the requirements of HKSAs; • Arranging and receiving audit confirmations for the balance of amounts due from associates; and • With regard to the investment property held by the investee of Supreme Key, performing procedures consistent with those applied in addressing the key audit matter "Valuation of investment properties" as described above.

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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 90 of Bermuda Companies Act, 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.

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

- 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 activities units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit.

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

The engagement director on the audit resulting in this independent auditor's report is Del Rosario, Faith Corazon.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 25 June 2026
Del Rosario, Faith Corazon
Practising certificate number P06143

Consolidated Statement of Profit or Loss

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	6, 7		
Contracts with customers		**40,504**	39,640
Leases		**160,019**	172,555
Interest under effective interest method		**13,071**	14,375
Investment income		**9,187**	13,361
Total revenue		**222,781**	239,931
Properties operating expenses		**(49,896)**	(49,008)
Staff costs	9	**(19,814)**	(19,727)
Depreciation of property, plant and equipment	9	**(395)**	(490)
Allowance for expected credit losses ("ECL") on accounts receivables	9	**(574)**	–
Other expenses		**(4,391)**	(4,045)
		(75,070)	(73,270)
Operating profit		**147,711**	166,661
Share of results of associates		**63,707**	(109,301)
Changes in fair value of investment properties	14	**(2,074)**	(34,012)
Changes in fair value of equity instruments at fair value through profit or loss ("FVTPL")	17	**(48,496)**	(64,347)
Other gains and losses		**(1,692)**	(93)
Finance costs	8	**(96,388)**	(120,389)
Profit/(loss) before taxation	9	**62,768**	(161,481)
Taxation	10	**(3,341)**	(1,829)
Profit/(loss) for the year		**59,427**	(163,310)
Attributable to:			
Shareholders of the Company		**52,289**	(161,696)
Non-controlling interests		**7,138**	(1,614)
Profit/(loss) for the year		**59,427**	(163,310)
		HK cents	*HK cents*
Earnings/(loss) per share			
– Basic	12	**4.53**	(14.01)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	2026 *HK$'000*	2025 *HK$'000*
Profit/(loss) for the year	**59,427**	(163,310)
Other comprehensive (expense)/income:		
Item that will not be reclassified subsequently to profit or loss:		
Changes in fair value of equity instruments designated at fair value through other comprehensive income ("FVTOCI")	**(514)**	10,100
Item that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of associates	**25,418**	3,840
Other comprehensive income for the year, net of tax	**24,904**	13,940
Total comprehensive income/(expense) for the year	**84,331**	(149,370)
Attributable to:		
Shareholders of the Company	**72,932**	(149,544)
Non-controlling interests	**11,399**	174
Total comprehensive income/(expense) for the year	**84,331**	(149,370)

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	**2026** HK$'000	2025 HK$'000
Non-current assets			
Investment properties	*14*	**7,855,214**	7,857,288
Property, plant and equipment	*15*	**1,581**	1,976
Interests in associates	*16*	**2,410,318**	2,329,454
Equity instruments designated at FVTOCI	*17*	**183,043**	179,324
Equity instruments at FVTPL	*17*	**38,013**	86,511
Other assets		**300**	300
		10,488,469	10,454,853
Current assets			
Accounts and other receivables	*18*	**18,222**	25,333
Tax recoverable		**669**	1,263
Bank balances and cash	*19*	**388,359**	389,634
		407,250	416,230
Total assets		**10,895,719**	10,871,083
Current liabilities			
Accounts and other payables	*20*	**54,047**	58,776
Secured bank loans	*21*	**721,383**	57,883
Tax payables		**1,218**	950
		776,648	117,609
Net current (liabilities)/assets		**(369,398)**	298,621
Total assets less current liabilities		**10,119,071**	10,753,474

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Other payables	20	33,828	30,315
Secured bank loans	21	1,501,734	2,223,117
Deferred tax liabilities	22	63,503	63,842
		1,599,065	2,317,274
Net assets		8,520,006	8,436,200
Capital and reserves			
Share capital	23	115,404	115,404
Reserves		7,281,034	7,208,102
Equity attributable to shareholders of the Company		7,396,438	7,323,506
Non-controlling interests		1,123,568	1,112,694
Total equity		8,520,006	8,436,200

The consolidated financial statement on pages 42 to 118 were approved and authorised for issue by the Board of Directors on 25 June 2026 and are signed on its behalf by:

Kenneth Gaw
Director

Alan Kam Hung Lee
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to shareholders of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve and contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Property revaluation reserve *HK$'000*	Retained earnings *HK$'000*	Subtotal *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 April 2025	115,404	547,748	41,242	(19,093)	96,134	174,497	6,367,574	7,323,506	1,112,694	8,436,200
Profit for the year	–	–	–	–	–	–	52,289	52,289	7,138	59,427
Other comprehensive (expense)/ income for the year										
– Changes in fair value of equity instruments designated at FVTOCI	–	–	–	–	(4,775)	–	–	(4,775)	4,261	(514)
– Exchange difference on translation of associates	–	–	–	25,418	–	–	–	25,418	–	25,418
Total comprehensive income/ (expense) for the year	–	–	–	25,418	(4,775)	–	52,289	72,932	11,399	84,331
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(525)	(525)
At 31 March 2026	115,404	547,748	41,242	6,325	91,359	174,497	6,419,863	7,396,438	1,123,568	8,520,006

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to shareholders of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve and contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Property revaluation reserve *HK$'000*	Retained earnings *HK$'000*	Subtotal *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 April 2024	115,404	547,748	41,242	(22,933)	88,646	174,497	6,528,446	7,473,050	1,113,027	8,586,077
Loss for the year	–	–	–	–	–	–	(161,696)	(161,696)	(1,614)	(163,310)
Other comprehensive income for the year										
– Changes in fair value of equity instruments designated at FVTOCI	–	–	–	–	8,312	–	–	8,312	1,788	10,100
– Exchange difference on translation of associates	–	–	–	3,840	–	–	–	3,840	–	3,840
Total comprehensive income/ (expense) for the year	–	–	–	3,840	8,312	–	(161,696)	(149,544)	174	(149,370)
Disposal of equity instruments designated at FVTOCI	–	–	–	–	(824)	–	824	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(507)	(507)
At 31 March 2025	115,404	547,748	41,242	(19,093)	96,134	174,497	6,367,574	7,323,506	1,112,694	8,436,200

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	**2026** **HK$'000**	2025 HK$'000
Cash flows from operating activities			
Profit/(loss) before taxation		**62,768**	(161,481)
Adjustments for:			
Interest income	*7*	**(13,071)**	(14,375)
Dividend income	*7*	**(9,187)**	(13,361)
Finance costs	*8*	**96,388**	120,389
Allowance for ECL on accounts receivables	*9*	**574**	–
Depreciation of property, plant and equipment	*9*	**395**	490
Other gains and losses		**(95)**	93
Changes in fair value of investment properties	*14*	**2,074**	34,012
Changes in fair value of equity instruments at FVTPL	*17*	**48,496**	64,347
Share of results of associates		**(63,707)**	109,301
Operating cash flows before movements in working capital		**124,635**	139,415
Decrease in accounts and other receivables		**6,382**	3,078
(Decrease)/increase in accounts and other payables		**(699)**	288
Cash generated from operations		**130,318**	142,781
Hong Kong profits tax paid		**(2,907)**	(1,646)
Hong Kong profits tax refunded		**89**	–
Net cash generated from operating activities		**127,500**	141,135

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		–	(24)
(Advance to)/repayment from associates		(40)	9,066
Return of capital from associates		–	17,417
Dividend received from associates		8,396	9,779
Purchase of equity instruments designated at FVTOCI		(23)	(38)
Proceeds from return of capital of equity instruments designated at FVTOCI		178	31
Proceeds from return of capital of equity instruments at FVTPL		2	1
Proceeds from disposal of equity instruments designated at FVTOCI		–	3,838
Dividend received from equity instruments designated at FVTOCI		4,799	13,361
Interest received		13,226	14,269
Net cash generated from investing activities		26,538	67,700
Cash flows from financing activities			
Repayment of bank loans	24	(57,883)	–
Interest paid	24	(95,150)	(120,214)
Other finance costs paid	24	(1,755)	(867)
Dividend paid to non-controlling shareholders of subsidiaries		(525)	(507)
Net cash used in financing activities		(155,313)	(121,588)
Net (decrease)/increase in cash and cash equivalents		(1,275)	87,247
Effect of foreign exchange rate changes		–	(115)
Cash and cash equivalents at the beginning of the year		389,634	302,502
Cash and cash equivalents at the end of the year		388,359	389,634
Analysis of the balances of cash and cash equivalents			
Bank balances, cash and deposits placed with banks up to three months' maturity	19	388,359	389,634

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. GENERAL INFORMATION

Pioneer Global Group Limited (the "Company") is a limited liability company, incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Mrs. Rossana Wang Gaw, who is also the chairman of the Group. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report. The principal activity of the Company is investment holding and the principal activities of its major subsidiaries and associates are shown in Notes 32 and 16 respectively.

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

(a) Amendments to an HKFRS Accounting Standard that are mandatory effective for the current year

The accounting policies and methods of computation used by the Company and its subsidiaries (collectively referred to as the "Group") in the preparation of the consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 March 2025, except for the changes as set out below:

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

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard 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)*

(b) 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 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]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[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 amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be recognised to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

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

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective *(Continued)*

Amendments to HKFRS 9 and HKFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" *(Continued)*

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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 "Accounting Policies, Changes in Accounting Estimates and Error" and HKFRS 7 "Financial Instruments: Disclosures". 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. HKFRS 18 requires retrospective application with specific transition provision. The application of the new standard is not expected to have significant impact on the financial position and performance 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

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by 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 (the "Listing Rules") and by the Hong Kong Companies Ordinance.

As at 31 March 2026, the Group's current liabilities exceeded its current assets by approximately HK$369,398,000.

Nevertheless, the directors had adopted the going concern basis in the preparation of the Group's consolidated financial statements, based on the circumstances and expectation including but not limited to the following:

(a) As at 31 March 2026, the Group had total cash and cash equivalents of approximately HK$388,359,000; unutilised bank facilities amounted to approximately HK$50,000,000 were available; and approximately HK$1,713,000,000 investment properties which can be used to generate additional working capital through banks or financial institutes for the Group; and

(b) The management believes that it is highly probable that the secured bank loans of HK$663,500,000 will be renewed at its maturity date on 18 January 2027.

Based on the aforesaid factors and consideration of the cash flow forecast for the coming twelve months, the directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group will continue to adopt a going concern basis of accounting when preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. 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 (collectively referred to as the "Group"). Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) 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.

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 from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates, except for associates being investment entities, are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Investment entity associates measure their investments in subsidiaries at fair value. In applying the equity method to such associates, the Group retains the fair value measurement applied by those associates in accordance with HKAS 28 "Investments in Associates and Joint Ventures". Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost. The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post-acquisition change in the group's share of the associate's net assets and any impairment loss relating to the investment.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Associates *(Continued)*

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

In the Company's statement of financial position (see Note 30), the interests in associates is stated at cost less any impairment losses.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being 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 disposals. 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the reducing balance method at 20% p.a..

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in the property revaluation reserve. On the subsequent sale or retirement of the property, the relevant property revaluation reserve will be transferred directly to retained earnings.

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.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 "Leases" 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 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as lessor *(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. Variable lease payments for operating leases that depend on an index or a rate are included in the total lease payments using the index or rate as at the commencement date. Variable lease payments that do not depend on an index or a rate are excluded and are recognised as income when they are earned.

Rental income which is 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 contract 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.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when the Group's entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivables arising from contracts with customers which was 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 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 on 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.

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

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 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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.

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

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

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, except for a derivative that is designated and effective hedging instrument.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(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. 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) Equity instruments designated at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividend income is classified by the Group as revenue.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including accounts and other receivables, bank balances) 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 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 and 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 accounts receivables without significant financing component.

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.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(i) Significant increase in credit risk *(Continued)*

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.

(ii) Definition of default

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

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

(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;

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

(e) the disappearance of an active market for that financial assets because of financial difficulties.

(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. 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 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 adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with respective risk of default occurring as the weights.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL *(Continued)*

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

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

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item as part of the net exchange losses;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss as part of the changes in fair value of financial assets;
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into 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 the group entities 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 accounts and other payables and secured bank loans 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.

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including assets similar in nature to cash, which are not restricted as to use.

Revenue recognition

The Group recognises revenue from the following major sources:

– Rental income from property leasing

– Provision of property management services

– Dividend income from investments

– Interest income

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

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

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

– the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;

– the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or

– the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Further details of the Group's revenue recognition policies are as follows:

(i) Rental income (outside the scope of HKFRS 15)

Rental income is recognised on a straight-line basis over the periods of the leases.

(ii) Provision of property management services (within the scope of HKFRS 15)

Revenue from provision of property management services is recognised over time.

(iii) Dividend income (outside the scope of HKFRS 15)

Dividend income from investments is recognised when the right to receive payment have been established.

(iv) Interest income (outside the scope of HKFRS 15)

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost.

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 exchanges 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. 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.

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

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Employee benefits

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme is recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

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

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

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation 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.

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from initial recognition of goodwill.

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 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.

Deferred tax asset and liabilities are offset when there is a legally enforceable right to set off current tax assets against 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, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

Borrowing costs

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

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

Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, 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 judgments in applying accounting policies

The following are the critical judgments, 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 the purposes of measuring deferred tax liabilities arising from investment properties of subsidiaries and associates that are measured using the fair value model, the directors of the Company have reviewed the Group's and associates' investment properties portfolio and concluded that the fair value of the Group's and associates' investment properties located in Hong Kong will be recovered through sale. Therefore, in measuring the Group's and associates' deferred taxation on investment properties located in Hong Kong, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

For the Group's and associates' investment properties located in the People's Republic of China (the "PRC") and Thailand, the directors of the Company concluded that they are being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's and associates' deferred taxation arising from investment properties located in the PRC and Thailand, the directors of the Company determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted.

As a result, the Group has not recognised any deferred tax on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on disposal of its investment properties. In respect of those investment properties located in the PRC and Thailand, the Group recognised additional deferred taxes based on Enterprise Income Tax upon changes in fair value of such investment properties as appropriate.

5. 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 have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Valuation of investment properties

At the end of the reporting period, the Group's investment properties are stated at fair value of HK$7,855,214,000 (2025: HK$7,857,288,000) based on the valuations conducted by Vincorn Consulting and Appraisal Limited (2025: Vincorn Consulting and Appraisal Limited), an independent professional valuer, by capitalisation of rental income from properties and with reference to market evidence of transaction prices for similar properties in the same location and conditions.

In relying on the valuation, the management of the Group has exercised their judgments and is satisfied that the method of valuation is reflective of the current market conditions. Details of the carrying amounts of investment properties as at 31 March 2026 are disclosed in Note 14.

Fair value measurement of financial instruments

Certain of the Group's financial assets amounting to HK$183,360,000 as at 31 March 2026 (2025: HK$236,308,000) are measured at fair values with fair values being determined based on unobservable inputs using valuation techniques (Level 3). Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair value of these instruments. See Note 17 for further disclosures.

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised. The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

(i) properties and hotels – investment in properties and hotels that earn rental and returns in hotel operation; and

(ii) investments and others – other investments that generate dividend and interest income.

6. SEGMENT INFORMATION *(Continued)*

Information regarding these segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 March 2026

	Properties and hotels HK$'000	Investments and others HK$'000	Consolidated HK$'000
Segment revenue	200,523	22,258	222,781
Segment results	126,785	21,051	147,836
Share of results of associates			63,707
Changes in fair value of investment properties			(2,074)
Changes in fair value of equity instruments at FVTPL			(48,496)
Other gains and losses			(1,692)
Unallocated corporate expenses			(125)
Finance costs			(96,388)
Profit before taxation			62,768

6. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 March 2025

	Properties and hotels *HK$'000*	Investments and others *HK$'000*	Consolidated *HK$'000*
Segment revenue	212,195	27,736	239,931
Segment results	140,117	26,659	166,776
Share of results of associates			(109,301)
Changes in fair value of investment properties			(34,012)
Changes in fair value of equity instruments at FVTPL			(64,347)
Other gains and losses			(93)
Unallocated corporate expenses			(115)
Finance costs			(120,389)
Loss before taxation			(161,481)

Segment results represent the profit earned by each segment without allocation of general administrative expenses incurred by corporate office, share of results of associates, changes in fair value of investment properties, changes in fair value of equity instruments at FVTPL, other gains and losses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resources allocation and performance assessment.

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

As at 31 March 2026

	Properties and hotels *HK$'000*	Investments and others *HK$'000*	Consolidated *HK$'000*
Segment assets	**8,106,159**	**379,242**	**8,485,401**
Interests in associates			**2,410,318**
Consolidated total assets			**10,895,719**
Segment liabilities	**(2,374,161)**	**(26)**	**(2,374,187)**
Unallocated liabilities			**(1,526)**
Consolidated total liabilities			**(2,375,713)**

As at 31 March 2025

	Properties and hotels *HK$'000*	Investments and others *HK$'000*	Consolidated *HK$'000*
Segment assets	8,164,645	376,984	8,541,629
Interests in associates			2,329,454
Consolidated total assets			10,871,083
Segment liabilities	(2,433,394)	(22)	(2,433,416)
Unallocated liabilities			(1,467)
Consolidated total liabilities			(2,434,883)

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

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

– all assets are allocated to operating and reportable segments other than interests in associates; and

– all liabilities are allocated to operating and reportable segments other than certain accounts and other payables.

Other segment information

Amounts included in the measure of segment results and segment assets:

For the year ended 31 March 2026

	Properties and hotels *HK$'000*	**Investments and others** *HK$'000*	**Total** *HK$'000*
Allowance for ECL on accounts receivables	**574**	**–**	**574**
Depreciation of property, plant and equipment	**–**	**395**	**395**
Interest income	**–**	**13,071**	**13,071**

For the year ended 31 March 2025

	Properties and hotels *HK$'000*	Investments and others *HK$'000*	Total *HK$'000*
Additions of property, plant and equipment	–	24	24
Depreciation of property, plant and equipment	–	490	490
Interest income	–	14,375	14,375

6. SEGMENT INFORMATION *(Continued)*

Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of the customers, the principal place of business of the equity instruments held and the location of the Group's financial institutions, and the Group's non-current assets, excluding financial instruments, presented based on the geographical location of the assets is as follows.

	Revenue from external customers	
	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**203,994**	215,664
Singapore	**11,510**	12,138
Others	**7,277**	12,129
	222,781	239,931

	Non-current assets	
	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**9,571,764**	9,556,646
The PRC	**247,994**	226,192
Thailand	**447,655**	406,180
	10,267,413	10,189,018

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the reporting period is as follows:

	2026	2025
	HK$'000	*HK$'000*
Customer A[1]	**N/A***	22,941

1 Revenue from properties and hotels segment.

* Revenue from relevant customer was less than 10% of the Group's total revenue for the reporting period.

7. REVENUE

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 and recognised overtime		
Property management service income	**40,504**	39,640
Revenue from other sources		
Rental income from property leasing	**160,019**	172,555
Interest income from financial assets at amortised cost	**13,071**	14,375
Dividend income from equity instruments designated at FVTOCI	**9,187**	13,361
	222,781	239,931

Contracts for property management services typically have non-cancellable terms ranging from 2 to 6 years, in which the Group bills a fixed amount for each month of service provided. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

8. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on bank loans	**94,633**	119,522
Other finance costs	**1,755**	867
	96,388	120,389

9. PROFIT/(LOSS) BEFORE TAXATION

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) before taxation has been arrived at after charging/(crediting):		
Staff costs (including directors' emoluments *(Note 13)*)		
Salaries, wages and other benefits	**16,461**	16,348
Short-term lease payment for directors' quarters	**3,120**	3,120
Contributions to defined contribution retirement plans	**233**	259
	19,814	19,727
Auditor's remuneration	**700**	660
Allowance for ECL on accounts receivables	**574**	–
Depreciation of property, plant and equipment	**395**	490
Net exchange loss	**1,787**	115
Gross rental income from investment properties	**(160,019)**	(172,555)
Less: direct operating expenses incurred for investment properties that generated rental income	**8,718**	8,693
	(151,301)	(163,862)

10. TAXATION

	2026	2025
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**3,680**	2,507
Deferred tax *(Note 22)*	**(339)**	(678)
	3,341	1,829

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimate assessable profits above HK$2 million.

Taxation rising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. TAXATION *(Continued)*

The taxation for the reporting period can be reconciled to the profit/(loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) before taxation	**62,768**	(161,481)
Tax at the Hong Kong Profits Tax rate of 16.5% (2025: 16.5%)	**10,357**	(26,644)
Tax effect of share of results of associates	**(10,512)**	18,034
Tax effect of expenses not deductible for tax purposes	**8,950**	16,271
Tax effect of income not taxable for tax purpose	**(4,467)**	(5,115)
Tax effect of tax losses not recognised	**21**	194
Utilisation of tax losses previously not recognised	**(370)**	(170)
Tax effect of temporary differences not recognised	**(586)**	(602)
Tax relief enacted by the tax authority	**(9)**	(5)
Income tax at concessionary rate	**(165)**	(165)
Effect of different tax rates for group entities operating in other jurisdictions	**122**	31
Taxation	**3,341**	1,829

11. DIVIDENDS

The final cash dividend of HK2.0 cents (2025: Nil) per ordinary share for the year ended 31 March 2026 has been proposed by the Board of Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

12. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on profit attributable to ordinary shareholders of the Company of HK$52,289,000 (2025: loss attributable to ordinary shareholders of the Company of HK$161,696,000) and the weighted average number of ordinary shares in issue of 1,154,038,656 (2025: 1,154,038,656) shares.

No diluted earnings/(loss) per share was presented as there are no dilutive potential ordinary shares during both years.

13. DIRECTORS' AND CHIEF EXECUTIVE'S AND OTHER SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' and chief executive's emoluments

2026	**Fees**	**Salaries, allowances and benefits**	**Discretionary bonus**	**Retirement scheme contributions**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
		(Note a)	***(Note b)***		
Executive directors					
Rossana Wang Gaw	**60**	**3,049**	**257**	**–**	**3,366**
Goodwin Gaw	**60**	**652**	**109**	**18**	**839**
Kenneth Gaw (Managing director)	**60**	**4,730**	**404**	**18**	**5,212**
Christina Gaw	**60**	**392**	**65**	**18**	**535**
Alan Kam Hung Lee	**60**	**1,892**	**316**	**18**	**2,286**
Independent non-executive directors					
Charles Wai Bun Cheung, JP	**120**	**–**	**–**	**–**	**120**
Stephen Tan	**120**	**–**	**–**	**–**	**120**
Arnold Tin Chee Ip	**120**	**–**	**–**	**–**	**120**
Kin Chan	**120**	**–**	**–**	**–**	**120**
	780	**10,715**	**1,151**	**72**	**12,718**

2025	Fees	Salaries, allowances and benefits	Discretionary bonus	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Note a)	*(Note b)*		
Executive directors					
Rossana Wang Gaw	60	3,016	257	–	3,333
Goodwin Gaw	60	652	109	18	839
Kenneth Gaw (Managing director)	60	4,653	404	18	5,135
Christina Gaw	60	392	65	18	535
Alan Kam Hung Lee	60	1,892	316	18	2,286
Independent non-executive directors					
Charles Wai Bun Cheung, JP	120	–	–	–	120
Stephen Tan	120	–	–	–	120
Arnold Tin Chee Ip	120	–	–	–	120
Kin Chan	120	–	–	–	120
	780	10,605	1,151	72	12,608

13. DIRECTORS' AND CHIEF EXECUTIVE'S AND OTHER SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Note a: The Group provides accommodations to Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw respectively at no charge. The estimated money value of the benefit in kind to Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw amounted to HK$1,509,000 and HK$2,303,000 respectively (2025: HK$1,476,000 and HK$2,226,000 respectively).

Note b: The bonus is determined based on performance of the Group and the current market environment.

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

During the years ended 31 March 2026 and 2025, no directors waived any emoluments.

(b) Other senior management's emoluments

The five highest paid employees of the Group for the year ended 31 March 2026 included three (2025: three) directors and their emoluments are set out in Note 13(a). The emoluments of the remaining two (2025: two) highest paid employees for the year ended 31 March 2026 are as follows:

	2026	2025
	HK$'000	*HK$'000*
Salaries and allowances	**2,186**	2,112
Discretionary bonus	**793**	775
Retirement scheme contributions	**36**	36
	3,015	2,923

The emoluments were within the following bands:

	2026	2025
	No. of employees	*No. of employees*
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	1

14. INVESTMENT PROPERTIES

	HK$'000
Fair value	
At 1 April 2024	7,891,300
Net decrease in fair value recognised in profit or loss	(34,012)
At 31 March 2025 and 1 April 2025	**7,857,288**
Net decrease in fair value recognised in profit or loss	**(2,074)**
At 31 March 2026	**7,855,214**

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 month to 6 years (2025: 1 month to 6 years), with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the leases of retail stores contain market review clauses in the event the lessee exercises the option to extend. The leases of retail stores contain variable lease payment of HK$866,000 (2025: HK$91,000) that are based on 11% to 15% (2025: 15%) of sales and minimum annual lease payment that are fixed over the lease term.

The following table presents the investment properties measured at fair value at 31 March 2026 and 2025 on a recurring basis, categorised into three-level under the fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique.

14. INVESTMENT PROPERTIES *(Continued)*

As at 31 March 2026

Recurring fair value measurement	**Fair value**	**Fair value measurements categorised into** Level 1	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Investment properties				
In Hong Kong	**7,825,600**	**–**	**–**	**7,825,600**
In the PRC	**29,614**	**–**	**–**	**29,614**
	7,855,214	**–**	**–**	**7,855,214**

As at 31 March 2025

Recurring fair value measurement	Fair value	Fair value measurements categorised into Level 1	Level 2	Level 3
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Investment properties				
In Hong Kong	7,828,800	–	–	7,828,800
In the PRC	28,488	–	–	28,488
	7,857,288	–	–	7,857,288

During the years ended 31 March 2026 and 2025, there were no transfers between level 1 and 2, or transfer in and out of level 3. The Group's policy is to recognise transfer between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of the Group's investment properties as at 31 March 2026 has been arrived at on the basis of valuation carried out by Vincorn Consulting and Appraisal Limited (2025: Vincorn Consulting and Appraisal Limited), an independent professional valuer, who has recognised relevant professional qualifications and experiences in valuation of properties. As at 31 March 2026 and 2025, the fair values were determined by using income capitalisation approach, by capitalising the rent derived from the existing tenancies with taking into account reversionary income potential.

In determining the fair value of the relevant properties, the directors of the Company had on-going discussions with the valuer to determine the appropriate valuation techniques and inputs for fair value measurements and based on the highest and best use of the properties being their current use.

14. INVESTMENT PROPERTIES *(Continued)*

The key input used in valuing the investment properties as at 31 March 2026 and 2025 is as follows:

As at 31 March 2026

Descriptions	Fair value *HK$'000*	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Properties in Hong Kong	7,825,600	Income capitalisation approach	(i) Term yield – Retail portion: 2.4% – 4.3% – Office portion: 2.3% – 5.5% – Industrial portion: 2.4%	The higher the term yield, the lower the fair value, and vice versa
			(ii) Reversionary yield – Retail portion: 2.3% – 3.5% – Office portion: 2.5% – 4.0% – Industrial portion: 3.0%	The higher the reversionary yield, the lower the fair value, and vice versa
			(iii) Market rent per month – Retail portion: HK$22.7 – HK$87.8/ft^2 – Office portion: HK$27.4 – HK$86.9/ft^2 – Industrial portion: HK$11.1/$ft^2$	The higher the market rent, the higher the fair value, and vice versa
Properties in the PRC	29,614	Income capitalisation approach	(i) Term yield – Residential: 2.8%	The higher the term yield, the lower the fair value, and vice versa
			(ii) Reversionary yield – Residential: 2.8%	The higher the reversionary yield, the lower the fair value, and vice versa
			(iii) Market rent per month – Residential: RMB121.7/m^2	The higher the market rent, the higher the fair value, and vice versa

14. INVESTMENT PROPERTIES *(Continued)*

As at 31 March 2025

Descriptions	Fair value *HK$'000*	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Properties in Hong Kong	7,828,800	Income capitalisation approach	(i) Term yield – Retail portion: 2.4% – 4.1% – Office portion: 2.4% – 5.3% – Industrial portion: 2.8%	The higher the term yield, the lower the fair value, and vice versa
			(ii) Reversionary yield – Retail portion: 2.3% – 3.5% – Office portion: 2.5% – 4.0% – Industrial portion: 3.0%	The higher the reversionary yield, the lower the fair value, and vice versa
			(iii) Market rent per month – Retail portion: HK\$22.3 – HK\$85.0/ft^2 – Office portion: HK\$27.3 – HK\$85.8/ft^2 – Industrial portion: HK\$11.0/ft^2	The higher the market rent, the higher the fair value, and vice versa
Properties in the PRC	28,488	Income capitalisation approach	(i) Term yield – Residential: 2.8%	The higher the term yield, the lower the fair value, and vice versa
			(ii) Reversionary yield – Residential: 2.8%	The higher the reversionary yield, the lower the fair value, and vice versa
			(iii) Market rent per month – Residential: RMB124.7/m^2	The higher the market rent, the higher the fair value, and vice versa

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture and equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Cost				
At 1 April 2024	5,073	260	3,025	8,358
Additions	–	24	–	24
Written-off	–	(31)	–	(31)
At 31 March 2025, 1 April 2025 and **31 March 2026**	**5,073**	**253**	**3,025**	**8,351**
Accumulated depreciation				
At 1 April 2024	4,188	153	1,569	5,910
Charge for the year	177	22	291	490
Eliminated on written-off	–	(25)	–	(25)
At 31 March 2025 and 1 April 2025	**4,365**	**150**	**1,860**	**6,375**
Charge for the year	**141**	**21**	**233**	**395**
At 31 March 2026	**4,506**	**171**	**2,093**	**6,770**
Net book value				
At 31 March 2026	**567**	**82**	**932**	**1,581**
At 31 March 2025	708	103	1,165	1,976

16. INTERESTS IN ASSOCIATES

	2026	2025
	HK$'000	*HK$'000*
Cost of investment	**170,730**	170,730
Share of post-acquisition profits and other comprehensive income	**491,044**	410,220
	661,774	580,950
Amounts due from associates	**1,748,544**	1,748,504
	2,410,318	2,329,454

Included in the amounts due from associates, HK$1,124,395,000 (2025: HK$1,124,395,000) is unsecured, interest-free, repayable upon unanimous consent of the shareholders of an associate. The residual amounts due from associates are unsecured, interest-free, have no fixed terms of repayment and repayable on demand.

The following table contains the particulars of associates, which are unlisted corporate entities whose quoted market price is not available:

Name of associate	**Place of incorporation**	**Particulars of issued and paid-up share capital**	**Proportion ownership interest and voting rights held by the Group**		**Principal activities/ investment**
			2026	2025	
Keencity Properties Limited	British Virgin Islands	United States dollar ("US$") 9,939,020	**49.5%**	49.5%	Investment
Pioneer Hospitality Siam (GBR) Limited	Thailand	Baht 300,000,000	**49.5%**	49.5%	Pullman Pattaya Hotel G, Thailand
Royal Culture Limited	Hong Kong	HK$1	**49.5%**	49.5%	Pullman Bangkok Hotel G, Thailand
Supreme Key Limited	British Virgin Islands	US$10	**30.0%**	30.0%	Regent Hong Kong
Tidefull Investment Limited ("Tidefull") *(Note)*	Liberia	Nil	**50.0%**	50.0%	Shanghai K. Wah Centre, the PRC

Note: Tidefull holds 28% direct interest in a company, Chely Well Limited ("Chely Well") and 15.4% indirect interest in the investment of Chely Well. One out of six directors of Chely Well is appointed by the Company and therefore the management of the Company considers that the Company has significant influence over Chely Well. Therefore, the Group's interests in Tidefull is classified as interest in an associate as at 31 March 2026 and 2025.

16. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information of Supreme Key Limited

Summary of financial information of the Supreme Key Limited, adjusted for any differences in accounting policies (accounted for as an investment entity), and reconciled to the carrying amounts in the consolidated financial statements are disclosed below, is as follows:

	Supreme Key Limited	
	2026	2025
	HK$'000	*HK$'000*
Non-current assets	**5,730,063**	5,645,100
Current assets	**71,104**	105,688
Non-current liabilities	**(3,758,405)**	(3,758,405)
Current liabilities	**(2,038,216)**	(2,050,214)
Net assets/(liabilities)	**4,546**	(57,831)
Revenue		
Changes in fair value of financial assets at FVTPL	**59,017**	(489,408)
Interest income	**763**	3,925
Total revenue	**59,780**	(485,483)
Profit/(loss) for the year	**62,377**	(497,801)
Total comprehensive income/(expense)	**62,377**	(497,801)
Reconciled to the Group's interest in the associate:		
Net assets/(liabilities) of the associate	**4,546**	(57,831)
Group's effective interest	**30.0%**	30.0%
Group's share of net assets/(liabilities) of the associate	**1,364**	(17,349)
Amount due from the associate	**1,742,919**	1,742,919
Carrying amount in the consolidated financial statements	**1,744,283**	1,725,570

16. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information of Keencity Properties Limited

Summary of financial information of the Keencity Properties Limited as at 31 March 2026 and 2025, adjusted for any differences in accounting policies (accounted for as an investment entity), and reconciled to the carrying amounts in the consolidated financial statements are disclosed below, is as follows:

	Keencity Properties Limited	
	2026	2025
	HK$'000	*HK$'000*
Non-current assets	**507,636**	424,770
Current assets	**432,512**	431,646
Current liabilities	**(47,157)**	(47,133)
Net assets	**892,991**	809,283
Revenue		
Changes in fair value of financial assets at FVTPL	**64,219**	64,249
Profit for the year	**65,774**	65,230
Other comprehensive income	**17,934**	24,444
Total comprehensive income	**83,708**	89,674
Reconciled to the Group's interest in the associate:		
Net assets of the associate	**892,991**	809,283
Group's effective interest	**49.5%**	49.5%
Group's share of net assets of the associate	**442,030**	400,595
Amount due from the associate	**5,625**	5,585
Carrying amount in the consolidated financial statements	**447,655**	406,180

16. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information of Tidefull Investment Limited

Summary of financial information of the Tidefull Investment Limited, that is not material, as at 31 March 2026 and 2025, is disclosed below:

	Tidefull Investment Limited	
	2026	2025
	HK$'000	*HK$'000*
The Group's share of post-acquisition profits	**12,436**	8,481
The Group's share of other comprehensive income/(expense)	**16,541**	(8,260)
The Group's share of total comprehensive income	**28,977**	221
Dividends received from the associate during the year	**8,301**	9,779
Carrying amount in the consolidated financial statements	**218,380**	197,704

Below are the summary of the Group's share of hotel revenues generated by the underlying investments of the associates:

For the year ended 31 March 2026

	Revenue	**Group's shareholding**	**Group's share of revenue**
	HK$'000	**%**	***HK$'000***
Regent Hong Kong	**1,022,561**	**30.0**	**306,768**
Pullman Bangkok Hotel G	**122,838**	**49.5**	**60,805**
Pullman Pattaya Hotel G	**99,742**	**49.5**	**49,372**
	1,245,141		**416,945**

16. INTERESTS IN ASSOCIATES *(Continued)*

For the year ended 31 March 2025

	Revenue	Group's shareholding	Group's share of revenue
	HK$'000	*%*	*HK$'000*
Regent Hong Kong	840,656	30.0	252,197
Pullman Bangkok Hotel G	132,728	49.5	65,700
Pullman Pattaya Hotel G	98,657	49.5	48,835
	1,072,041		366,732

17. EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL

As at 31 March 2026

	Fair value measurement categorised into			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Equity instruments designated at FVTOCI *(Note a)*				
Listed in Hong Kong	**37,696**	**–**	**–**	**37,696**
Unlisted in Hong Kong	**–**	**–**	**37**	**37**
Unlisted outside Hong Kong	**–**	**–**	**145,310**	**145,310**
	37,696	**–**	**145,347**	**183,043**
Equity instruments at FVTPL *(Note b)*				
Unlisted in Hong Kong	**–**	**–**	**38,013**	**38,013**
	–	**–**	**38,013**	**38,013**
	37,696	**–**	**183,360**	**221,056**

17. EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL *(Continued)*

As at 31 March 2025

	Fair value measurement categorised into			
	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Equity instruments designated at FVTOCI *(Note a)*				
Listed in Hong Kong	29,527	–	–	29,527
Unlisted in Hong Kong	–	–	37	37
Unlisted outside Hong Kong	–	–	149,760	149,760
	29,527	–	149,797	179,324
Equity instruments at FVTPL *(Note b)*				
Unlisted in Hong Kong	–	–	57,511	57,511
Unlisted outside Hong Kong	–	–	29,000	29,000
	–	–	86,511	86,511
	29,527	–	236,308	265,835

Note a: The directors of the Company have elected to designate the listed equity instruments in Hong Kong as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. The fair value of the listed equity instruments is measured using quoted prices in active market (level 1 inputs). They are derived from the current bid price of the listed shares at reporting date.

The directors of the Company have elected to designate the unlisted equity instruments in Hong Kong and outside Hong Kong as at FVTOCI as they believe that these investments would bring long-term value to the Group. The major unlisted equity instruments designated at FVTOCI represents a 15% (2025: 15%) ownership in a Malaysian private company with principal operation in property development in Malaysia ("Malaysian Investment") with fair value amounted HK$141,649,000 (2025: HK$129,473,000). The fair value of this unlisted equity instruments was measured by the directors of the Company and market approach was applied. The major unobservable inputs included the discount for lack of marketability and the price-to-book ratio. As at 31 March 2026, the discount for lack of marketability of 20.0% (2025: 15.7%) and price-to-book ratio of 76% (2025: 65%) were applied in the valuation. The fair value measurement is negatively correlated to the discount for lack of marketability and is positively correlated to the price-to-book ratio.

17. EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL *(Continued)*

Note b: The above unlisted equity instruments at FVTPL represent a 3.13% ownership in a company which indirectly holds an investment property in Taikoo Shing, Hong Kong for rental income ("Hong Kong Investment") and a 4% ownership in a company which indirectly holds an investment property in Shanghai, the PRC for rental income ("Shanghai Investment").

As at 31 March 2026, the fair value of Hong Kong Investment amounted to HK$38,013,000 (2025: HK$57,511,000) was classified as level 3 of which the significant portion of the fair value of the investment is attributable to the underlying investment property and bank borrowings. The fair value of the investment properties located in Hong Kong as at 31 March 2026 amounted HK$14,700,000,000 (2025: HK$16,560,000,000). The fair value of the investment properties was measured by an independent valuer engaged by the management of the Company.

As at 31 March 2025, the fair value of Shanghai Investment amounted to HK$29,000,000 was classified as level 3 of which the significant portion of the fair value of the investment is attributable to the underlying investment property and bank borrowings. The fair value of the investment property located in Shanghai amounted to RMB4,315,000,000, equivalent to approximately HK$4,688,783,000. The fair value of the investment property was measured by an independent valuer engaged by the management of the investee. For the year ended 31 March 2026, due to the uncertainty of continuing financial support from the majority of equity owners, based on the adjusted net assets approach, a fair value loss of Shanghai Investment amounted to HK$29,000,000 (2025: HK$36,719,000) was recognised in the profit or loss.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property of the Hong Kong Investment as at 31 March 2026 and 2025:

As at 31 March 2026

Descriptions	**Valuation technique**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Commercial property in Hong Kong	Income capitalisation approach	(i) Term yield – Retail portion: 3.0% – 3.1% – Office portion: 2.6% – 2.7%	The higher the term yield, the lower the fair value, and vice versa
		(ii) Reversionary yield – Retail portion: 3.0% – Office portion: 2.7%	The higher the reversionary yield, the lower the fair value, and vice versa
		(iii) Market rent per month – Retail portion: HK$47.8 – HK$60.2/ft² – Office portion: HK$47.6 – HK$47.7/ft²	The higher the market rent, the higher the fair value, and vice versa

As at 31 March 2025

Descriptions	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Commercial property in Hong Kong	Income capitalisation approach	(i) Capitalisation rate: 2.2% – 2.6%	The higher the capitalisation rate, the lower the fair value, and vice versa
		(ii) Market rent per month – Retail portion: HK$52.0 – HK$63.0/ft² – Office portion: HK$43.1 – HK$45.4/ft²	The higher the market rent, the higher the fair value, and vice versa

17. EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL

(Continued)

The movements during the year in the balances of the Level 3 fair value measurements are as follows:

	HK$'000
At 1 April 2024	295,760
Addition	38
Return of capital	(32)
Total gains or losses recognised due to change in fair value of investments:	
In profit or loss	(64,347)
In other comprehensive income	4,889
At 31 March 2025 and 1 April 2025	**236,308**
Addition	**23**
Return of capital	**(180)**
Total losses recognised due to change in fair value of investments:	
In profit or loss	**(48,496)**
In other comprehensive income	**(4,295)**
At 31 March 2026	**183,360**

18. ACCOUNTS AND OTHER RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Accounts receivables	**1,664**	3,230
Deferred rental receivables	**7,531**	11,422
Other deposits and prepayments	**9,027**	10,681
	18,222	25,333

Accounts receivables mainly comprise rental receivables. Rent from leasing of investment properties are normally received in advance.

The following aging analysis of accounts receivables is presented based on invoice date:

	2026	2025
	HK$'000	*HK$'000*
0–30 days	**1,142**	1,966
31–60 days	**222**	528
61–90 days	**140**	172
Over 90 days	**160**	564
	1,664	3,230

Details of impairment assessment of accounts and other receivables are set out in Note 29.

19. BANK BALANCES AND CASH

	2026	2025
	HK$'000	*HK$'000*
Cash at bank and on hand	**79,098**	48,966
Short-term bank deposits	**309,261**	340,668
	388,359	389,634

Bank balances of HK$54,760,000 (2025: HK$66,970,000) are required to be pledged by the lending banks as security for payment of bank loan interest in the event that the Group fails to maintain sufficient interest coverage ratio. As at 31 March 2026 and 2025, the Group maintained a sufficient interest coverage ratio and, no bank balances were pledged.

Short-term bank deposits represent bank deposits with original maturity within three months. The effective interest rate on short-term bank deposits was 3.56% p.a. (2025: 4.01% p.a.).

Except as disclosed at Note 27 to the consolidated financial statements, the Group has unutilised bank facility of HK$50,000,000 as at 31 March 2026 and 2025.

The bank balance and cash were denominated in the following currencies:

	2026	2025
	HK$'000	*HK$'000*
HK$	**73,374**	94,066
US$	**259,146**	206,299
Japanese Yen ("JPY")	**55,645**	89,087
Others	**194**	182
	388,359	389,634

20. ACCOUNTS AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Current		
Accounts payables	**3,821**	3,068
Rental deposits received	**18,696**	25,135
Accruals and other payables	**31,530**	30,573
	54,047	58,776
Non-current		
Rental deposits received	**33,828**	30,315
	87,875	89,091

The following aging analysis of accounts payables is presented based on the invoice date:

	2026	2025
	HK$'000	*HK$'000*
0–30 days	**2,883**	2,564
31–60 days	**563**	427
61–90 days	**280**	42
Over 90 days	**95**	35
	3,821	3,068

21. SECURED BANK LOANS

	2026	2025
	HK$'000	*HK$'000*
Current		
Repayable within one year	**721,383**	57,883
Non-current		
Repayable more than one year but not exceeding two years	**1,501,734**	721,383
Repayable more than two years but not exceeding five years	**–**	1,501,734
	1,501,734	2,223,117
	2,223,117	2,281,000

As at 31 March 2026 and 2025, all bank loans were denominated in Hong Kong dollars and carry interest at benchmarks ranged from 1.10% to 1.22% over HIBOR. The effective interest rate at the year end date was 4.06% p.a. (2025: 4.88% p.a.).

In respect of the bank loans with carrying amount of HK$2,223,117,000 as at 31 March 2026 (2025: HK$2,281,000,000), the Group is required to comply with certain financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding. The Group has complied with the covenant throughout the reporting period.

22. DEFERRED TAXATION

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and movements thereon during the current and prior years are as follows:

	Revaluation of investment properties *HK$'000*	Accelerated tax depreciation *HK$'000*	Tax losses *HK$'000*	Total *HK$'000*
At 1 April 2024	5,213	63,529	(4,222)	64,520
(Credited)/charged to profit or loss	(78)	3,313	(3,913)	(678)
At 31 March 2025 and 1 April 2025	**5,135**	**66,842**	**(8,135)**	**63,842**
Charged/(credited) to profit or loss	**282**	**3,138**	**(3,759)**	**(339)**
At 31 March 2026	**5,417**	**69,980**	**(11,894)**	**63,503**

At the end of the reporting period, the Group has unused tax losses of HK$89,079,000 (2025: HK$69,564,000) available for offsetting against future profits. The losses may be carried forward indefinitely. A deferred tax asset has been recognised in respect of HK$72,085,000 (2025: HK$49,301,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK$16,994,000 (2025: HK$20,263,000) due to the unpredictability of future profit streams.

23. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised		
Ordinary shares of HK$0.1 each		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	2,000,000,000	200,000
Issued and fully paid		
Ordinary shares of HK$0.1 each		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	1,154,038,656	115,404

24. 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.

	Interest payable (included in accruals) *HK$'000*	**Secured bank loans** *(Note)* *HK$'000*	**Total** *HK$'000*
At 1 April 2024	3,010	2,281,000	2,284,010
Changes from financing cash flows:			
Interest paid	(120,214)	–	(120,214)
Other finance costs paid	(867)	–	(867)
Other non-cash change:			
Finance costs	120,389	–	120,389
At 31 March 2025 and 1 April 2025	**2,318**	**2,281,000**	**2,283,318**
Changes from financing cash flows:			
Repayment of bank loans	**–**	**(57,883)**	**(57,883)**
Interest paid	**(95,150)**	**–**	**(95,150)**
Other finance costs paid	**(1,755)**	**–**	**(1,755)**
Other non-cash change:			
Finance costs	**96,388**	**–**	**96,388**
At 31 March 2026	**1,801**	**2,223,117**	**2,224,918**

Note: During the year ended 31 March 2025, the Group's secured bank loans amounted to HK$1,617,500,000 were renewed. There were no renewals of secured bank loans during the year ended 31 March 2026.

25. GUARANTEES AND COMMITMENTS

	2026	2025
	HK$'000	*HK$'000*
Guarantees		
– given to banks by the Company in respect of banking facilities utilised by subsidiaries of the Company	**1,879,800**	1,879,800
Commitments (contracted but not provided for)		
– for total future minimum lease payments in respect of land and buildings (short-term lease)		
– not later than one year	**2,670**	2,670
– for capital contribution to investees classified as equity instruments designated at FVTOCI not yet called		
– upon called	**1,399**	1,365
– for additional capital contribution to an associate		
– not later than one year	**6,718**	6,718
	1,890,587	1,890,553

26. OPERATING LEASE RECEIVABLES

At the year end date, the Group's total future minimum lease payments to be received, as lessor, under non-cancellable rental leases in respect of investment properties were as follows:

	2026	2025
	HK$'000	*HK$'000*
Within one year	**128,831**	142,917
In the second year	**91,365**	77,057
In the third year	**48,995**	30,446
In the fourth year	**4,455**	9,075
In the fifth year	**1,664**	625
	275,310	260,120

The Group leases out the investment properties of the Group under operating leases. The leases typically run for an initial period of 1 month to 6 years (2025: 1 month to 6 years).

27. PLEDGE OF ASSETS

At the year end date, investment properties with a carrying value of HK$7,777,000,000 (2025: HK$7,780,000,000) were pledged to secure bank loan facilities to the extent of HK$2,223,117,000 (2025: HK$2,281,000,000).

28. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

(i) In May 2022, Gaw Capital Advisors Limited ("GCAL") entered into a lease agreement with our Group company to lease partial of 18th and 19th Floors of 68 Yee Wo Street, Hong Kong for a term of 3 years from 1 July 2022 to 30 June 2025 with a 5 months rent-free period during the lease term at a monthly rental of HK$676,480, excluding rates, government rent and management fee. In May 2025, the lease was renewed for a term of 3 years from 1 July 2025 to 30 June 2028 with a 4 months rent-free period during the lease term at a monthly rental of HK$507,360, excluding rates, government rent and management fee. Based on the terms of the lease agreement, a rental deposit of HK$1,877,000 (2025: HK$2,385,000) and rental income of HK$5,806,000 (2025: HK$6,990,000) were recognised for the year ended 31 March 2026. Lease payments of HK$5,581,000 (2025: HK$8,118,000) according to lease agreements were received for the year ended 31 March 2026.

(ii) In May 2022, Gaw Capital Asset Management (HK) Limited ("GCAM") entered into a lease agreement with our Group company to lease a unit in 10th Floor of 68 Yee Wo Street, Hong Kong for a term of 3 years from 1 July 2022 to 30 June 2025 with a 5 months rent-free period during the lease term at a monthly rental of HK$132,755, excluding rates, government rent and management fee. In May 2025, the lease was renewed for a term of 3 years from 1 July 2025 to 30 June 2028 with a 4 months rent-free period during the lease term at a monthly rental of HK$113,790, excluding rates, government rent and management fee. Based on the terms of lease agreement, a rental deposit of HK$421,000 (2025: HK$478,000) and rental income of HK$1,253,000 (2025: HK$1,372,000) were recognised for the year ended 31 March 2026. Lease payments of HK$1,195,000 (2025: HK$1,593,000) according to lease agreements were received for the year ended 31 March 2026.

(iii) In February 2024, GCAM renewed the lease agreement with our Group company to lease a unit in 15th Floor of 68 Yee Wo Street, Hong Kong for a term of 3 years from 1 March 2024 to 28 February 2027 with a 7.5 months rent-free period during the lease term. The monthly rentals for each year of the lease term are HK$114,444, HK$117,810 and HK$121,176 respectively, excluding rates, government rent and management fee. Based on the terms of lease agreement, a rental deposit of HK$434,000 (2025: HK$434,000) and rental income of HK$1,123,000 (2025: HK$1,123,000) were recognised for the year ended 31 March 2026. Lease payments of HK$1,119,000 (2025: HK$916,000) according to lease agreements were received for the year ended 31 March 2026.

28. RELATED PARTY TRANSACTIONS *(Continued)*

(a) Transactions with related parties *(Continued)*

The transactions (i), (ii) and (iii) above constitute continuing connected transactions under Rule 14A.56 of the Listing Rules and the details of the transactions are discussed in the Directors' Report section on pages 16 to 17. As at 31 March 2026, the amount of total future minimum lease payments to be received, as lessor, from GCAL and GCAM under non-cancellable rental leases was HK$16,862,000 (2025: HK$4,880,000).

(b) Key management personnel compensation

The remuneration of directors and other members of key management during the year were as follows:

	2026	2025
	HK$'000	*HK$'000*
Fees	**780**	780
Salaries, allowances and benefits	**12,901**	12,717
Discretionary bonus	**1,944**	1,926
Pension scheme contributions	**108**	108
	15,733	15,531

29. FINANCIAL RISKS MANAGEMENT

(a) Categories of financial instruments

	2026	2025
	HK$'000	*HK$'000*
Financial assets		
Amortised cost		
Amounts due from associates	**1,748,544**	1,748,504
Accounts and other receivables	**17,019**	24,369
Bank balances and cash	**388,359**	389,634
Equity instruments designated at FVTOCI	**183,043**	179,324
Equity instruments at FVTPL	**38,013**	86,511
	2,374,978	2,428,342
Financial liabilities		
Amortised cost		
Secured bank loans	**2,223,117**	2,281,000
Accounts and other payables	**62,332**	58,518
	2,285,449	2,339,518

The Group's principal financial instruments comprise amounts due from associates, secured bank loans, bank balances and cash and equity instruments. The main purpose of these financial instruments is to raise finance for the Group's operation and to seek for investment returns. The Group has various other financial assets and liabilities such as accounts and other receivables and accounts and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

29. FINANCIAL RISKS MANAGEMENT *(Continued)*

(b) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's secured bank loans and short-term bank deposits with a floating interest rate. The Group cash flow interest rate risk is mainly concentrated on HIBOR arising from the Group's secured bank loans. The interest rates and terms of repayment of the Group's secured bank loans are disclosed in Note 21 to the consolidated financial statements. 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 proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

The sensitivity analyses below have been determined based on the exposure to interest rates. The analysis is prepared assuming the consolidated financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2025: 100 basis points) increase or decrease in variable-rate bank loans and a 50 basis points (2025: 50 basis points) increase or decrease in variable-rate bank balances are used which represents management's assessment of the reasonably possible change in interest rates.

The following table demonstrates the sensitivity to a reasonable possible increase in interest rates, with all other variables held constant, of the Group's profit/(loss) before taxation (through the impact on floating rate bank loans and floating rate bank deposits) and the Group's equity.

2026	**Increase in basis points**	**(Decrease)/ increase in profit before taxation** *HK$'000*	**(Decrease)/ increase in equity** *HK$'000*
Bank borrowings	**100**	**(22,231)**	**(18,563)**
Short-term bank deposits	**50**	**1,546**	**1,546**

2025	Increase in basis points	Increase/ (decrease) in loss before taxation *HK$'000*	(Decrease)/ increase in equity *HK$'000*
Bank borrowings	100	22,810	(19,046)
Short-term bank deposits	50	(1,703)	1,703

29. FINANCIAL RISKS MANAGEMENT *(Continued)*

(c) Foreign currency risk

The Group's exposure to foreign currency risk is primarily through its bank balances and cash, amounts due from associates, equity instruments at FVTPL and equity instruments designated at FVTOCI, that are denominated in a foreign currency, i.e. a currency other than the functional currency of the group entities. The currencies giving rise to this risk are primarily US$, Renminbi ("RMB"), Malaysian ringgit ("MYR") and JPY. As HK$ are pegged to US$, the management considers that the foreign currency risk arising from US$ to the Group is not significant.

The following table demonstrates the Group's sensitivity to a 5% increase in HK$ against the relevant foreign currencies, RMB, MYR and JPY, of the relevant group entities, with all other variables held constant, on the Group's profit/(loss) before taxation and the Group's equity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each reporting period.

2026	**Exposure** *HK$'000*	**Increase in exchange rate** *%*	**Decrease in profit before taxation** *HK$'000*	**Decrease in equity** *HK$'000*
Equity instruments designated at FVTOCI				
MYR	**141,649**	**5**	**–**	**7,082**
Bank balances and cash				
JPY	**55,645**	**5**	**2,782**	**2,782**

2025	Exposure *HK$'000*	Increase in exchange rate *%*	Increase in loss before taxation *HK$'000*	Decrease in equity *HK$'000*
Equity instruments designated at FVTOCI				
MYR	129,473	5	–	6,474
Equity instruments at FVTPL				
RMB	29,000	5	1,450	1,450
Bank balances and cash				
JPY	89,087	5	4,454	4,454

29. FINANCIAL RISKS MANAGEMENT *(Continued)*

(d) Credit risk

The Group's exposure to credit risk is mainly attributable to accounts receivables, other receivables and deposits, amounts due from associates and bank balances.

Accounts receivables

The Group is exposed to credit risk on accounts receivables from counterparties from its operating activities, primarily attributable to rental income. The directors of the Company believe that the tenants are having high credit quality and the Group has policy in place to ensure that the properties are rented to tenants with an appropriate credit history. The Group has no concentration of credit risk and had no significant outstanding balances due by tenants at the reporting date. During the year ended 31 March 2026, HK$574,000 (2025: Nil) impairment allowance was recognised for accounts receivables. The directors of the Company considered the overall credit risk of the remaining accounts receivables is minimal.

Other receivables and deposits

The management makes 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 management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Amounts due from associates

For amounts due from associates, the directors of the Company has assessed its credit risk by monitoring the financial performance and position regularly and reviewing its cash flow forecast annually. The associates are considered as strong based on its underlying business. Accordingly, the credit risk for these balances are considered as minimal.

Bank balances

The credit risk on bank deposits is limited because the counterparties are banks with high-quality financial institutions with good credit ratings.

29. FINANCIAL RISKS MANAGEMENT *(Continued)*

(e) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

The maturity profile of the Group's financial liabilities as at the year end date, based on the contracted undiscounted payments, was as follows:

2026	**Weighted average interest rate**	**On demand or less than 1 year**	**1 to 2 years**	**3 to 5 years**	**Total undiscounted cash flows**	**Carrying amount**
	%	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Secured bank loans *(Note)*	**4.06**	**805,312**	**1,541,873**	**–**	**2,347,185**	**2,223,117**
Accounts and other payables	**–**	**28,504**	**10,388**	**23,440**	**62,332**	**62,332**
		833,816	**1,552,261**	**23,440**	**2,409,517**	**2,285,449**

2025	Weighted average interest rate	On demand or less than 1 year	1 to 2 years	3 to 5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Secured bank loans *(Note)*	4.88	168,063	822,270	1,549,983	2,540,316	2,281,000
Accounts and other payables	–	28,203	16,246	14,069	58,518	58,518
		196,266	838,516	1,564,052	2,598,834	2,339,518

Note: The above maturity analysis of secured bank loans are presented in accordance with the scheduled repayment dates set out in the loan agreements. Taking into account the Group's financial position, the management believe that it is probable that the secured bank loans will be renewed at their maturity dates.

29. FINANCIAL RISKS MANAGEMENT *(Continued)*

(f) Equity price risk

The Group is exposed to equity price risk arising from equity instruments designated at FVTOCI and equity instruments at FVTPL (see Note 17). The Group's listed equity instruments are valued at quoted market prices at the year end date.

The following table demonstrates the sensitivity to 5% increase in fair value of the equity instruments, with all other variables held constant and before any impact on tax, based on their carrying amounts of the equity instruments at the year end date.

2026	**Carrying amounts** *HK$'000*	**Increase in profit before taxation** *HK$'000*	**Increase in equity** *HK$'000*
Listed investments:			
Equity instruments designated at FVTOCI	**37,696**	**–**	**1,885**
Unlisted investments:			
Equity instruments designated at FVTOCI	**145,347**	**–**	**7,267**
Equity instruments at FVTPL	**38,013**	**1,901**	**1,901**

2025	Carrying amounts *HK$'000*	Decrease in loss before taxation *HK$'000*	Increase in equity *HK$'000*
Listed investments:			
Equity instruments designated at FVTOCI	29,527	–	1,476
Unlisted investments:			
Equity instruments designated at FVTOCI	149,797	–	7,490
Equity instruments at FVTPL	86,511	4,326	4,326

29. FINANCIAL RISKS MANAGEMENT *(Continued)*

(g) Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 March 2026 and 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total assets. Net debt includes interest bearing bank loans less bank balances and cash. The gearing ratios as at the year end dates were as follows:

	2026	2025
	HK$'000	*HK$'000*
Interest bearing bank loans	**2,223,117**	2,281,000
Less: Bank and cash balances	**(388,359)**	(389,634)
Net debt	**1,834,758**	1,891,366
Total assets	**10,895,719**	10,871,083
Gearing ratio	**16.8%**	17.4%

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2026	2025
	HK$'000	*HK$'000*
Non-current assets		
Interests in subsidiaries	**1,907,322**	1,914,789
Interests in associates	**41,126**	41,118
	1,948,448	1,955,907
Current assets		
Accounts and other receivables	**177**	186
Tax recoverable	**292**	292
Bank balances and cash	**16,644**	464
	17,113	942
Total assets	**1,965,561**	1,956,849
Current liabilities		
Other payables	**4,366**	4,153
Amounts due to subsidiaries	**–**	690
	4,366	4,843
Net current assets/(liabilities)	**12,747**	(3,901)
Net assets	**1,961,195**	1,952,006
Capital and reserves		
Share capital	**115,404**	115,404
Reserves *(Note)*	**1,845,791**	1,836,602
Total equity	**1,961,195**	1,952,006

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

Kenneth Gaw	**Alan Kam Hung Lee**
Director	*Director*

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

	Share premium *HK$'000*	Contributed surplus *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
At 1 April 2024	547,748	381,051	878,214	1,807,013
Profit for the year	–	–	29,589	29,589
At 31 March 2025 and 1 April 2025	**547,748**	**381,051**	**907,803**	**1,836,602**
Profit for the year	**–**	**–**	**9,189**	**9,189**
At 31 March 2026	**547,748**	**381,051**	**916,992**	**1,845,791**

The reserves of the Company available for distribution to shareholders as at the reporting date calculated in accordance with the Bermuda Companies Act, amounted to HK$1,298,043,000 (2025: HK$1,288,854,000), being the contributed surplus and retained earnings at that date.

31. RETIREMENT BENEFIT SCHEMES

The Group arranges for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Hong Kong subsidiaries of the Group and its Hong Kong employees is required to make monthly contributions of 5% of the employees' earnings to the scheme in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations. The respective monthly contributions made by the Group and the employees are subject to a cap of HK$1,500 respectively with contributions beyond these amounts being voluntary.

Total expenses recognised in profit or loss for the contributions to the retirement benefit schemes made by the Group during the year amounted to HK$233,000 (2025: HK$259,000). There were no forfeited contributions utilised to offset employer's contributions for the years ended 31 March 2026 and 2025. At the end of the reporting period, there were no forfeited contributions available to reduce the contributions payable in the future years (2025: Nil).

32. PARTICULARS OF MAJOR SUBSIDIARIES

Particulars of the major subsidiaries with active operations of the Group as at 31 March 2026 and 2025 are as follows:

Name of subsidiary	Place of incorporation	Principal place of operations	Particulars of issued and paid-up capital	Equity interest attributable to the Company 2026	2025	Principal activities
Directly held						
All Success Holdings Limited	Hong Kong	Hong Kong	HK$1	100%	100%	Real estate
Golden Mile Limited	Liberia	The PRC	1 ordinary share	100%	100%	Real estate
Glory East Limited	Liberia	The PRC	1 ordinary share	100%	100%	Real estate
Kind Regent Holdings Limited	British Virgin Islands	Hong Kong	US$1	100%	100%	Investment
Master Yield Limited	British Virgin Islands	Hong Kong	1 ordinary share	100%	100%	Investment
Pine International Limited	British Virgin Islands	Hong Kong	HK$1	100%	100%	Investment
Indirectly held						
Best Date Investments Limited	Hong Kong	Hong Kong	HK$1	100%	100%	Real estate
Bright Grand Limited	Hong Kong	Hong Kong	HK$1	100%	100%	Real estate
Causeway Bay 68 Limited*	British Virgin Islands	Hong Kong	US$1,000	60%	60%	Investment
Charm Victory Investment Limited	Hong Kong	Hong Kong	HK$1	100%	100%	Real estate
Dynamic Business Limited	Hong Kong	Hong Kong	HK$1	100%	100%	Real estate
Forerunner Investments Limited	Hong Kong	Hong Kong	HK$3,000,000	65%	65%	Investment
Honesty Properties Limited	Hong Kong	Hong Kong	HK$1	100%	100%	Real estate
Pioneer Estates Limited	Hong Kong	Hong Kong	HK$1,000	100%	100%	Real estate
Pioneer Industries (Holdings) Limited	Hong Kong	Hong Kong	HK$75,873,257	100%	100%	Investment
Treasure Spot Investments Limited ("Treasure Spot")	British Virgin Islands	Hong Kong	US$1	60%	60%	Real estate
Uniever Link Limited	British Virgin Islands	Hong Kong	US$1	100%	100%	Investment

* Causeway Bay 68 Limited held 100% equity interest in Soaring Star Investments Limited and Treasure Spot and are collective referred as "Causeway Bay 68 Group".

32. PARTICULARS OF MAJOR SUBSIDIARIES *(Continued)*

The following table presents the information relating to Causeway Bay 68 Group which has material non-controlling interests. The summarised financial information represents the amounts before any inter-company elimination.

	2026	2025
	HK$'000	*HK$'000*
Percentage of non-controlling interests	**40%**	40%
Non-current assets	**3,681,000**	3,683,000
Current assets	**35,501**	52,575
Non-current liabilities	**(986,409)**	(1,011,344)
Current liabilities	**(45,650)**	(56,358)
Net assets	**2,684,442**	2,667,873
Carrying amount of non-controlling interests	**1,073,777**	1,067,149
Revenue	**90,258**	96,654
Profit/(loss) for the year	**16,569**	(5,260)
Total comprehensive income/(expense)	**16,569**	(5,260)
Profit/(loss) allocated to non-controlling interests	**6,628**	(2,104)
Cash generated from operating activities	**57,773**	67,765
Cash generated from investing activities	**695**	1,298
Cash used in financing activities	**(74,448)**	(55,818)

Schedule of the Group's Properties

Location/Lot No.	Type of property	Lease term	Group's effective interest	Gross floor area
1. Pioneer Place (formerly known as Pioneer Building) 33 Hoi Yuen Road, Kwun Tong, Kowloon Kwun Tong Inland Lot No. 294	Commercial	Medium-term	100%	227,804 ft^2
2. 1st Floor, Fu Hop Factory Building Nos. 209 & 211 Wai Yip Street, Kwun Tong, Hong Kong 8/112 shares of and in Kwun Tong Inland Lot No. 293	Industrial	Medium-term	100%	11,100 ft^2
3. Club Lusitano No. 16 Ice House Street, Central, Hong Kong Remaining portion of Inland Lot No. 339	Commercial	Long-term	100%	80,140 ft^2
4. 68 Yee Wo Street Building No. 68 Yee Wo Street, Causeway Bay, Hong Kong The whole of Section K of Inland Lot No. 1408	Commercial	Long-term	60%	197,793 ft^2
5. The Whole of LG/F., G/F., 1/F., and 2/F., Kiu Fat Building, Nos. 115–119 Queen's Road West, Western District, Hong Kong Remaining portion of Marine Lot No. 58	Commercial	Long-term	100%	56,739 ft^2
6. Apartments A and B on 19th Floor, Wah Tai Mansion, No. 388 Zhao Jia Bang Road, Shanghai, the PRC	Residential	Medium-term	100%	5,248 ft^2

Five Years Financial Summary

	2026	2025	2024	2023	2022
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
RESULTS					
Revenue	**222,781**	239,931	249,480	238,397	263,023
Profit/(loss) attributable to shareholders of the Company	**52,289**	(161,696)	(56,169)	59,835	211,814
Dividend paid during the year	**–**	–	17,311	23,081	11,540
Earnings/(loss) per share (HK cents)	**4.53**	(14.01)	(4.87)	5.18	18.35
FINANCIAL POSITION					
Total assets	**10,895,719**	10,871,083	11,021,147	11,140,635	11,132,591
Total liabilities	**(2,375,713)**	(2,434,883)	(2,435,070)	(2,469,122)	(2,459,106)
	8,520,006	8,436,200	8,586,077	8,671,513	8,673,485
Capital and reserves					
Share capital	**115,404**	115,404	115,404	115,404	115,404
Reserves	**7,281,034**	7,208,102	7,357,646	7,450,457	7,442,896
Equity attributable to shareholders of the Company	**7,396,438**	7,323,506	7,473,050	7,565,861	7,558,300
Non-controlling interests	**1,123,568**	1,112,694	1,113,027	1,105,652	1,115,185
	8,520,006	8,436,200	8,586,077	8,671,513	8,673,485
	HK cents	*HK cents*	*HK cents*	*HK cents*	*HK cents*
Net asset value per share *(Note a)*	**640.9**	634.6	647.6	655.6	654.9
Total debt to total assets *(Note b)*	**20.4%**	21.0%	20.7%	20.5%	20.5%

Note a: Net asset value per share is arrived at using shareholders' fund divided by number of issued shares at year end.

Note b: Total debt to total assets is arrived at using interest-bearing bank loans divided by total assets.