



Associated International Hotels Limited

Stock Code : 105

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INTERIM REPORT

for the six months ended 30 September 2025

Associated International Hotels Limited

Interim Report

(Expressed in Hong Kong dollars)

The Board of Directors would like to announce the unaudited consolidated results of the Group for the half year ended 30 September 2025. These results have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), by KPMG, certified public accountants in Hong Kong, and the audit committee with no disagreement. The unmodified review report of the auditor is attached.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the six months ended 30 September 2025 – unaudited

		<i>Six months ended 30 September</i>	
	Note	2025 \$'000	2024 \$'000
Revenue	3	148,202	151,747
Cost of services		<u>(48,417)</u>	<u>(48,429)</u>
Gross profit		99,785	103,318
Other revenue	5	8,561	11,438
Other net loss	5	–	(1)
Administrative expenses		<u>(18,641)</u>	<u>(17,974)</u>
Profit from operations before valuation changes in investment properties		89,705	96,781
Valuation losses on investment properties	10(b)	<u>(221,280)</u>	<u>(568,786)</u>
Loss from operations after valuation changes in investment properties		(131,575)	(472,005)
Finance costs	6(a)	<u>(3,273)</u>	<u>(5,496)</u>
Loss before taxation	6	(134,848)	(477,501)
Income tax	7	<u>(13,554)</u>	<u>(13,373)</u>
Loss and total comprehensive income for the period attributable to equity shareholders of the Company		<u>(148,402)</u>	<u>(490,874)</u>
Loss per share – basic and diluted	9	<u>\$(0.41)</u>	<u>\$ (1.36)</u>

The notes on pages 5 to 10 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2025 – unaudited

	Note	At 30 September 2025 \$'000	At 31 March 2025 \$'000
Non-current assets			
Fixed assets	10		
– Investment properties		6,712,060	6,933,340
– Other properties, plant and equipment		42,967	44,462
		<u>6,755,027</u>	<u>6,977,802</u>
Current assets			
Accounts receivable, deposits and prepayments	11	127,885	119,561
Pledged bank deposits		37,033	5,675
Cash and cash equivalents	12	555,358	510,838
		<u>720,276</u>	<u>636,074</u>
Current liabilities			
Other payables and accruals	13	19,432	18,665
Deposits received		107,983	108,465
Provision for long service payments		3,036	2,906
Dividends payable		68,400	–
Current tax payable		10,019	4,773
		<u>208,870</u>	<u>134,809</u>
Net current assets		<u>511,406</u>	<u>501,265</u>
Total assets less current liabilities		<u>7,266,433</u>	<u>7,479,067</u>
Non-current liabilities			
Bank loan – secured		200,000	200,000
Government lease premiums payable		1,319	1,319
Deferred tax liabilities		133,842	129,674
		<u>335,161</u>	<u>330,993</u>
NET ASSETS		<u>6,931,272</u>	<u>7,148,074</u>
CAPITAL AND RESERVES			
Share capital		360,000	360,000
Reserves		6,571,272	6,788,074
TOTAL EQUITY		<u>6,931,272</u>	<u>7,148,074</u>

The notes on pages 5 to 10 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2025 – unaudited

	<i>Note</i>	<i>Attributable to equity shareholders of the Company</i>			
		<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance at 1 April 2024		360,000	1,778,150	5,718,155	7,856,305
Changes in equity for the six months ended 30 September 2024:					
Loss and total comprehensive income for the period		–	–	(490,874)	(490,874)
Dividends approved in respect of the previous financial year	8(b)	–	–	(90,000)	(90,000)
Balance at 30 September 2024 and 1 October 2024		360,000	1,778,150	5,137,281	7,275,431
Changes in equity for the six months ended 31 March 2025:					
Loss and total comprehensive income for the period		–	–	(69,757)	(69,757)
Dividends declared in respect of the current financial year	8(a)	–	–	(57,600)	(57,600)
Balance at 31 March 2025 and 1 April 2025		360,000	1,778,150	5,009,924	7,148,074
Changes in equity for the six months ended 30 September 2025:					
Loss and total comprehensive income for the period		–	–	(148,402)	(148,402)
Dividends approved in respect of the previous financial year	8(b)	–	–	(68,400)	(68,400)
Balance at 30 September 2025		<u>360,000</u>	<u>1,778,150</u>	<u>4,793,122</u>	<u>6,931,272</u>

The notes on pages 5 to 10 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 September 2025 – unaudited

	<i>Six months ended 30 September</i>	
	2025	2024
	\$'000	\$'000
Operating activities		
Cash generated from operations	76,792	86,803
Tax paid	(4,140)	(4,943)
Net cash generated from operating activities	72,652	81,860
Investing activities		
Payment for purchase of fixed assets other than investment properties	(633)	(202)
Payment for expenditure on investment properties	–	(1,726)
(Increase)/decrease in pledged bank deposits	(31,358)	192
Other cash flows arising from investing activities	7,274	10,203
Net cash (used in)/generated from investing activities	(24,717)	8,467
Financing activities		
Other cash flows arising from financing activities	(3,415)	(5,734)
Net cash used in financing activities	(3,415)	(5,734)
Net increase in cash and cash equivalents	44,520	84,593
Cash and cash equivalents at 1 April	510,838	506,522
Cash and cash equivalents at 30 September	555,358	591,115

The notes on pages 5 to 10 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 27 November 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2025, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2026. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 March 2025. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 20.

The financial information relating to the financial year ended 31 March 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2 Changes in accounting policies

The HKICPA has issued an amendment to HKFRS Accounting Standards that is first effective for the current accounting period of the Group. However, this development is not relevant to the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue

The principal activity of the Group is property investment.

Revenue represents gross rental income received and receivable from investment properties.

The Group's customer base is diversified and includes only one customer (2024: one customer) with whom transactions have exceeded 10% of the Group's revenue. During the period, revenue from this customer amounted to approximately \$19,395,000 (2024: \$18,182,000).

4 Segment information

The Group has a single reportable segment which is "Property leasing". Accordingly, the business segment information for this sole reportable segment is equivalent to the consolidated figures.

No separate geographical information is presented as the Group's revenue and results of property leasing were derived from Hong Kong.

5 Other revenue and net loss

	<i>Six months ended 30 September</i>	
	2025	2024
	\$'000	\$'000
Other revenue		
Interest income	6,026	10,459
Management fee received from holding company	600	600
Others	1,935	379
	8,561	11,438
Other net loss		
Net loss on disposals of fixed assets	—	(1)

6 Loss before taxation

Loss before taxation is arrived at after charging:

	<i>Six months ended 30 September</i>	
	2025	2024
	\$'000	\$'000
(a) Finance costs		
Interest on bank loan	3,132	5,354
Other borrowing costs	125	125
Interest on government lease premiums payable	16	17
	3,273	5,496
(b) Other items		
Depreciation charge	2,128	2,185
Impairment losses on accounts receivable	290	2,039

7 Income tax

	<i>Six months ended 30 September</i>	
	2025	2024
	\$'000	\$'000
Current tax		
Hong Kong Profits Tax	9,386	9,251
Deferred tax		
Origination and reversal of temporary differences	4,168	4,122
	13,554	13,373

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the six months ended 30 September 2025, except for the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime. For the Company, the first \$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Company was calculated at the same basis in 2024.

8 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

	<i>Six months ended 30 September</i>	
	2025	2024
	\$'000	\$'000
Interim dividend declared after the interim period of \$0.14 per share (2024: \$0.16 per share)	50,400	57,600

The interim dividend declared after the interim period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	<i>Six months ended 30 September</i>	
	2025	2024
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved during the following interim period, of \$0.19 per share (year ended 31 March 2024: \$0.25 per share)	68,400	90,000

9 Loss per share – basic and diluted

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of \$148,402,000 (2024: \$490,874,000) and 360,000,000 (2024: 360,000,000) ordinary shares in issue during the period. There were no potential dilutive ordinary shares in existence during the six months ended 30 September 2025 and 2024.

10 Fixed assets

- (a) During the period, there were no additions in the investment properties (six months ended 30 September 2024: \$1,726,000).
- (b) The investment properties in Hong Kong were revalued at 30 September 2025 by Vigers Appraisal and Consulting Limited, an independent firm of professional valuers who have among their staff Fellows of The Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued, on a market value basis. The fair value of investment properties was determined using income capitalisation approach which capitalised the net rental income of the properties and taking into account the occupancy rate and reversionary income potential of properties after the expiry of the current leases. As a result of the update, valuation losses of \$221,280,000 (2024: \$568,786,000) on investment properties have been recognised in the consolidated statement of profit or loss and other comprehensive income. The valuation changes will only affect the accounting profit or loss but not the cash flows of the Group.
- (c) Fixed assets of the Company with carrying value of \$6,633,408,000 as at 30 September 2025 (31 March 2025: \$6,846,265,000) were pledged to secure banking facilities of up to \$300,000,000 granted to the Company. The outstanding bank loan was \$200,000,000 as at 30 September 2025 (31 March 2025: \$200,000,000).

11 Accounts receivable, deposits and prepayments

The ageing analysis of accounts receivable (net of allowance for credit losses) which was included in accounts receivable, deposits and prepayments as of the end of the reporting period is as follows:

	At 30 September 2025 \$'000	At 31 March 2025 \$'000
Current (Note)	115,505	100,607
Less than 1 month past due	3,045	3,881
1 to 3 months past due	232	3,736
More than 3 months but less than 12 months past due	478	388
More than 12 months past due	916	1,327
Amounts past due	4,671	9,332
Total accounts receivable, net of allowance for credit losses	120,176	109,939
Deposits and prepayments	7,709	9,622
	127,885	119,561

Note: The amount includes the receivable for lease incentives of \$111,134,000 (31 March 2025: \$98,691,000) which is not past due. The movement in the said receivable during the period will only affect the accounting revenue but not the contractual cash flows of the Group.

Accounts receivable are generally due on the 1st day of each month and 10 to 14 days are allowed for settlement or else interest will be charged. Legal action will be taken against past due debtors whenever the situation is appropriate.

12 Cash and cash equivalents

	At 30 September 2025 \$'000	At 31 March 2025 \$'000
Deposits with banks	540,816	494,903
Cash at bank and in hand	14,542	15,935
	555,358	510,838

13 Other payables and accruals

All of the other payables and accruals are expected to be settled within one year.

BUSINESS REVIEW AND COMMENTARY

- The Group achieved a profit from operations before valuation changes in investment properties of \$89.7 million for the half year ended 30 September 2025, representing a decrease of approximately 7.3% compared with the corresponding period of last year. The decrease was attributable to the decrease in rental income from iSQUARE compared to the corresponding period of last year and the decrease in interest income due to the decline in interest rates.
- Valuation losses on investment properties for the half year ended 30 September 2025 amounted to \$221.3 million, compared with the valuation losses of \$568.8 million for the corresponding period of last year. The valuation changes will only affect the accounting profit or loss but not the cash flows of the Group.
- The Group recorded a loss attributable to equity shareholders of \$148.4 million for the half year ended 30 September 2025, compared with a loss attributable to equity shareholders of \$490.9 million for the corresponding period of last year.
- iSQUARE is a commercial complex housing retail, entertainment, food and beverage establishments. Rental income from iSQUARE amounted to approximately \$147.0 million for the half year ended 30 September 2025, representing a decrease of approximately 2.3% compared with the corresponding period of last year. The occupancy rate at 30 September 2025 was approximately 74.8% (30 September 2024: 77.0%).
- The total equity for the Group at 30 September 2025 was \$6,931.3 million, compared with \$7,148.1 million at 31 March 2025.
- On 7 October 2013, the Company entered into a facility agreement with a bank comprising of a 3-year term loan facility of up to \$200 million and a 3-year revolving loan facility of up to \$100 million both at floating interest rate. Following the first supplemental agreement for extension of the facilities to 8 October 2021, the Company entered into the second supplemental agreement with the bank on 23 August 2021 for extension of the facilities for three years to 8 October 2024. With the agreement of the lending bank, the facilities have been further extended for two additional years to 8 October 2026. At 30 September 2025, the banking facilities were utilised to the extent of \$200 million (31 March 2025: \$200 million) and the Group's gearing ratio (calculated as total bank loans divided by total equity) was 2.9% (31 March 2025: 2.8%).
- At 30 September 2025, the total number of employees of the Group, excluding the staff employed by Cushman & Wakefield Property Management Limited for general building and property management of iSQUARE, was 34 (30 September 2024: 36) and the related costs incurred during the period were approximately \$13.5 million (30 September 2024: \$13.1 million).
- Save as disclosed in this report, there has been no further material change to the information contained in the Company's annual report for the year ended 31 March 2025 which necessitates additional disclosure to that made herein.

OUTLOOK

Despite the lowering of interest rates, and a recovery in consumer confidence and various government measures to boost the economy, the retail sector in Hong Kong continues to face significant challenges. It is anticipated that rental income from iSQUARE and the results from operations of the Group for the second half year will be adversely affected.

INTERIM DIVIDEND

The Board has resolved that an interim dividend of \$0.14 per share (2024: \$0.16 per share) will be paid on Thursday, 8 January 2026 to members whose names appear on the register of members of the Company on Thursday, 18 December 2025.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining members' entitlement to the said interim dividend, the register of members of the Company will be closed, details of which are set out below. During such closure period, no transfer of shares will be registered.

Latest time to lodge transfer documents* for registration	4:30 p.m. on Monday, 15 December 2025 (Hong Kong time)
Closure of register of members	Tuesday, 16 December 2025 to Thursday, 18 December 2025 (both dates inclusive)
Record date	Thursday, 18 December 2025

- * All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2025, the directors and chief executives of the Company had the following interests in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

(a) The Company

Name	Number of ordinary shares			Approximate	
	Personal interests ¹	Family interests ²	Other interests	Total beneficial interests	% of total issued voting shares
Cheong Kheng Lim	24,555,715	1,034,000	–	25,589,715	7.11%
Cheong Keng Hooi	11,759,839	275,280	–	12,035,119	3.34%
Cheong Sim Lam	1,807,155	24,000	–	1,831,155	0.51%
Cheong Chong Ling	1,588,000	–	–	1,588,000	0.44%
Cheong Tiong Ham	1,068,000	8,009	–	1,076,009	0.30%
Cheong Chin Hong Rodney	2,245,000	–	–	2,245,000	0.62%

(b) Tian Teck Land Limited

Name	Number of shares			Approximate	
	Personal interests ¹	Family interests ²	Other interests	Total beneficial interests	% of total issued voting shares
Cheong Kheng Lim	46,023,872	115,292	–	46,139,164	9.72%
Cheong Keng Hooi	26,862,036	1,002,384	–	27,864,420	5.87%
Cheong Sim Lam	1,099,504	–	–	1,099,504	0.23%
Cheong Chong Ling	412,000	–	–	412,000	0.09%
Cheong Tiong Ham	270,000	–	–	270,000	0.06%
Cheong Chin Hong Rodney	7,459,333	500,000	–	7,959,333	1.68%

**INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES,
UNDERLYING SHARES AND DEBENTURES** (Continued)

(c) Tian Teck Investment Holding Co., Limited

<i>Name</i>	<i>Number of ordinary shares</i>				<i>Approximate % of total issued voting shares</i>
	<i>Personal interests¹</i>	<i>Family interests²</i>	<i>Other interests</i>	<i>Total beneficial interests</i>	
Cheong Kheng Lim	25	–	–	25	25%
Cheong Keng Hooi	25	–	–	25	25%
Cheong Sim Lam	25	–	–	25	25%
Cheong Chin Hong Rodney	4 ³	–	25 ⁴	25	25%

¹ Personal interests represent interests held in the capacity of beneficial owner.

² Family interests represent interests of spouse.

³ Mr Cheong Chin Hong Rodney is interested in 25 shares as an executor of the estate of Mr Cheong Hooi Hong, out of which he is the beneficiary of 15% of such shares (i.e. 3 and $\frac{3}{4}$ shares, rounded to 4 shares for disclosure purpose under the SFO).

⁴ The other interests of 25 shares represent interests held as an executor of the estate of Mr Cheong Hooi Hong.

Save as disclosed above, as at 30 September 2025, none of the directors or chief executives of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, other than the interests of the directors and chief executives of the Company as disclosed above, the Company has been notified of the following interests in the shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

	<i>Number of ordinary shares</i>	<i>Approximate % of total issued voting shares</i>
Tian Teck Investment Holding Co., Limited	180,030,681 (Note 1)	50.01%
Tian Teck Land Limited	180,030,681 (Note 1)	50.01%
Cheong Kheng Lim	25,589,715 (Note 2)	7.11%
Lim Yoke Soon	25,589,715 (Note 2)	7.11%

Notes:

- (1) The register of interests and short positions in shares kept under section 336 of the SFO indicates that the interest disclosed by Tian Teck Investment Holding Co., Limited is the same as the 180,030,681 shares disclosed by Tian Teck Land Limited.
- (2) The interest disclosed by Mr Cheong Kheng Lim is the same as the 25,589,715 shares disclosed by his spouse, Ms Lim Yoke Soon. Out of the 25,589,715 shares, 24,555,715 shares were held by Mr Cheong Kheng Lim, and 1,034,000 shares were held by Ms Lim Yoke Soon.

Save as disclosed above, as at 30 September 2025, no other interests or short positions in the shares and underlying shares of the Company required to be recorded in the register kept by the Company under section 336 of the SFO have been notified to the Company.

PURCHASE, SALE OR REDEMPTION BY THE COMPANY AND ITS SUBSIDIARIES OF ITS LISTED SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 September 2025 (including sale of treasury shares, if any). As at 30 September 2025, the Company did not hold any treasury shares.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE ("LISTING RULES")

Due to allowances for expenses actually incurred, the directors' emoluments of the following directors for the six months ended 30 September 2025 have changed when compared with those for the last corresponding period:

- Mr Cheong Kheng Lim's emoluments increased by \$56,000 to \$1,197,000^{Note 1}, of which, \$1,006,000 (2024: \$958,000) was covered by his service contract with the Company as the chief executive officer.
- Mr Cheong Keng Hooi's emoluments decreased by \$13,000 to \$1,079,000.
- Mr Cheong Sim Lam's emoluments increased by \$150,000 to \$1,419,000, of which, \$814,000 (2024: \$807,000) was covered by his service contract with the Company as the chief investment officer.
- Ms Cheong Chong Ling's emoluments increased by \$34,000 to \$897,000^{Note 2}, of which, \$576,000 (2024: \$547,000) was covered by her service contract with the Company as the chief administration officer.
- Mr Cheong Tiong Ham's emoluments increased by \$32,000 to \$1,194,000, of which, \$746,000 (2024: \$714,000) was covered by his service contract with the Company as the chief operation officer.

Despite the above changes, the Company's policy regarding the said expenses has not changed.

Notes:

- (1) Excluding the benefit in respect of the residential property provided by the Company pursuant to the director's service contract. As at 30 September 2025, the estimated annual rental value of the property was \$1,329,600 (30 September 2024: \$1,293,000).
- (2) Excluding the benefit in respect of the residential property provided by the Company pursuant to the director's service contract. As at 30 September 2025, the estimated annual rental value of the property was \$1,317,600 (30 September 2024: \$1,281,000).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company throughout the six months ended 30 September 2025 complied with all the code provisions, where applicable, set out in Part 2 of the Corporate Governance Code in Appendix C1 to the Listing Rules, except for the deviations as disclosed hereunder:

- Code Provision C.1.7: Appropriate insurance cover in respect of legal action against directors should be arranged

Currently, the Company does not have insurance cover for legal action against its Directors. After taking into account the business nature and operational complexity and diversity of the Group, as well as the close supervision of and prudent approach adopted by the management, the Board believes that the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. Benefits to be derived from taking out insurance may not outweigh the cost. Despite it, every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto pursuant to the Articles of Association of the Company. In view of the above, the Board considers that the Directors' exposure to risk is manageable.

- Code Provision C.2.1: The roles of chairman and chief executive should be separate and performed by two individuals

The roles of the Chairman and chief executive officer of the Company are taken up by the same person. To avoid concentration of power and authority in any one individual, the Executive Directors have been sharing the day-to-day management of the Company's business whilst the Board is collectively responsible for formulation of objectives and strategic decisions. In addition, the Board comprises three Independent Non-executive Directors ("INEDs") with differing expertise/calibre who can provide a "check and balance" effect on the management through their high attendance at board meetings and active roles in board committees whereby ensuring a balance of power. Given consideration to the aforesaid, the Board is of the view that the structure of CEO duality does not have any adverse effect on the Company and believes that the current structure enables the Group to make and implement decisions promptly and efficiently on the one hand while achieving an equilibrium of power on the other.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (Continued)

- Code Provision D.2.2: Issuer should have an internal audit function and review the need for one in case of its absence annually

At present, the Company does not have an internal audit function. The Board reviewed the need for setting up one in March 2025 and considered that there was no such immediate need after taking into account the Group's current circumstances, such as the focused nature and geographical spread of business, the relatively simple operating structure and small size of the Group and the close involvement and supervision of the management in daily operation, which could provide sufficient risk management and internal control for the Group. Despite it, the Board has taken initiatives to promote the adequacy and effectiveness of the risk management and internal control systems by creating a control environment across the Group (such as building up a corporate culture based on sound business ethics and accountability through the implementation of whistleblowing policy and procedure manuals with defined roles, responsibilities and reporting lines) and putting control activities in place (such as conducting group-wide risk assessment exercise biannually). In addition, where the external auditor of the Company considers any internal controls that are relevant to the audit of the financial statements, it will report to the audit committee any significant deficiencies in internal control identified during the audit.

In view of the above considerations, together with the review result on the effectiveness of the existing control mechanism and the potential cost to be involved, the Board is of the opinion that it is not cost effective to set up and maintain an internal audit function for the time being. Nonetheless, the Board will review the need for one on an annual basis.

- Code Provision E.1.5: Remuneration details of senior management should be disclosed by band in annual reports

The remuneration details of the senior management are not disclosed by band in the annual report. To ensure they are remunerated at a reasonable but not excessive rate, none of them is involved in deciding his/her own remuneration or related to the remuneration committee members (who are all INEDs and authorised to collectively determine the remuneration of the senior management based on a number of factors set out in the Company's remuneration policy). The Directors consider that the non-disclosure does not pose any negative impact on the Company. On the contrary, the disclosure of the remuneration details of the senior management may cause undue comparison among staff members, and would unnecessarily provide highly sensitive and confidential information to competitors and other third parties looking to recruit the senior management. In light of the above, the Directors are of the view that the disclosure of such information would neither provide pertinent information in furtherance of corporate governance, nor be in the interests of the members of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code for dealing in securities in the Company by its Directors. Specific enquiry has been made to all Directors of the Company as to whether they have complied with or whether there has been any non-compliance with the Model Code, and all Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2025.

COMPANY SECRETARY

Ms Ng Sau Mei was appointed as the company secretary of the Company with effect from 1 August 2025. She is a director of the Listing Services Department of TMF Hong Kong Limited, a company secretarial service provider. Her primary contact person at the Company is Ms Susan Chan So Some, the financial controller of the Company.

By order of the Board
Associated International Hotels Limited
Ng Sau Mei
Company Secretary

Hong Kong, 27 November 2025

As at the date of this report, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi, Mr Cheong Sim Lam, Ms Cheong Chong Ling, Mr Cheong Tiong Ham and Mr Cheong Chin Hong Rodney are executive directors, and Mr Chow Wan Hoi, Paul, Mr Wong Yiu Tak and Mr Lee Chung are independent non-executive directors.



REVIEW REPORT TO THE BOARD OF DIRECTORS OF ASSOCIATED INTERNATIONAL HOTELS LIMITED

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 1 to 10 which comprises the consolidated statement of financial position of Associated International Hotels Limited as of 30 September 2025 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 November 2025