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**香港興業國際集團有限公司\***

**HKR International Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00480)**

**ANNOUNCEMENT OF FINAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**RESULTS**

The Board of Directors (the “Board”) of HKR International Limited (the “Company”) announces the audited final results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025 (the “FY2025”).

The Group’s revenue for the FY2025 amounted to HK\$1,753.4 million, which decreased by 56% from HK\$3,940.7 million in the last year primarily owing to decrease in revenue from property development during the FY2025 as the scheduled completion of property development projects will not occur until after FY2025. During last year, the revenue amounting to HK\$2.1 billion from recognition of Starlight One, a project in Jiaxing, the People’s Republic of China (“PRC”) was relatively substantial in comparing between the two years. The Group recorded underlying profit of HK\$70.0 million for the FY2025 as compared to that of HK\$172.6 million in the previous year. Loss attributable to owners of the Company of HK\$786.0 million, increased by HK\$318.0 million from HK\$468.0 million for last year, was primarily due to the widening impact from the Group’s attributable share of net unrealised losses on fair value change of investment properties held by the Group and its joint venture from HK\$263.9 million to HK\$670.8 million despite asset impairment provisions on the property development projects held by the Group and its joint venture and other assets reduced from HK\$376.7 million to HK\$185.2 million.

**DIVIDEND**

The Board does not recommend a final dividend to the shareholders of the Company (the “Shareholders”) for the FY2025 (2024: Nil) and no interim dividend was paid by the Company during FY2025 (2024: Nil).

## **CLOSURE OF REGISTERS OF MEMBERS**

The record date for the 2025 annual general meeting of the Company to be held on 20 August 2025 (the “2025 AGM”) is 20 August 2025. The main and branch registers of members of the Company will be closed from 15 to 20 August 2025 (both days inclusive) for the 2025 AGM. During the period, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 August 2025. The notice of the 2025 AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and despatched to the shareholders of the Company in due course.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	<i>Notes</i>	<b>2025</b> <b>HK\$'M</b>	2024 <i>HK\$'M</i>
Revenue	3	<b>1,753.4</b>	3,940.7
Cost of sales		<u><b>(791.5)</b></u>	<u>(2,550.3)</u>
Gross profit		<b>961.9</b>	1,390.4
Other income		<b>119.8</b>	148.9
Other gains and losses	4	<b>(93.3)</b>	(441.1)
Selling, administrative and other operating expenses		<b>(645.7)</b>	(714.5)
Change in fair value and losses on disposals of investment properties			
Realised losses on disposals		<b>(1.8)</b>	(3.0)
Unrealised losses		<b>(763.6)</b>	(336.4)
Finance costs	5	<b>(408.2)</b>	(409.4)
Share of results of associates		<b>(0.4)</b>	(0.1)
Share of results of joint ventures		<u><b>153.9</b></u>	<u>192.0</u>
Loss before taxation	6	<b>(677.4)</b>	(173.2)
Taxation	7	<u><b>(93.2)</b></u>	<u>(373.9)</u>
Loss for the year		<u><b>(770.6)</b></u>	<u>(547.1)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company	8	<b>(786.0)</b>	(468.0)
Non-controlling interests		<u><b>15.4</b></u>	<u>(79.1)</u>
		<u><b>(770.6)</b></u>	<u>(547.1)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	10		
Basic		<u><b>(52.9)</b></u>	<u>(31.5)</u>
Diluted		<u><b>(52.9)</b></u>	<u>(31.5)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
*FOR THE YEAR ENDED 31 MARCH 2025*

	<b>2025</b> <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Loss for the year	<u>(770.6)</u>	<u>(547.1)</u>
Other comprehensive (expense)/income:		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of post-employment benefit obligations	<b>0.4</b>	0.7
Investments in equity instruments measured at fair value through other comprehensive income:		
Fair value changes during the year	<b>(2.6)</b>	(12.7)
Deferred tax arising from fair value changes	<u><b>(0.2)</b></u>	<u>(0.1)</u>
	<u><b>(2.4)</b></u>	<u>(12.1)</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange difference arising from a foreign joint venture	<b>(120.3)</b>	(267.4)
Exchange differences arising from translation of other foreign operations	<b>20.3</b>	(283.2)
Release of exchange reserve upon deregistration of foreign subsidiaries	<u><b>(1.0)</b></u>	<u>0.9</u>
	<u><b>(101.0)</b></u>	<u>(549.7)</u>
Other comprehensive expense for the year, net of tax	<u><b>(103.4)</b></u>	<u>(561.8)</u>
Total comprehensive expense for the year	<u><b>(874.0)</b></u>	<u>(1,108.9)</u>
Total comprehensive (expense)/income attributable to:		
Owners of the Company	<b>(889.6)</b>	(1,030.1)
Non-controlling interests	<u><b>15.6</b></u>	<u>(78.8)</u>
	<u><b>(874.0)</b></u>	<u>(1,108.9)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2025**

	<i>Note</i>	<b>2025</b> <b>HK\$'M</b>	2024 HK\$'M
Non-current assets			
Investment properties		<b>13,529.2</b>	13,843.2
Property, plant and equipment		<b>2,850.5</b>	2,635.5
Intangible assets		<b>6.9</b>	8.8
Right-of-use assets		<b>79.8</b>	70.7
Interests in associates		–	–
Interests in joint ventures		<b>10,224.8</b>	9,908.1
Properties held for development for sale		<b>3,097.5</b>	3,398.5
Equity instruments measured at fair value through other comprehensive income		<b>14.9</b>	11.5
Financial assets at fair value through profit or loss		<b>361.0</b>	423.9
Investments in debt instruments measured at amortised cost		<b>11.5</b>	11.5
Other assets		<b>187.7</b>	325.2
Deferred tax assets		<b>88.6</b>	58.4
		<b><u>30,452.4</u></b>	<b><u>30,695.3</u></b>
Current assets			
Inventories		<b>39.0</b>	39.2
Properties held for sale		<b>1,074.2</b>	1,405.5
Properties under development for sale		<b>8,976.1</b>	7,261.8
Trade receivables	<i>11</i>	<b>40.1</b>	46.1
Deposits, prepayments and other receivables		<b>309.5</b>	360.4
Loan to a joint venture		–	119.4
Amounts due from associates		<b>3.8</b>	4.1
Amounts due from joint ventures		<b>165.1</b>	167.3
Investments in debt instruments measured at amortised cost		<b>4.2</b>	57.3
Taxation recoverable		<b>78.9</b>	62.5
Bank balances and cash		<b>2,049.5</b>	1,605.8
		<b><u>12,740.4</u></b>	<b><u>11,129.4</u></b>

	<i>Notes</i>	<b>2025</b> <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Current liabilities			
Trade payables, provision and accrued charges	<i>12</i>	<b>958.2</b>	1,111.7
Deposits received and other financial liabilities		<b>151.6</b>	160.5
Contract liabilities		<b>1,118.7</b>	97.1
Bank and other loans due within one year		<b>2,408.7</b>	3,744.1
Lease liabilities		<b>7.7</b>	6.3
Other liabilities		<b>76.7</b>	–
Taxation payable		<b>101.0</b>	239.1
		<b><u>4,822.6</u></b>	<u>5,358.8</u>
Net current assets		<b><u>7,917.8</u></b>	<u>5,770.6</u>
Total assets less current liabilities		<b><u>38,370.2</u></b>	<u>36,465.9</u>
Non-current liabilities			
Contract liabilities		<b>46.2</b>	226.5
Bank and other loans due after one year		<b>9,782.1</b>	6,883.1
Lease liabilities		<b>51.1</b>	42.2
Other liabilities due after one year		<b>2,743.5</b>	2,735.3
Deferred tax liabilities		<b>467.4</b>	431.9
		<b><u>13,090.3</u></b>	<u>10,319.0</u>
		<b><u>25,279.9</u></b>	<u>26,146.9</u>
Capital and reserves			
Share capital	<i>13</i>	<b>371.3</b>	371.3
Reserves		<b>22,104.6</b>	22,987.0
Equity attributable to owners of the Company		<b>22,475.9</b>	23,358.3
Non-controlling interests		<b>2,804.0</b>	2,788.6
		<b><u>25,279.9</u></b>	<u>26,146.9</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

### 1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). 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.

The consolidated financial statements have been prepared on the historical cost basis, except for mortgage instalment receivables, investment properties and financial instruments that are measured at fair values at the end of each reporting period.

The consolidated financial statements are presented in Hong Kong dollars, which is the functional currency of the Company.

### 2 APPLICATION OF NEW STANDARD, AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND INTERPRETATION

#### Adoption of amended standards and interpretations to existing standards

On 1 April 2024, the Group has adopted the amended standards and interpretations to existing standards issued by the HKICPA that are relevant to the Group’s operations and mandatory for annual periods beginning 1 April 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above amended standards and interpretations has no material effect on the results and financial position of the Group.

## New and amended standards and interpretations to existing standards which are not yet effective

At the date of authorisation of the financial statements, the following new and amended standards and interpretations to existing standards were in issue but not yet effective and have not been adopted early by the Group:

Amendments to HKAS 21 and HKFRS 1 <sup>(1)</sup>	Lack of Exchangeability
Amendments to HKFRS 9 and HKFRS 7 <sup>(2)</sup>	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7 <sup>(2)</sup>	Contracts Referencing Nature-dependent Electricity
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>(2)</sup>	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 18 <sup>(3)</sup>	Presentation and Disclosure in Financial Statements
HKFRS 19 <sup>(3)</sup>	Subsidiaries without Public Accountability: Disclosures
Amendments to Hong Kong Interpretation 5 <sup>(3)</sup>	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 10 and HKAS 28 <sup>(4)</sup>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(1) Effective for annual periods beginning 1 January 2025

(2) Effective for annual periods beginning 1 January 2026

(3) Effective for annual periods beginning 1 January 2027

(4) To be determined

The Group has already commenced an assessment of the impact to the Group and considered that there will not be any substantial changes to the Group's material accounting policies and presentation of financial statements.

### 3 REVENUE AND SEGMENT INFORMATION

The Group is organised into five operating divisions: property development, property investment, transportation services and property management, hotel operations and leisure businesses. Each of the operating divisions represents an operating and reportable segment.

#### Disaggregation of revenue

	For the year ended 31 March 2025					
	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>Types of goods or services:</b>						
Sales of properties	277.1	-	-	-	-	277.1
Hotel revenue	-	-	-	248.4	-	248.4
Other services rendered	26.0	92.5	301.5	-	367.7	787.7
Revenue from contracts with customers	303.1	92.5	301.5	248.4	367.7	1,313.2
Rental income	-	433.5	4.8	-	1.9	440.2
Consolidated revenue, as reported	<u>303.1</u>	<u>526.0</u>	<u>306.3</u>	<u>248.4</u>	<u>369.6</u>	<u>1,753.4</u>
<b>Geographical markets:</b>						
Hong Kong	131.8	503.0	306.3	143.0	369.6	1,453.7
Mainland China	171.3	20.4	-	-	-	191.7
Japan	-	2.6	-	-	-	2.6
South East Asia	-	-	-	105.4	-	105.4
Total	<u>303.1</u>	<u>526.0</u>	<u>306.3</u>	<u>248.4</u>	<u>369.6</u>	<u>1,753.4</u>
<b>Timing of revenue recognition:</b>						
At a point in time	277.1	-	277.4	93.2	240.0	887.7
Over time	26.0	92.5	24.1	155.2	127.7	425.5
Total	<u>303.1</u>	<u>92.5</u>	<u>301.5</u>	<u>248.4</u>	<u>367.7</u>	<u>1,313.2</u>

For the year ended 31 March 2024

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>Types of goods or services:</b>						
Sales of properties	2,521.9	–	–	–	–	2,521.9
Hotel revenue	–	–	–	252.3	–	252.3
Other services rendered	32.9	95.6	283.4	–	295.4	707.3
Revenue from contracts with customers	2,554.8	95.6	283.4	252.3	295.4	3,481.5
Rental income	–	455.4	2.4	–	1.4	459.2
Consolidated revenue, as reported	<u>2,554.8</u>	<u>551.0</u>	<u>285.8</u>	<u>252.3</u>	<u>296.8</u>	<u>3,940.7</u>
<b>Geographical markets:</b>						
Hong Kong	218.9	529.2	285.8	179.7	296.8	1,510.4
Mainland China	2,175.0	19.7	–	–	–	2,194.7
Japan	–	2.1	–	–	–	2.1
South East Asia	160.9	–	–	72.6	–	233.5
Total	<u>2,554.8</u>	<u>551.0</u>	<u>285.8</u>	<u>252.3</u>	<u>296.8</u>	<u>3,940.7</u>
<b>Timing of revenue recognition:</b>						
At a point in time	2,523.3	–	260.2	103.6	171.0	3,058.1
Over time	31.5	95.6	23.2	148.7	124.4	423.4
Total	<u>2,554.8</u>	<u>95.6</u>	<u>283.4</u>	<u>252.3</u>	<u>295.4</u>	<u>3,481.5</u>

## Operating segments

### Segment information

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

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>For the year ended 31 March 2025</b>						
<b>Revenue</b>						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	1,614.4	2,164.0	306.3	248.4	369.6	4,702.7
Excluding revenue of an associate and joint ventures	<u>(1,311.3)</u>	<u>(1,638.0)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(2,949.3)</u>
Consolidated revenue, as reported	<u>303.1</u>	<u>526.0</u>	<u>306.3</u>	<u>248.4</u>	<u>369.6</u>	<u>1,753.4</u>
<b>Results</b>						
Segment results – total realised results of the Group, associates and joint ventures (note a)	(364.7)	839.4	50.0	(43.1)	42.8	524.4
Excluding realised results of associates and joint ventures not shared by the Group	<u>161.4</u>	<u>(257.5)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(96.1)</u>
Results attributable to the Group	<u>(203.3)</u>	<u>581.9</u>	<u>50.0</u>	<u>(43.1)</u>	<u>42.8</u>	<u>428.3</u>
Unallocated other expenses						(14.5)
Unallocated corporate expenses						(144.0)
Finance costs and corporate level exchange difference						(279.7)
Net unrealised losses on fair value change of investment properties (note b)						(763.6)
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						<u>2.9</u>
Loss for the year						(770.6)
Non-controlling shareholders' share of profit for the year						<u>(15.4)</u>
Loss for the year attributable to owners of the Company						<u>(786.0)</u>

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2024						
<b>Revenue</b>						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	3,442.9	2,302.0	285.8	252.3	296.8	6,579.8
Excluding revenue of an associate and joint ventures	<u>(888.1)</u>	<u>(1,751.0)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(2,639.1)</u>
Consolidated revenue, as reported	<u>2,554.8</u>	<u>551.0</u>	<u>285.8</u>	<u>252.3</u>	<u>296.8</u>	<u>3,940.7</u>
<b>Results</b>						
Segment results – total realised results of the Group, associates and joint ventures ( <i>note a</i> )	(281.6)	864.1	11.0	(22.5)	(73.2)	497.8
Excluding realised results of associates and joint ventures not shared by the Group	<u>60.3</u>	<u>(266.4)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(206.1)</u>
Results attributable to the Group	<u>(221.3)</u>	<u>597.7</u>	<u>11.0</u>	<u>(22.5)</u>	<u>(73.2)</u>	291.7
Unallocated other expenses						(26.7)
Unallocated corporate expenses						(164.7)
Finance costs and corporate level exchange difference						(340.2)
Net unrealised losses on fair value change of investment properties ( <i>note b</i> )						(336.4)
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						<u>29.2</u>
Loss for the year						(547.1)
Non-controlling shareholders' share of loss for the year						<u>79.1</u>
Loss for the year attributable to owners of the Company						<u>(468.0)</u>

*Notes:*

- (a) The segment results of the Group include the entire results of associates and joint ventures, excluding the net unrealised gains or losses on fair value change of investment properties net of deferred tax arising from change in fair value.
- (b) The net unrealised losses on fair value change of investment properties for the year ended 31 March 2025 of HK\$763.6 million (2024: HK\$336.4 million) represented the unrealised losses on fair value change of investment properties of HK\$763.6 million (2024: HK\$336.4 million).

Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of unallocated other expenses, unallocated corporate expenses, finance costs and corporate level exchange difference, net unrealised losses on fair value change of investment properties and net unrealised gains on fair value change of investment properties attributable to the Group's interests in a joint venture, net of deferred tax. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above is from external customers.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as they are not reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker for review.

### *Other segment information*

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Unallocated amounts <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>For the year ended 31 March 2025</b>							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	-	-	(8.9)	-	(0.6)	-	(9.5)
Depreciation of property, plant and equipment	26.5	16.2	14.3	56.8	63.0	3.6	180.4
Depreciation of right-of-use assets	3.8	-	0.7	-	0.5	3.5	8.5
Impairment loss reversed on loans to joint ventures	-	-	-	-	-	(2.0)	(2.0)
Impairment loss on investments in debt instruments measured at amortised cost	-	-	-	-	-	6.0	6.0
Impairment loss on properties under development for sale	6.7	-	-	-	-	-	6.7
Impairment loss on properties held for sale	78.8	-	-	-	-	-	78.8
Impairment loss (reversed)/ recognised on property, plant, and equipment	-	-	(4.9)	-	7.7	-	2.8
Impairment loss on trade receivables	-	15.9	-	-	-	0.2	16.1
Net (gain)/loss on financial assets at fair value through profit or loss ("FVTPL")	-	(21.5)	-	-	-	22.4	0.9
Net loss on mortgage instalment receivables	0.4	-	-	-	-	-	0.4
Net loss on deregistration of subsidiaries	-	-	-	-	-	2.5	2.5
Net gain on disposal of property, plant and equipment	-	-	(0.2)	(0.3)	-	-	(0.5)
Interest income	(44.1)	(0.8)	-	(0.2)	-	(24.8)	(69.9)
Finance costs	149.1	-	1.3	-	0.6	257.2	408.2
Income tax charge	2.7	31.0	3.4	(0.2)	16.2	40.1	93.2
Share of results of associates	0.4	-	-	-	-	-	0.4
Share of results of joint ventures	106.5	(257.5)	-	-	-	(2.9)	(153.9)

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Unallocated amounts <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2024							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	–	–	(8.1)	–	(0.1)	–	(8.2)
Depreciation of property, plant and equipment	20.8	18.6	14.7	50.4	73.0	4.1	181.6
Depreciation of right-of-use assets	3.7	–	0.8	–	0.5	3.3	8.3
Impairment loss reversed on loans to joint ventures	–	–	–	–	–	(0.4)	(0.4)
Impairment loss on investments in debt instruments measured at amortised cost	–	–	–	–	–	15.5	15.5
Impairment loss on properties held for development for sale	164.3	–	–	–	–	–	164.3
Impairment loss on properties under development for sale	13.1	–	–	–	–	–	13.1
Impairment loss on properties held for sale	94.3	–	–	–	–	–	94.3
Impairment loss on property, plant, and equipment	–	–	5.4	–	52.1	–	57.5
Net (gain)/loss on financial assets at FVTPL	–	(5.5)	–	–	–	19.6	14.1
Net loss on mortgage instalment receivables	5.3	–	–	–	–	–	5.3
Net (gain)/loss on deregistration of subsidiaries	(0.5)	0.9	–	–	–	(1.8)	(1.4)
Net loss/(gain) on disposal of property, plant and equipment	–	–	1.0	(0.1)	(0.4)	–	0.5
Interest income	(37.6)	(6.8)	–	(0.2)	–	(31.9)	(76.5)
Finance costs	123.3	0.1	1.3	–	0.6	284.1	409.4
Income tax charge/(credit)	296.6	33.9	(1.3)	4.6	4.9	35.2	373.9
Share of results of associates	0.1	–	–	–	–	–	0.1
Share of results of joint ventures	103.6	(266.4)	–	–	–	(29.2)	(192.0)

\* Inter-segment sales are entered into in accordance with the relevant agreements, if any, governing those transactions, in which the pricing was determined with reference to prevailing market price or actual cost incurred, as appropriate.

### ***Revenue from major products and services***

The following is an analysis of the Group's revenue from its major products and services:

	<b>2025</b> <b><i>HK\$'M</i></b>	2024 <i>HK\$'M</i>
Sales of properties	<b>277.1</b>	2,521.9
Rental income	<b>440.2</b>	459.2
Hotel revenue	<b>248.4</b>	252.3
Other services rendered	<b>787.7</b>	707.3
	<b><u>1,753.4</u></b>	<u>3,940.7</u>

### ***Geographical information***

For each of the years ended 31 March 2025 and 31 March 2024, the Group's operations are located in Hong Kong, mainland China, Japan and South East Asia.

The Group's revenue from external customers based on the location of properties and goods delivered or services rendered, and location of properties in the case of rental income, and information about its non-current assets by geographical location of the assets are detailed below:

	<b>Revenue from external customers</b>		<b>Non-current assets</b> <i>(note a)</i>	
	<b>2025</b> <b>HK\$'M</b>	<b>2024</b> <b>HK\$'M</b>	<b>2025</b> <b>HK\$'M</b>	<b>2024</b> <b>HK\$'M</b>
Hong Kong	<b>1,453.7</b>	1,510.4	<b>17,129.8</b>	17,742.8
Mainland China	<b>191.7</b>	2,194.7	<b>4,439.0</b>	4,251.6
Japan	<b>2.6</b>	2.1	<b>169.4</b>	167.0
South East Asia <i>(note b)</i>	<b>105.4</b>	233.5	<b>1,767.7</b>	1,617.4
	<b><u>1,753.4</u></b>	<b><u>3,940.7</u></b>	<b><u>23,505.9</u></b>	<b><u>23,778.8</u></b>

*Notes:*

- (a) Non-current assets excluded those related to financial instruments and deferred tax assets.
- (b) Revenue from respective country within "South East Asia" contributed less than 10% of the Group's revenue.

### ***Information about major customers***

The revenue from individual customer contributed less than 10% of the total revenue of the Group for both years.

#### 4 OTHER GAINS AND LOSSES

	2025 <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Other (losses)/gains include the following:		
Net (loss)/gain on deregistration of subsidiaries	(2.5)	1.4
Net foreign exchange gain/(loss)	18.4	(78.3)
Net gain/(loss) on disposal of property, plant and equipment	0.5	(0.5)
Impairment loss on property, plant and equipment	(2.8)	(57.5)
Impairment loss on properties held for development for sale	–	(164.3)
Impairment loss on properties under development for sale	(6.7)	(13.1)
Impairment loss on properties held for sale	(78.8)	(94.3)
Net loss on financial assets at FVTPL	(0.9)	(14.1)
Net loss on mortgage instalment receivables	(0.4)	(5.3)
	<u>(73.2)</u>	<u>(426.0)</u>
Impairment losses under expected credit loss model, net of reversal, include the following:		
– Impairment loss reversed on loans to joint ventures	2.0	0.4
– Impairment loss on trade receivables	(16.1)	–
– Impairment loss on investments in debt instruments measured at amortised cost	(6.0)	(15.5)
	<u>(6.0)</u>	<u>(15.5)</u>
	<u>(93.3)</u>	<u>(441.1)</u>

#### 5 FINANCE COSTS

	2025 <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Interests on		
Bank and other loans	638.3	601.3
Advance from a non-controlling shareholder	131.8	132.3
Lease liabilities	2.0	2.1
Bank and other loans arrangement fees	29.9	33.5
	<u>802.0</u>	<u>769.2</u>
Less: Amounts included in the qualifying assets ( <i>note</i> )	(393.8)	(359.8)
	<u>408.2</u>	<u>409.4</u>

*Note:* To the extent funds are borrowed generally and used for the purpose of financing certain properties under development for sale and assets under construction, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 5.80% (2024: 6.19%) per annum.

## 6 LOSS BEFORE TAXATION

	2025 <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Loss before taxation has been arrived at after charging/(crediting):		
Auditor's remuneration		
Audit services	8.8	8.7
Non-audit services	1.9	4.2
Cost of properties sold	219.9	1,669.9
Reversal of provision for certain construction obligation ( <i>note</i> )	<u>(269.0)</u>	<u>–</u>
Net cost of properties sold	<u>(49.1)</u>	<u>1,669.9</u>
Salaries, wages, bonus and other benefits	570.6	586.8
Retirement benefits schemes contribution	<u>25.6</u>	<u>27.0</u>
Staff costs incurred (including directors' remuneration)	<u>596.2</u>	<u>613.8</u>
Gross rental income under operating leases on:		
Investment properties	(423.8)	(446.0)
Other properties	(16.4)	(13.2)
Less: Outgoings	<u>71.1</u>	<u>70.2</u>
	<u>(369.1)</u>	<u>(389.0)</u>
Depreciation of property, plant and equipment	180.4	181.6
Depreciation of right-of-use assets	<u>8.5</u>	<u>8.3</u>

*Note:* During the year ended 31 March 2025, as the Group was released by relevant government bodies from constructing certain common facilities within development projects as required by approved development plan, provision for construction costs of HK\$269.0 million was reversed.

## 7 TAXATION

	2025 <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Hong Kong Profits Tax calculated at 16.5% (2024: 16.5%) of the estimated assessable profit for the year	46.9	41.8
Overseas tax calculated at rates prevailing in respective jurisdictions	82.8	89.5
Land appreciation tax ("LAT")	<u>(44.2)</u>	<u>157.8</u>
	85.5	289.1
Deferred taxation for the year	<u>7.7</u>	<u>84.8</u>
	<u>93.2</u>	<u>373.9</u>

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions for both years.

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994 and amended on 8 January 2011, and the Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance.

## 8 LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss for the year attributable to owners of the Company comprises:

	<b>2025</b> <i>HK\$'M</i>	2024 <i>HK\$'M</i>
(a) Net unrealised (losses)/gains on change in fair value of investment properties during the year		
– The Group	<b>(763.6)</b>	(336.4)
Attributable to non-controlling interests	<u>89.9</u>	<u>43.3</u>
	<b>(673.7)</b>	(293.1)
– Joint venture, net of deferred tax	<u>2.9</u>	<u>29.2</u>
	<b>(670.8)</b>	(263.9)
(b) Losses excluding net unrealised gains or losses on change in fair value of investment properties	<b>(115.2)</b>	(204.1)
Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the year	<u>10.8</u>	<u>24.1</u>
	<b>(104.4)</b>	(180.0)
Sub-total	<b>(775.2)</b>	(443.9)
Less: Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the year	<u>(10.8)</u>	<u>(24.1)</u>
Loss for the year attributable to owners of the Company	<b><u>(786.0)</u></b>	<b><u>(468.0)</u></b>

## 9 DIVIDENDS

	<b>2025</b> <i>HK\$'M</i>	2024 <i>HK\$'M</i>
No final dividend paid for the financial year ended 31 March 2024 (2024: final dividend paid for the financial year ended 31 March 2023 of HK1 cent per share)	–	14.9
No interim dividend paid for the financial year ended 31 March 2025 (2024: no interim dividend paid)	<u>–</u>	<u>–</u>
	<u>–</u>	<u>14.9</u>

The directors of the Company did not propose any final dividend for the financial years ended 31 March 2025 and 2024.

## 10 LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	<b>2025</b> <i>HK\$'M</i>	2024 <i>HK\$'M</i>
<b>Loss</b>		
Loss for the purpose of calculating basic and diluted loss per share	<u>(786.0)</u>	<u>(468.0)</u>
	<b>2025</b>	2024
<b>Number of shares</b>		
Number of ordinary shares in issue during the year for the purpose of calculating basic loss per share	<b>1,485,301,803</b>	1,485,301,803
Effect of dilutive potential ordinary share: Adjustment in relation to share options issued by the Company	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u><b>1,485,301,803</b></u>	<u>1,485,301,803</u>

For the years ended 31 March 2025 and 2024, diluted loss per share was the same as the basic loss per share since the share options had anti-dilutive effect.

## 11 TRADE RECEIVABLES

The credit periods allowed by the Group to its customers are dependent on the general practices in the industries concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Property rentals are receivable in advance. Payments for clubs and hotel services are receivable on demand.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the payment due date at the end of the reporting period:

	2025 <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Not yet due	13.5	12.7
Overdue:		
0–60 days	14.9	22.6
61–90 days	1.9	3.4
Over 90 days	<u>9.8</u>	<u>7.4</u>
	<u>40.1</u>	<u>46.1</u>

## 12 TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

Included in trade payables, provision and accrued charges are trade payables of HK\$195.1 million (2024: HK\$87.4 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	2025 <i>HK\$'M</i>	2024 <i>HK\$'M</i>
Not yet due	114.3	62.8
Overdue:		
0–60 days	69.2	20.8
61–90 days	1.8	0.7
Over 90 days	<u>9.8</u>	<u>3.1</u>
	<u>195.1</u>	<u>87.4</u>

## 13 SHARE CAPITAL

	Number of shares	<i>HK\$'M</i>
Ordinary shares of HK\$0.25 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>4,000,000,000</u>	<u>1,000.0</u>
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,485,301,803</u>	<u>371.3</u>

## **BUSINESS REVIEW**

*(Save as otherwise stated below, all projects and operations are 100% owned by the Group)*

The Company is a diversified conglomerate focusing primarily on property development and investment. The Group's strategy centres on enhancing asset value through the continued development of flagship projects, including Discovery Bay ("DB") and HKRI Taikoo Hui ("HTH"). The Group is committed to acquiring land parcels and projects of varying scale for development and redevelopment, while maximising the value of its existing investment properties. The Group continues to identify opportunities to expand its property portfolio and participate in high-quality projects through a light asset approach.

## **LAND BANK**

As of 31 March 2025, the Group's total attributable land bank (including that held directly by joint ventures) amounted to 8,609,000 square feet, earmarked for property development subject to fulfilment of related terms and conditions.

## **PROPERTY DEVELOPMENT AND INVESTMENT**

The Group's revenue from property development and investment in FY2025, including the proportionate share of joint ventures and associates of HK\$1,345 million (2024: HK\$1,233 million), was HK\$2,174 million, decreased from HK\$4,339 million in the previous year.

The contribution from property development and investment, including the proportionate share of joint ventures and associates of HK\$151 million (2024: HK\$163 million), was HK\$379 million (2024: HK\$376 million).

### **Property Development**

#### ***Hong Kong***

The removal of property cooling measures in early 2024 brought modest improvements in market sentiment. Hong Kong's first-hand residential market showed increased activity throughout most of 2024, supported by lower mortgage interest rates and relaxed mortgage rules.

The stamp duty reduction announced in the 2025–26 Budget slightly lifted market sentiment. However, residential property sales continued to be impacted by sluggish economic conditions. Recent US tariffs may delay interest rate cuts, potentially increasing costs for property buyers. The recent global trade tensions also clouded consumers' willingness to purchase property.

At DB, where the Group holds a 50% interest, the DB 2.0 Blueprint progressed during FY2025. Under Master Plan 7.0E, the new residential development in DB North will add over 1.3 million square feet of gross floor area ("GFA"), delivering more than 1,400 residential units in a green setting with a central park. The first phase of this hillside development, comprising approximately 320 units, is under construction with sales tentatively scheduled for late 2025 or early 2026.

Other enhancement in progress under the DB 2.0 Blueprint included upgrading works at Discovery Bay Golf Club (“DBGC”) that will enhance golfing experience, and improvement works to Club Siena’s facilities. A new multi-recreation complex offering diverse indoor and outdoor leisure and sporting facilities is under construction. Foundation and site formation works are completed, with main contract works expected to commence in the fourth quarter of 2025.

The Town Planning Board has approved future residential developments at DB Area 6f, offering panoramic sea views; and DB Area 10b, featuring a 350-metre waterfront promenade adjacent to Lantau Yacht Club (“LYC”), an international marina club, solidifying the Group’s future development.

Recent years have seen continuous enhancement of community amenities, developing DB into a vibrant community that promotes environmental awareness, active lifestyle, and holistic well-being. FY2025 featured signature events including “TheNextwave XX24 Beach Music Festival”, Hong Kong’s largest beach music festival; “Discovery Bay Easter Egg Hunt on the Beach”, the city’s iconic Easter family event; together with the popular monthly Sunday Market, summer and winter promotions etc. Various sports competitions spanning races, tennis, figure skating, ice hockey, golf and pickleball further enriched lifestyle offerings. These initiatives help create a distinct resort atmosphere, attracting discerning homebuyers and enhancing resident satisfaction.

VILLA LUCCA, a luxury residential project in Tai Po (40:60 joint venture with Hysan Development Company Limited), continued to attract local buyers while seeing increased interest from mainland China and overseas purchasers.

The Hollywood Road and Upper Lascar Row project will be developed into premium serviced apartments, comprising approximately 26,500 square feet of GFA with 54 mid-sized to small units. Construction completion is targeted by mid-2026.

The Group’s residential projects in Hong Kong are summarised below:

<b>Projects</b>	<b>Status as of 31 March 2025</b>
Poggibonsi, DB (50% owned)	<ul style="list-style-type: none"> <li>● Total units: 196</li> <li>● Units sold: 195 (2 sold during FY2025)</li> <li>● Sale proceeds generated during FY2025: HK\$36 million</li> <li>● Revenue of 3 sold units recognised during FY2025</li> </ul>
IL PICCO, DB (50% owned)	<ul style="list-style-type: none"> <li>● Total units: 21 garden houses</li> <li>● Units sold: 10 (1 sold during FY2025)</li> <li>● Sale proceeds generated during FY2025: HK\$60 million</li> <li>● Revenue of 1 sold unit recognised during FY2025</li> </ul>
VILLA LUCCA, Tai Po (40% owned)	<ul style="list-style-type: none"> <li>● Total units: 262</li> <li>● Units sold: 112 (56 sold during FY2025)</li> <li>● Sale proceeds generated during FY2025: HK\$1,388 million</li> <li>● Revenue of 56 sold units recognised during FY2025</li> </ul>

## ***Mainland China***

The Central Government implemented proactive initiatives throughout 2024 to strengthen end-user and upgrader demand while stabilising confidence in the real estate sector. These policies, including eased purchase restrictions and tax cuts on large home transactions, combined with favourable mortgage conditions, have helped steady residential sales, particularly in first-tier cities. Mainland China is expected to implement additional stimulus policies to boost domestic spending and improve property market sentiment.

The Group has effectively leveraged market recovery opportunities through its focus on major cities, premium product quality, and adaptable marketing strategies. Given the current global economic environment, the Group will implement diverse sales strategies while exploring business diversification, including light asset management opportunities. Investment decisions will follow a prudent approach, focusing on high-quality residential projects in first-tier and key cities.

The Group's current key mainland China residential projects are:

<b>Projects</b>	<b>GFA (sq. ft.)</b>	<b>Status as of 31 March 2025</b>
<b><i>Jiaxing, Zhejiang</i></b>		
Sienna One	1,415,000	<ul style="list-style-type: none"><li>● To be developed into a premium apartment complex with a plot ratio of 2.1</li><li>● Marketing and promotion began in early 2025, with sales gallery opening in the third quarter of 2025</li><li>● First phase launch scheduled for the fourth quarter of 2025</li></ul>
<b><i>Hangzhou, Zhejiang</i></b>		
IN One	430,000	<ul style="list-style-type: none"><li>● 295 residential units</li><li>● Occupancy commenced in April 2024</li><li>● Cumulative sales revenue of approximately RMB200 million as of 31 March 2025</li></ul>
<b><i>Shanghai</i></b>		
River One	350,000	<ul style="list-style-type: none"><li>● 262 units with a plot ratio of 1.1</li><li>● Superstructure works topped out in April 2024</li><li>● Over 90% units sold as of 31 March 2025, with all apartment units fully sold</li><li>● Official handover to commence in August 2025</li></ul>

## **Property Investment**

### ***Hong Kong***

FY2025 saw continued pressure on the local retail sector due to changing inbound tourist consumption patterns and increased Mainland-bound tourism. The office rental market experienced elevated vacancy rates amid economic sluggishness and corporate restructuring.

Despite these challenges and intense competition across districts, the Group's retail and office portfolio maintained stable occupancy rates through diverse tenant mix and strategic marketing initiatives.

With evolving consumer preferences and competitive retail leasing conditions, tenant retention remains the Group's priority. The Group offers competitive rental packages with flexible terms in maintaining stable occupancy while building sustainable tenant relationships.

The Group's investment properties in DB (50% interest), comprising DB Plaza and its extension, along with DB North, achieved an average occupancy rate of approximately 80%.

New restaurants and retail outlets have been introduced through tenant reshuffling to maintain a balanced business mix serving resident needs. Plans are progressing to enhance DB's facilities and connectivity for improved resident and visitor experience.

CDW Building in Tsuen Wan maintained resilience with an average occupancy rate of approximately 89%. The 8½ retail arcade demonstrated promising performance with increased retail sales and foot traffic, achieving an average occupancy rate of 93%.

The United Daily News Centre in To Kwa Wan recorded an average occupancy rate of 90%. Approval for land use conversion from industrial to residential has been obtained, pending land premium finalisation.

West Gate Tower in Cheung Sha Wan secured new tenants and achieved an average occupancy rate of 85%. The Wellgan Villa residential property in Kowloon Tong maintained a stable average occupancy rate of 98%.

### ***Mainland China***

The HKRI Centres One and Two office towers at HTH in Shanghai (50% interest) achieved a combined average occupancy rate of close to 96% in FY2025, significantly exceeding market expectations despite challenging conditions and intense competition.

HTH strengthened its position as a premier luxury and lifestyle shopping destination through ongoing mall reconfiguration to enhance tenant mix. These improvements resulted in a modest 1.6% decline in foot traffic and reduced occupancy rates, with the retail segment maintaining an average occupancy rate of approximately 80%. In FY2025, the improvement works to enhance connectivity between the underground commercial area and the North Piazza were completed to ensure better access to various floors and elevated visitors' shopping experiences. Other planned facility and brand upgrades are in the pipeline, which aim to deliver fresh experiences and reinforce HTH's market leadership.

In Hangzhou, HKR International Centre, comprising 156 office units and usage rights for 62 parking lots, recorded an average occupancy rate of 83% in FY2025. The thriving AI and digital media sectors provided strategic opportunities amid macroeconomic uncertainties. The Group actively targeted tenants from these sectors to maintain office leasing performance. As Hangzhou's office market stabilises, the Group continues implementing effective marketing strategies and property enhancements to boost competitiveness and attract quality tenants. In Tianjin, The Exchange (15% owned) achieved an average occupancy rate of around 90%.

## **TRANSPORTATION SERVICES AND PROPERTY MANAGEMENT**

### **Transportation Services**

DB's transportation operations (50% interest) saw stabilising demand for ferry and bus services in FY2025, driven by visitor growth from flagship events.

However, challenges continued, including rising fuel and operational costs and significant labour shortages, particularly among drivers. While the HKSAR Government has maintained ferry service financial assistance since 2020 and provided driver importation quotas, operational conditions remain challenging.

The Group secured a new five-year DB ferry service licence effective 1 April 2025. Other developments in ferry operations included: replacing the main engines for two mono-hull vessels to improve operational efficiency and energy savings, launching e-payment via AlipayHK from 1 December 2024, and collaborating with Hong Kong Sea School in order to address workforce ageing through stable labour supply.

In land transport, new electric vehicle charging facilities for buses have been installed in DB. A single-deck electric bus is scheduled for deployment in the third quarter of 2025, with three additional electric midi-buses planned for 2026 delivery. The Group is also partnering with the Hong Kong Applied Science and Technology Research Institute on an autonomous bus trial between DB North and Sunny Bay.

### **Property Management**

The Group's property management services in DB and across Hong Kong maintained excellence in FY2025, securing notable awards for sustainability initiatives and service quality.

The Group received the "Individual Sustainable Development Goals Award – Goal 17: Partnerships for the Goals", and the "Gold Award" at the "Hong Kong Awards for Environmental Excellence", a prestigious recognition in Hong Kong's environmental sector, demonstrating its commitment to sustainable practices and responsible management.

The Hong Kong Institute of Housing's award for "Best ESG Management Team" further recognised the Group's professional excellence in environmental, social, and governance ("ESG") practices, reinforcing its industry standing.

## **HOTEL OPERATIONS AND LEISURE BUSINESSES**

Hong Kong's tourism sector performance remained subdued. While visitor arrivals increased 30.9% year-on-year in 2024, sector recovery was hampered by increased outbound travel to mainland China, a strong Hong Kong dollar, and macroeconomic uncertainty.

The Group's hotel operations in Hong Kong, Shanghai and Bangkok demonstrated resilience in FY2025, adapting to market changes and evolving consumer preferences.

DB's unique resort destination status and diverse hospitality offerings position it well to capture the rising experiential travel demand, supported by cross-selling initiatives within the Group's leisure brands and partnerships with leading external brands.

## **Hotel Operations**

### ***Hong Kong***

In addition to changing consumption patterns, the reintroduction of a 3% Hotel Accommodation Tax from 1 January 2025 further increased cost pressures on room rates. These challenges are anticipated to be mitigated partly by government initiatives to attract mega events and the expanded multiple-entry Individual Visit Scheme.

Auberge Discovery Bay Hong Kong (“Auberge”) (50% owned) is actively pursuing business opportunities through overseas sales trips and participation in travel trade shows and wedding expos. The hotel’s inaugural participation in the Hong Kong Tourism Board’s Wine & Dine Festival in October 2024 provided a valuable platform to showcase its culinary offerings and unique hospitality experiences.

### ***Mainland China***

Mainland’s tourism and hospitality sector maintained strong performance throughout 2024, supported by robust inbound travel demand and increased international visits through visa-free and visa-on-arrival policies. Premium hotels in tier-one cities consistently achieved high occupancy rates.

The Sukhothai Shanghai (“TSS”) (50% owned) demonstrated robust recovery and strategic growth in 2024, outperforming its competitors in key performance metrics. This was particularly evident during the China International Import Expo, highlighting TSS’s strong pricing power and effective revenue management during high-demand events. Meanwhile, the performance of The Middle House (50% owned) continued to improve steadily.

The hotels will continue to differentiate through diverse accommodation offerings, personalised guest experiences, and exceptional service standards.

### ***Thailand***

Thailand’s tourism sector experienced a full recovery to pre-pandemic levels in 2024, driven by strong demand for leisure destinations. However, summer 2025 presents new challenges, as global developments have tempered travel enthusiasm, prompting greater caution among travellers. Despite this, The Sukhothai Bangkok continues to reinforce its position as a leader in luxury hospitality while prioritising sustainable tourism practices.

The Sukhothai Spa, alongside strategic promotional efforts, has nearly doubled spa revenue year-over-year, delivering substantial margin improvements despite an increasingly competitive landscape. Nevertheless, revised forecasts for Bangkok indicate softened arrivals across leisure, corporate, incentive, and event businesses in the upcoming summer season.

In response, the Group remains focused on high-spending core markets, including the US, UK, and Europe, while expanding its reach into emerging luxury travel sectors in India and the Middle East. At the same time, the Group continues to strengthen collaborations with key partners in Southeast Asia, including Malaysia, Hong Kong, Taiwan, Singapore, Japan, and Korea, to maximise Thailand’s summer tourism potential and optimise profitability.

## **Leisure Businesses**

DB's premium leisure portfolio comprises four membership clubs: Discovery Bay Recreation Club ("DBRC"), Club Siena, DBGC and LYC, alongside the DB Ice Rink ("DBIR"). These facilities (in which the Group maintains a 50% ownership) are establishing industry leadership through innovative design, infrastructure and operational excellence.

LYC maintained its position as a premier Hong Kong marina, receiving the "Best New Marina in Asia" award from Yacht Style in 2024. The annual LYC Boat Show – Festa Nautica featured premium yacht displays and luxury lifestyle experiences.

LYC expanded into the wedding and event segment, garnering recognition for its hospitality, food quality, and service standards. Caffè Napoli demonstrated environmental commitment by participating in the "Food Wise Eateries" Scheme and "Food Wise Charter" in 2024.

DBGC recorded increased membership transactions as the year concluded, reflecting successful member engagement initiatives. The new transportation service between the clubhouse and Sunny Bay was launched to enhance member and guest experience.

DBIR strengthened its position as an international ice sports venue through various competitions, including figure skating, short-track speed skating, and ice hockey. Notable events in 2024 include ISI Hong Kong Invitational, DB Open FS Challenge, Hong Kong Novice Short Track Trial, Hong Kong Short Track Speed Skating Championships, Hong Kong Cup, East West Spring Classic, Asia Super League, and the Greater Bay Classic Hotpot Tournament.

DBIR has partnered with the Hong Kong Academy of Ice Hockey since January 2025 to provide training for primary school students, supporting ice hockey development in Hong Kong.

## **OUTLOOK AND PROSPECTS**

While external challenges persist, the Group continues to implement robust cost management strategies, optimise its operational framework to maintain competitiveness and deploy artificial intelligence technologies where applicable to maximise its efficiencies and quality.

Success in property development demands excellence in both favourable and challenging times. The Group remains focused on strengthening its operational capabilities across regions through meticulous planning and quality execution, while staying responsive to market conditions.

Despite near-term headwinds, the Group's solid foundation provides resilience. With its commitment to innovation and strategic implementation, the Group is well-positioned to pursue sustainable growth and long-term opportunities.

## **FINANCIAL REVIEW**

During FY2025, the Group reported a revenue amounted to HK\$1,753.4 million, representing a 56% decrease from HK\$3,940.7 million in the previous year. This decline is primarily due to scheduled completion of property development projects will not occur until after FY2025, in contrast to the previous year when Starlight One, a project in Jiaxing, the PRC made significant contribution to the Group's revenues.

The Group recorded underlying profit of HK\$70.0 million as compared to that of HK\$172.6 million for the previous year. After including the Group's attributable share of asset impairment provisions, fair value changes (net of taxes) of investment properties totaled HK\$856.0 million, which are non-cash in nature, the Group recorded a loss attributable to owners of the Company of HK\$786.0 million for the FY2025 as compared to loss of HK\$468.0 million for the previous year.

FY2025 posed significant challenges for the Group, particularly in property development and investment, while other segments showed resilience and profitability improvements despite the overall market slump. In response to the challenging market conditions, the Group continued its stringent cost control measures, resulting in a 9.6% reduction in selling, administrative and other operating expenses. Additionally, the Group deferred non-essential capital expenditure to preserve its cash flow.

## **SEGMENT RESULT ANALYSIS**

### **Property Development**

During FY2025, the Group recognised a segment revenue of HK\$303.1 million (2024: HK\$2,554.8 million) and segment loss of HK\$203.3 million (2024: loss of HK\$221.3 million) from property sales and other services rendered in Hong Kong and mainland China. There was no new development project scheduled to launch and complete during the year whereas in the FY2024, Starlight One, a project in Jiaxing, the PRC was launched and made substantial contribution to segment revenue. As the Group was released by relevant government bodies from constructing certain common facilities within development projects as required by approved development plan, a reversal of construction cost provision of HK\$269.0 million was recognised in the year.

Due to the prolonged downturn in the property sector, the Group has further recognised impairment losses of approximately HK\$183.8 million (2024: HK\$336.3 million) in respect of certain properties held for development, under development and for sale of the Group and its joint venture reflecting their net realisable value under prevailing market circumstances. As at 31 March 2025, the Group has HK\$1,285.5 million contracted but unrecognised property sales.

### **Property Investment**

The segment recorded revenue of HK\$526.0 million (2024: HK\$551.0 million) and profit of HK\$581.9 million (2024: HK\$597.7 million) from its investment properties portfolio in Hong Kong and mainland China for the FY2025 with the Group's share of results of HTH, the Group's flagship project in Shanghai, the PRC. Slight decline of segment revenue and profit was mainly attributable to the reduced occupancy rates of major properties such as CDW Building and West Gate Tower in Hong Kong. The Group recorded attributable net unrealised fair value losses of HK\$670.8 million (2024: HK\$263.9 million) with reference to the valuation report from independent valuer. This amount has not been included in the segment profit above.

## **Transportation Services and Property Management**

The segment recorded revenue of HK\$306.3 million (2024: HK\$285.8 million) and profit of HK\$50.0 million (2024: HK\$11.0 million) for the FY2025. Apart from stabilisation of average riderships, substantial improvement in segment result for the year was mainly due to the implementation of new fare rates and stringent cost control measures.

Despite the sluggish property market, the Group continued to provide high-quality property management services to residential properties in Hong Kong and recorded a stable contribution to both revenue and net profit of the Group for the year.

## **Hotel Operations**

The segment recorded revenue of HK\$248.4 million (2024: HK\$252.3 million) and loss of HK\$43.1 million (2024: loss of HK\$22.5 million) for the FY2025. Compared to the previous year, The Sukhothai Bangkok's occupancy increased by 19% while Auberge's occupancy decreased by 1%, reflecting uneven recovery in tourist sector post-pandemic. In line with the entire Hong Kong hotel industry, Auberge suffered from lack of long-haul visitors, a rise in budget-conscious visitors from mainland China whereas food and beverage sector has remained soft due to a general decline in corporate events and wedding banquets.

## **Leisure Businesses**

The segment including mainly DBRC, Club Siena, DBGC, LYC, DBIR and Peony Chinese Restaurant, recorded revenue of HK\$369.6 million (2024: HK\$296.8 million) and profit of HK\$42.8 million (2024: loss of 73.2 million) for the FY2025. The Group has further recognised impairment losses of HK\$7.7 million (2024: HK\$52.1 million) for this segment. Compared to the FY2024, substantial improvement in segment result was mainly attributed to the higher level of the golf club's debenture transfer fee income.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Net Debt and Capital Structure**

As at 31 March 2025, the Group had total bank balances and cash of HK\$2,049.5 million (2024: HK\$1,605.8 million) and a net debt of HK\$10,141.3 million (2024: HK\$9,021.4 million) after deducting total bank borrowings and other loans of HK\$12,190.8 million (2024: HK\$10,627.2 million).

As at 31 March 2025, about 33% of the Group's bank balance and cash were denominated in Hong Kong dollars, 38% in Renminbi, 11% in US dollars, 13% in Japanese Yen and the remaining were mainly in Singapore dollars and Thai Baht.

The Group's debt portfolio comprised of primarily bilateral and syndicated bank loans to finance its general working capital and the development projects. The unlisted notes of HK\$300 million was issued under Medium Term Note programme in May 2021.

The maturity profile of bank borrowings and other loans were 19.8% (2024: 35.2%) falling within one year, 9.8% (2024: 27.2%) falling between one and two years, 67.9% (2024: 34.8%) falling between two and five years and 2.5% (2024: 2.8%) falling over 5 years.

As at 31 March 2025, 93.5% of bank borrowings were on floating rate basis whereas 6.5% of which was on fixed rate basis and the unlisted notes were with fixed coupon rate. The Group's total bank borrowings and other loans were all denominated in Hong Kong dollars.

## **Shareholders' Fund and Gearing**

As at 31 March 2025, the shareholders' fund of the Group decreased by HK\$882.4 million to HK\$22,475.9 million (2024: HK\$23,358.3 million).

The Group's gearing ratio was 45.1% (2024: 38.6%) as calculated by the Group's consolidated net borrowings to the shareholders' fund as at 31 March 2025.

## **Availability of Facilities**

Total available loan facilities as at 31 March 2025 were HK\$18,715.0 million (2024: HK\$17,611.0 million), of which 85.0% were committed.

As at 31 March 2025, the unutilised credit facilities were approximately HK\$6,484.2 million (2024: HK\$6,958.2 million). The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate.

The average financing cost was at 5.6% per annum in FY2025 as compared to 5.9% per annum in the previous year.

With the ample internal resources, unutilised loan facilities, and the ready access to the loan and debt capital markets, the Group has sufficient financial resources to fund its current commitments and future potential investment opportunities ahead.

## **TREASURY POLICY**

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. The Group closely reviews and monitors its foreign currency exposure. To manage foreign currency exposure in certain overseas investments, the Group maintains certain naturally hedged positions and will make any swap or future arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short- to medium-term borrowings when appropriate and necessary.

The use of derivative financial instruments is strictly controlled and are primarily used for management of interest rate and currency exposures. It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

## **MAJOR ACQUISITIONS AND PROJECTS**

There was no significant investment and material acquisition during FY2025.

## **PLEDGE OF ASSETS**

As at 31 March 2025, the loans advanced to a joint venture by the Group including interest payable amounting to approximately HK\$1,978.9 million (2024: HK\$1,695.8 million) were subordinated to banks to secure a banking facility granted to the joint venture for financing the development project in Tai Po.

In addition, as at 31 March 2025, the Group pledged certain properties held for/under development for sale at a total carrying value of HK\$7,781.8 million (2024: nil) to secure banking facilities granted to the Group.

## **FINANCIAL GUARANTEE CONTRACTS**

The Company provided a corporate guarantee in proportionate share to banks for securing a banking facility granted to a joint venture to finance the development project in Tai Po. The bank loan balance in proportionate share of 40% is HK\$202.0 million (2024: HK\$884.5 million) as at 31 March 2025.

Save as disclosed above, the Group did not have other significant financial guarantee contract as at 31 March 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## **CORPORATE GOVERNANCE**

Throughout the FY2025, the Company has complied with the code provisions and certain recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Listing Rules, except for Code Provision F.2.2 of the CG Code which stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr Cha Mou Zing Victor, was not present at the Company's 2024 annual general meeting due to other engagement. The Managing Director took the chair of the meeting and responded to questions from the shareholders. More details about the Company's corporate governance for the FY2025 to be set out in the Corporate Governance Report contained in the Annual Report 2024/2025 of the Company which will be published shortly.

## **REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE**

The final results of the Group for the FY2025 have been reviewed by the Audit Committee of the Company.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

By order of the Board  
**HKR International Limited**  
**CHA Mou Zing Victor**  
*Executive Chairman*

Hong Kong, 18 June 2025

As at the date of this announcement, the Board comprises:

***Executive Chairman***

Mr CHA Mou Zing Victor

***Non-executive Deputy Chairman***

Ms WONG CHA May Lung Madeline

***Executive Directors***

Mr TANG Moon Wah (*Managing Director*)

Mr LEE Yue Kong Martin

Ms NGAN Man Ying

***Non-executive Directors***

Mr CHA Mou Daid Johnson

Mr CHA Yiu Chung Benjamin

***Independent Non-executive Directors***

Mr CHEUNG Wing Lam Linus

Ms CHIU Kwai Fong Florence

Mr FAN Hung Ling Henry

Ms Barbara SHIU

Mr TANG Kwai Chang

\* *Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong*