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HKRI

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 2026

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 2026 (the “FY2026”).

The Group’s revenue for the FY2026 amounted to HK\$2,947.4 million, representing an increase of 68% from HK\$1,753.4 million in the preceding year, which was primarily attributable to the recognition of sales from River One, the property development project in Shanghai. The Group recorded an underlying profit of HK\$211.5 million for the FY2026, as compared with HK\$70.0 million in the prior year, mainly due to the sales of two luxury houses in Discovery Bay (“DB”), which resulted in a realised gain on disposal of HK\$229.4 million, and reduced finance costs. The loss attributable to owners of the Company narrowed by HK\$523.7 million to HK\$262.3 million as compared with previous financial year of HK\$786.0 million. The improvement was mainly attributable to the disposal of the two luxury houses in DB, lower finance costs and a decrease in unrealised fair value losses on investment properties.

DIVIDEND

The Board does not recommend a final dividend to the shareholders of the Company for the FY2026 and no interim dividend was paid by the Company during FY2026 (2025: Nil).

CLOSURE OF REGISTERS OF MEMBERS

The record date for the 2026 annual general meeting of the Company to be held on 19 August 2026 (the “2026 AGM”) is 19 August 2026. The main and branch registers of members of the Company will be closed from 14 to 19 August 2026 (both days inclusive) for the 2026 AGM. During the period, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 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 13 August 2026. The notice of the 2026 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 2026

	<i>Notes</i>	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Revenue	3	2,947.4	1,753.4
Cost of sales		<u>(2,284.2)</u>	<u>(791.5)</u>
Gross profit		663.2	961.9
Other income		129.9	119.8
Other gains and losses	4	(251.9)	(93.3)
Selling, administrative and other operating expenses		(737.0)	(645.7)
Change in fair value and gains/(losses) on disposal of investment properties			
Realised gains/(losses) on disposal		435.8	(1.8)
Unrealised gains/(losses)		60.5	(763.6)
Finance costs	5	(303.6)	(408.2)
Share of results of associates		(0.1)	(0.4)
Share of results of joint ventures		<u>231.9</u>	<u>153.9</u>
Profit/(loss) before taxation	6	228.7	(677.4)
Taxation	7	<u>(85.7)</u>	<u>(93.2)</u>
Profit/(loss) for the year		<u>143.0</u>	<u>(770.6)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company	8	(262.3)	(786.0)
Non-controlling interests		<u>405.3</u>	<u>15.4</u>
		<u>143.0</u>	<u>(770.6)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	10		
Basic		<u>(17.7)</u>	<u>(52.9)</u>
Diluted		<u>(17.7)</u>	<u>(52.9)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2026

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Profit/(loss) for the year	<u>143.0</u>	<u>(770.6)</u>
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of post-employment benefit obligations	1.1	0.4
Investments in equity instruments measured at fair value through other comprehensive income:		
Fair value changes during the year	0.7	(2.6)
Deferred tax arising from fair value changes	<u>(0.3)</u>	<u>(0.2)</u>
	<u>1.5</u>	<u>(2.4)</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange difference arising from a foreign joint venture	344.8	(120.3)
Exchange differences arising from translation of other foreign operations	287.4	20.3
Release of exchange reserve upon deregistration of foreign subsidiaries	(41.5)	(1.0)
Share of asset revaluation reserve of a joint venture	<u>4.7</u>	<u>–</u>
	<u>595.4</u>	<u>(101.0)</u>
Other comprehensive income/(expense) for the year, net of tax	<u>596.9</u>	<u>(103.4)</u>
Total comprehensive income/(expense) for the year	<u>739.9</u>	<u>(874.0)</u>
Total comprehensive income/(expense) attributable to:		
Owners of the Company	334.0	(889.6)
Non-controlling interests	<u>405.9</u>	<u>15.6</u>
	<u>739.9</u>	<u>(874.0)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2026

	<i>Note</i>	2026 HK\$'M	2025 HK\$'M
Non-current assets			
Investment properties		12,924.4	13,529.2
Property, plant and equipment		3,009.3	2,850.5
Intangible assets		4.7	6.9
Right-of-use assets		72.2	79.8
Interests in associates		–	–
Interests in joint ventures		10,555.4	10,224.8
Properties held for development for sale		3,163.1	3,097.5
Equity instruments measured at fair value through other comprehensive income		16.0	14.9
Financial assets at fair value through profit or loss		363.4	361.0
Investments in debt instruments measured at amortised cost		4.4	11.5
Other assets		178.3	187.7
Deferred tax assets		40.9	88.6
		<u>30,332.1</u>	<u>30,452.4</u>
Current assets			
Inventories		37.2	39.0
Properties held for sale		981.3	1,074.2
Properties under development for sale		8,802.1	8,976.1
Trade receivables	<i>11</i>	41.8	40.1
Deposits, prepayments and other receivables		300.2	309.5
Amounts due from associates		0.4	3.8
Amounts due from joint ventures		174.6	165.1
Investments in debt instruments measured at amortised cost		3.0	4.2
Taxation recoverable		110.5	78.9
Bank balances and cash		2,325.9	2,049.5
		<u>12,777.0</u>	<u>12,740.4</u>

	<i>Notes</i>	2026 HK\$'M	2025 <i>HK\$'M</i>
Current liabilities			
Trade payables, provision and accrued charges	<i>12</i>	902.5	958.2
Deposits received and other financial liabilities		189.8	151.6
Contract liabilities		122.6	1,118.7
Bank and other loans due within one year		2,099.7	2,408.7
Lease liabilities		7.2	7.7
Other liabilities		2,112.0	76.7
Taxation payable		81.0	101.0
		<u>5,514.8</u>	<u>4,822.6</u>
Net current assets		<u>7,262.2</u>	<u>7,917.8</u>
Total assets less current liabilities		<u>37,594.3</u>	<u>38,370.2</u>
Non-current liabilities			
Contract liabilities		37.6	46.2
Bank and other loans due after one year		10,306.2	9,782.1
Lease liabilities		45.8	51.1
Other liabilities due after one year		716.3	2,743.5
Deferred tax liabilities		466.8	467.4
		<u>11,572.7</u>	<u>13,090.3</u>
		<u>26,021.6</u>	<u>25,279.9</u>
Capital and reserves			
Share capital	<i>13</i>	371.3	371.3
Reserves		22,440.4	22,104.6
Equity attributable to owners of the Company		22,811.7	22,475.9
Non-controlling interests		3,209.9	2,804.0
		<u>26,021.6</u>	<u>25,279.9</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as 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

Amendment to standards adopted by the Group

On 1 April 2025, the Group has adopted the amendment to standards as issued by the HKICPA that are relevant to the Group’s operations and mandatory for annual periods beginning 1 April 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of the above amended standard 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 HKFRS 9 and HKFRS 7 ⁽¹⁾	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7 ⁽¹⁾	Contracts Referencing Nature-dependent Electricity
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ⁽¹⁾	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 18 ⁽²⁾	Presentation and Disclosure in Financial Statements
HKFRS 19 and amendments to HKFRS 19 ⁽²⁾	Subsidiaries without Public Accountability: Disclosures
Amendments to Hong Kong Interpretation 5 ⁽²⁾	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 ⁽³⁾	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(1) Effective for annual periods beginning 1 January 2026

(2) Effective for annual periods beginning 1 January 2027

(3) To be determined

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Group will apply the new standard from its mandatory effective date of 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with HKFRS 18.

Except for the above mentioned changes in the presentation and disclosure in HKFRS 18, the Group has already commenced an assessment of the impact of the remaining new standards and amendments to standards and interpretations and does not expect to have any significant impact to the results of operations and financial position of the Group.

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 2026					Total HK\$'M
	Property development HK\$'M	Property investment HK\$'M	Transportation services and property management HK\$'M	Hotel operations HK\$'M	Leisure businesses HK\$'M	
Types of goods or services:						
Sales of properties	1,561.7	-	-	-	-	1,561.7
Hotel revenue	-	-	-	296.4	-	296.4
Other services rendered	19.9	70.1	295.1	-	315.1	700.2
Revenue from contracts with customers	1,581.6	70.1	295.1	296.4	315.1	2,558.3
Rental income	-	382.6	4.3	-	2.2	389.1
Consolidated revenue, as reported	1,581.6	452.7	299.4	296.4	317.3	2,947.4
Geographical markets:						
Hong Kong	245.6	430.5	299.4	146.9	317.3	1,439.7
Chinese Mainland	1,336.0	21.5	-	-	-	1,357.5
Japan	-	0.7	-	27.7	-	28.4
South East Asia	-	-	-	121.8	-	121.8
Total	1,581.6	452.7	299.4	296.4	317.3	2,947.4
Timing of revenue recognition:						
At a point in time	1,561.7	-	251.6	111.9	178.8	2,104.0
Over time	19.9	70.1	43.5	184.5	136.3	454.3
Total	1,581.6	70.1	295.1	296.4	315.1	2,558.3

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>
Types of goods or services:						
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	303.1	526.0	306.3	248.4	369.6	1,753.4
Geographical markets:						
Hong Kong	131.8	503.0	306.3	143.0	369.6	1,453.7
Chinese Mainland	171.3	20.4	–	–	–	191.7
Japan	–	2.6	–	–	–	2.6
South East Asia	–	–	–	105.4	–	105.4
Total	303.1	526.0	306.3	248.4	369.6	1,753.4
Timing of revenue recognition:						
At a point in time	277.1	–	256.0	93.2	240.0	866.3
Over time	26.0	92.5	45.5	155.2	127.7	446.9
Total	303.1	92.5	301.5	248.4	367.7	1,313.2

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>
For the year ended 31 March 2026						
Revenue						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	3,049.8	2,123.1	299.4	296.4	317.3	6,086.0
Excluding revenue of an associate and joint ventures	(1,468.2)	(1,670.4)	–	–	–	(3,138.6)
Consolidated revenue, as reported	<u>1,581.6</u>	<u>452.7</u>	<u>299.4</u>	<u>296.4</u>	<u>317.3</u>	<u>2,947.4</u>
Results						
Segment results – total realised results of the Group, associates and joint ventures (<i>note</i>)	(492.3)	1,244.9	76.5	(45.6)	(6.0)	777.5
Excluding realised results of associates and joint ventures not shared by the Group	(18.5)	(264.8)	–	–	–	(283.3)
Results attributable to the Group	<u>(510.8)</u>	<u>980.1</u>	<u>76.5</u>	<u>(45.6)</u>	<u>(6.0)</u>	<u>494.2</u>
Unallocated other expenses						(17.3)
Unallocated corporate expenses						(108.4)
Finance costs and corporate level exchange difference						(239.9)
Net unrealised gains on fair value change of investment properties						60.5
Net unrealised losses on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						(46.1)
Profit for the year						143.0
Non-controlling shareholders' share of profit for the year						(405.3)
Loss for the year attributable to owners of the Company						<u>(262.3)</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 2025						
Revenue						
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>
Results						
Segment results – total realised results of the Group, associates and joint ventures (<i>note</i>)	(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>	428.3
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						(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>

Note: 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.

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 gains/(losses) on fair value change of investment properties and net unrealised gains/(losses) 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>
For the year ended 31 March 2026							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	-	-	(9.3)	-	(0.8)	-	(10.1)
Depreciation of property, plant and equipment	29.7	16.9	14.3	63.6	63.1	4.2	191.8
Depreciation of right-of-use assets	1.4	-	0.8	-	0.5	7.5	10.2
Impairment loss reversed on loans to joint ventures	-	-	-	-	-	(1.1)	(1.1)
Impairment loss on investments in debt instruments measured at amortised cost	-	-	-	-	-	3.1	3.1
Impairment loss on properties under development for sale	102.8	-	-	-	-	-	102.8
Impairment loss on properties held for sale	164.2	-	-	-	-	-	164.2
Impairment loss on property, plant and equipment	-	-	-	-	9.2	-	9.2
Impairment loss on other receivables	-	-	-	-	-	1.8	1.8
Impairment loss on trade receivables	-	4.4	-	0.1	-	-	4.5
Net (gain)/loss on financial assets at fair value through profit or loss ("FVTPL")	-	(13.2)	-	-	-	18.4	5.2
Net gain on mortgage instalment receivables	(0.3)	-	-	-	-	-	(0.3)
Net gain on disposal of subsidiaries	-	(8.7)	-	-	-	-	(8.7)
Net gain on deregistration of subsidiaries	-	-	-	-	-	(40.3)	(40.3)
Loss/(gain) on disposal of property, plant and equipment	0.1	-	-	(0.1)	0.2	-	0.2
Interest income	(14.7)	(0.1)	-	(0.1)	-	(28.7)	(43.6)
Finance costs	93.3	-	1.3	-	0.6	208.4	303.6
Income tax charge	18.2	24.2	1.0	3.8	4.8	33.7	85.7
Share of results of associates	0.1	-	-	-	-	-	0.1
Share of results of joint ventures	(13.1)	(264.9)	-	-	-	46.1	(231.9)

	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 2025							
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 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)

* 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:

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Sales of properties	1,561.7	277.1
Rental income	389.1	440.2
Hotel revenue	296.4	248.4
Other services rendered	700.2	787.7
	<u>2,947.4</u>	<u>1,753.4</u>

Geographical information

For each of the years ended 31 March 2026 and 31 March 2025, the Group's operations are located in Hong Kong, Chinese Mainland, 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:

	Revenue from external customers		Non-current assets <i>(note a)</i>	
	2026 HK\$'M	2025 HK\$'M	2026 HK\$'M	2025 HK\$'M
Hong Kong	1,439.7	1,453.7	16,681.7	17,129.8
Chinese Mainland	1,357.5	191.7	4,960.8	4,439.0
Japan	28.4	2.6	179.8	169.4
South East Asia <i>(note b)</i>	121.8	105.4	1,831.1	1,767.7
	<u>2,947.4</u>	<u>1,753.4</u>	<u>23,653.4</u>	<u>23,505.9</u>

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

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Other gains/(losses) include the following:		
Net gain on disposal of subsidiaries	8.7	–
Net gain/(loss) on deregistration of subsidiaries	40.3	(2.5)
Net foreign exchange (loss)/gain	(11.3)	18.4
Net (loss)/gain on disposal of property, plant and equipment	(0.2)	0.5
Impairment loss on property, plant and equipment	(9.2)	(2.8)
Impairment loss on properties under development for sale	(102.8)	(6.7)
Impairment loss on properties held for sale	(164.2)	(78.8)
Net loss on financial assets at FVTPL	(5.2)	(0.9)
Net gain/(loss) on mortgage instalment receivables	<u>0.3</u>	<u>(0.4)</u>
	(243.6)	(73.2)
Impairment losses under expected credit loss model, net of reversal, include the following:		
– Impairment loss reversed on loans to joint ventures	1.1	2.0
– Impairment loss on trade receivables	(4.5)	(16.1)
– Impairment loss on other receivables	(1.8)	–
– Impairment loss on investments in debt instruments measured at amortised cost	<u>(3.1)</u>	<u>(6.0)</u>
	(251.9)	(93.3)

5 FINANCE COSTS

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Interests on		
Bank and other loans	509.1	638.3
Advance from a non-controlling shareholder	103.7	131.8
Lease liabilities	2.3	2.0
Bank and other loans arrangement fees	<u>26.2</u>	<u>29.9</u>
	641.3	802.0
Less: Amounts included in the qualifying assets (<i>note</i>)	<u>(337.7)</u>	<u>(393.8)</u>
	303.6	408.2

Note: To the extent funds are borrowed generally and used for the purpose of financing certain properties under development for sale, investment property under construction and assets under construction, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 4.19% (2025: 5.80%) per annum.

6 PROFIT/(LOSS) BEFORE TAXATION

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Profit/(loss) before taxation has been arrived at after charging/ (crediting):		
Auditor's remuneration		
Audit services	8.5	8.8
Non-audit services	2.8	1.9
Cost of properties sold	1,415.1	219.9
Reversal of provision for certain construction obligation	<u>–</u>	<u>(269.0)</u>
Net cost of properties sold	<u>1,415.1</u>	<u>(49.1)</u>
Salaries, wages, bonus and other benefits	602.9	570.6
Retirement benefits schemes contribution	<u>27.6</u>	<u>25.6</u>
Staff costs incurred (including directors' remuneration)	<u>630.5</u>	<u>596.2</u>
Gross rental income under operating leases on:		
Investment properties	(373.1)	(423.8)
Other properties	(16.0)	(16.4)
Less: Outgoings	<u>64.5</u>	<u>71.1</u>
	<u>(324.6)</u>	<u>(369.1)</u>
Depreciation of property, plant and equipment	191.8	180.4
Depreciation of right-of-use assets	10.2	8.5
Amortisation of intangible assets	<u>2.2</u>	<u>2.2</u>

7 TAXATION

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Hong Kong Profits Tax calculated at 16.5% (2025: 16.5%) of the estimated assessable profit for the year	32.6	46.9
Overseas tax calculated at rates prevailing in respective jurisdictions	12.8	82.8
Land appreciation tax ("LAT")	<u>0.1</u>	<u>(44.2)</u>
	45.5	85.5
Deferred taxation for the year	<u>40.2</u>	<u>7.7</u>
	<u>85.7</u>	<u>93.2</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:

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
(a) Net unrealised losses on change in fair value of investment properties during the year		
– The Group	60.5	(763.6)
Attributable to non-controlling interests	<u>(227.3)</u>	<u>89.9</u>
	(166.8)	(673.7)
– Joint venture, net of deferred tax	<u>(46.1)</u>	<u>2.9</u>
	<u>(212.9)</u>	<u>(670.8)</u>
(b) Losses excluding net unrealised gains or losses on change in fair value of investment properties	(49.4)	(115.2)
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>121.3</u>	<u>10.8</u>
	<u>71.9</u>	<u>(104.4)</u>
Sub-total	(141.0)	(775.2)
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>(121.3)</u>	<u>(10.8)</u>
Loss for the year attributable to owners of the Company	<u>(262.3)</u>	<u>(786.0)</u>

9 DIVIDENDS

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
No final dividend paid for the financial years ended 31 March 2025 (2025: no final dividend paid)	–	–
No interim dividend paid for the financial year ended 31 March 2026 (2025: no interim dividend paid)	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

The directors of the Company did not propose any final dividend for the financial years ended 31 March 2026 and 2025.

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:

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Loss		
Loss for the purpose of calculating basic and diluted loss per share	<u>(262.3)</u>	<u>(786.0)</u>
	2026	2025
Number of shares		
Number of ordinary shares in issue during the year for the purpose of calculating basic loss per share	1,485,301,803	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>1,485,301,803</u>	<u>1,485,301,803</u>

For the years ended 31 March 2026 and 2025, 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 aging analysis of trade receivables, net of allowance for credit losses, presented based on the payment due date at the end of the reporting period:

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Not yet due	10.6	13.5
Overdue:		
0–60 days	12.9	14.9
61–90 days	2.9	1.9
Over 90 days	15.4	9.8
	41.8	40.1

12 TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

As at 31 March 2026, included in trade payables, provision and accrued charges are trade payables of HK\$186.6 million (2025: HK\$195.1 million), an aging analysis presented based on the payment due date at the end of the reporting period is as follows:

	2026 <i>HK\$'M</i>	2025 <i>HK\$'M</i>
Not yet due	136.2	114.3
Overdue:		
0–60 days	45.8	69.2
61–90 days	0.4	1.8
Over 90 days	4.2	9.8
	186.6	195.1

13 SHARE CAPITAL

	Number of shares	HK\$'M
Ordinary shares of HK\$0.25 each		
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	4,000,000,000	1,000.0
Issued and fully paid:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	1,485,301,803	371.3

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 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 2026, the Group's total attributable land bank (including that held directly by joint ventures) amounted to 8,425,000 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 during FY2026, including the proportionate share of joint ventures and associates of HK\$1,423 million (2025: HK\$1,345 million), was HK\$3,458 million, increased from HK\$2,174 million in the previous year.

The contribution from property development and investment, including the proportionate share of joint ventures and associates of HK\$278 million (2025: HK\$151 million), was HK\$469 million (2025: HK\$379 million).

Property Development

Hong Kong

Despite macroeconomic headwinds from heightened global trade frictions and geopolitical uncertainties, Hong Kong's economy demonstrated resilience, achieving a real GDP growth of 3.5% in 2025. The primary residential market reached a turning point in FY2026, with home prices shifting to a steady upward trajectory. This recovery was bolstered by the HKSAR Government's supportive policies including mortgage rate adjustments, a higher threshold for the lowest stamp duty band, a lowered investment threshold under the New Capital Investment Entrant Scheme, continuation of talent admission policies, alongside the easing of US interest rates.

At DB, in which the Group holds a 50% interest, several milestones under the DB 2.0 Blueprint were achieved during FY2026. It is a long-term, high-value development enhancement strategy, covering the sales gallery launch of "Toscana", a new residential development at DB North, and major upgrades to land and sea transportations, alongside a year-round line-up of events and activities.

Under Master Plan 7.0E, "Toscana" will introduce over 1.3 million square feet of gross floor area ("GFA") and more than 1,400 residential units in DB North, alongside the Italian-style central park, Park Toscana, spanning over 160,000 square feet. Designed around the themes of "Green Living Art" and "Clubhouse Everywhere", the park comprises 13 Italian-themed zones. The first batch of this development comprises 530 units, all of which have obtained occupation permits. Sales are tentatively scheduled for the second quarter of 2026.

Following the Town Planning Board’s approval for the 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”), a Master Plan 8.0 application has been initiated. Studies for these residential developments are underway and will be incorporated into a revised master plan for submission to the government in due course.

In line with the DB 2.0 Blueprint, enhancement works at Discovery Bay Golf Club (“DBGC”) and Club Siena are planned, with major work stages successfully delivered in FY2026. Construction of a new multi-recreation complex – offering diverse indoor and outdoor leisure and sporting amenities, which includes a greenhouse farm, rock climbing facilities, pickleball courts, a skatepark, a camping area, and restaurants – is underway and targeted for completion in the fourth quarter of 2027. Furthermore, government approval for the master plan to expand the GFA of Discovery Bay International School and ESF Discovery College is anticipated in the second quarter of 2026, facilitating the upgrade of educational facilities in DB.

DB has consistently upgraded its community amenities, evolving into a vibrant hub that promotes environmental consciousness, an active lifestyle, well-being and family bonding. During FY2026, DB hosted various signature events, including “TheNextwave XX25 Beach Music Festival”, Hong Kong’s largest beach music festival; alongside festivities such as “Discovery Bay Easter Egg Hunt on the Beach & Carnival” and “Discovery Bay Winter Wonderland”. Other highlights included the introduction of pet bus service, the inaugural “DB Wellness Day” featuring curated wellness and art experiences, and the popular monthly weekend market. Furthermore, a wide variety of sports competitions encompassing running, tennis, figure skating, ice hockey, golf, open water swimming, pickleball and padel, has significantly broadened DB’s lifestyle offerings. Beyond entertainment, these initiatives foster a unique resort-style atmosphere that appeals to lifestyle-oriented homebuyers and elevates resident satisfaction.

VILLA LUCCA, a luxury residential project in Tai Po (a 40:60 joint venture with Hysan Development Company Limited), sustained robust local demand alongside increasing interest from buyers from the Chinese Mainland and overseas.

The Group’s current key residential projects in Hong Kong include:

Projects	Status as of 31 March 2026
Poggibonsi, DB (50% owned)	<ul style="list-style-type: none"> ● Total units: 196 ● Units sold: 196 (1 sold during FY2026) ● Sales proceeds generated during FY2026: HK\$34 million ● Revenue of 1 sold unit recognised during FY2026
IL PICCO, DB (50% owned)	<ul style="list-style-type: none"> ● Total units: 21 garden houses ● Units sold: 15 (5 sold during FY2026) ● Sales proceeds generated during FY2026: HK\$216 million ● Revenue of 5 sold units recognised during FY2026
VILLA LUCCA, Tai Po (40% owned)	<ul style="list-style-type: none"> ● Total units: 262 ● Units sold: 159 (47 sold during FY2026) ● Sales proceeds generated during FY2026: HK\$1,455 million ● Revenue of 53 sold units recognised during FY2026

Chinese Mainland

During FY2026, the Central Government implemented a comprehensive stimulus package aimed at stabilising the real estate market, alleviating liquidity constraints, and restoring confidence among developers and homebuyers. Key policy and financial measures, including the easing of mortgage, down-payment and purchase restrictions, coupled with government-backed inventory buyouts, have boosted market sentiment, particularly in first-tier cities. Nonetheless, market recovery remained gradual and uneven across cities, hindered by weakened demand, oversupply and ongoing affordability pressures.

The Group continues to navigate market volatility by prioritising core cities, premium products and proactive marketing initiatives. Investment decisions remain governed by a disciplined and prudent framework.

The Group's current key residential projects in Chinese Mainland include:

Projects	GFA (sq. ft.)	Status as of 31 March 2026
<i>Jiaxing, Zhejiang</i>		
Sienna One	1,415,000	<ul style="list-style-type: none">● 727 residential units (plot ratio of 2.1)● Sales gallery and show flats unveiled in September 2025● Sales launched in December 2025● Interior fit-out and external works progressing on schedule● Occupation permit will be obtained in April 2027
<i>Hangzhou, Zhejiang</i>		
IN One	430,000	<ul style="list-style-type: none">● 295 residential units (plot ratio of 1.2)● Occupancy commenced in April 2024● Cumulative sales revenues reached approximately RMB245 million
<i>Shanghai</i>		
River One	350,000	<ul style="list-style-type: none">● 262 residential units (plot ratio of 1.1)● Occupation permit obtained in July 2025, and handover of 242 sold units commenced in August 2025● Real estate title certificate granted in February 2026● Sales of 349 parking spaces commenced in March 2026● Cumulative sales proceeds of approximately RMB1,225 million

Property Investment

Hong Kong

Hong Kong's leasing market recorded a mixed performance amid a gradually stabilising macroeconomic environment during FY2026. The office sector remained under pressure, reflecting cautious leasing demand and ongoing corporate downsizing, while the retail sector showed selective improvement supported by a steady tourism recovery and targeted promotional initiatives. Overall, high interest rates, a strong Hong Kong dollar, and moderating local consumption continued to weigh on sentiment, resulting in subdued transaction volumes.

Despite these challenges and intense competition across districts, the occupancy rates of the Group's retail and office portfolios remained resilient, supported by a diverse tenant mix and proactive strategic initiatives.

Tenants continued to prioritise value, flexibility and service quality. In response, the Group strengthened its tenant retention and relationship management efforts while offering tailored leasing solutions, including flexible lease terms, fit-out support and renewal incentives, to effectively mitigate vacancy risk.

The Group proactively engaged tenants as they adapted to changing consumer behaviours, particularly those benefiting from tourism recovery, cross-border spending and evolving lifestyle demands. These initiatives have well-positioned the Group's properties as preferred destinations for businesses seeking stability, visibility and long-term partnerships.

The Group's investment properties in DB (in which the Group holds a 50% interest), comprising DB Plaza and its extension along with DB North Plaza, recorded an average occupancy rate of approximately 79% during FY2026.

The Group continued to pursue new business opportunities through tenant reshuffling, maintaining a balanced mix of food and beverage, and retail offerings that reflect the community's dynamic lifestyle preferences. Plans are underway to upgrade DB's facilities and connectivity with the aim to enhance the overall experience for both residents and visitors.

Amid the prevailing softness in the retail market, both sales and foot traffic remained under pressure across the industry. CDW Building in Tsuen Wan sustained an average occupancy rate of approximately 82% for its office spaces, while the 8½ retail arcade demonstrated resilience, securing an average occupancy rate of 89% despite these market challenges.

The United Daily News Centre in To Kwa Wan recorded an average occupancy rate of 87%. Approval for land use conversion from industrial to residential has been received, with land premium terms in the process of finalisation.

The West Gate Tower in Cheung Sha Wan achieved an average occupancy rate of 83%. The Wellgan Villa residential property in Kowloon Tong delivered strong leasing momentum, maintaining a resilient average occupancy of approximately 97%.

The Hollywood Road and Upper Lascar Row project is currently being developed as a student hostel, spanning approximately 26,500 square feet of GFA with 55 units and 160 bed spaces. Completion is targeted for the third quarter of 2026.

Chinese Mainland

The HKRI Centres One and Two office towers at HTH in Shanghai (50% interest) secured a combined average occupancy rate of approximately 93% during FY2026, substantially outperforming market benchmarks despite operational challenges and heightened competition.

During FY2026, HTH continued to refine its tenant mix and strengthen its market positioning, while strategic repositioning and enhancement works remained ongoing. The introduction of over 80 new stores, including flagship outlets and image concept stores, contributed to a 79% increase in foot traffic and bolstered retail occupancy to 91%, solidifying HTH's position as a market leader.

“The Louis” by Louis Vuitton remained a signature attraction, welcoming visitors from 87 countries and regions, contributing to significant inbound consumption. The launch of “The Louis” was supported by the ongoing brand portfolio refinement and favourable government policies, reinforcing HTH’s positioning as a premier luxury and lifestyle destination. Major circulation enhancements for the North Piazza were completed during FY2026, while pedestrian experience upgrades are underway.

In March 2026, the Group won the bid of the land use rights for “Land Lot 2026 Jiaxiuzhou No. 007” in Xiuzhou District, Jiaxing, Zhejiang, through a 10:90 joint venture with Jiaxing Municipal People’s Government. The site, comprising approximately 125,000 square metres of aboveground GFA and 108,000 square metres of belowground GFA, will be developed into a mixed-use commercial complex featuring lakefront views, a modern shopping mall and an outdoor street area. Construction is scheduled to commence in the fourth quarter of 2026, with completion expected within three years. This project marks a strategic milestone in the Group’s advancement towards light asset investment in retail and hotel development and management.

During FY2026, HKR International Centre in Hangzhou sustained a robust performance within a highly competitive office rental market, with occupancy rates across its 156 office units and 62 parking spaces remained stable at 87%. While ongoing rental market adjustments continued to weigh on revenue, the Group’s proactive leasing strategy remained focused on sustaining long-term value. In Tianjin, The Exchange (15% owned) achieved an average occupancy rate of approximately 87%.

TRANSPORTATION SERVICES AND PROPERTY MANAGEMENT

Transportation Services

DB’s transportation services, in which the Group holds a 50% interest, recorded stable demand for ferry and bus services during FY2026. Passenger volumes, however, declined intermittently during the summer of 2025 due to adverse weather conditions.

Operational challenges during FY2026 were primarily driven by two factors: the global surge in fuel prices fuelled by geopolitical instability; and increased staff costs stemming from skilled labour shortages and new government policies relating to part-time employment.

Following the licence renewal of the five-year DB ferry service on 1 April 2025, a newly revised Special Helping Measures was introduced to further strengthen service sustainability and mitigate operational pressures.

In line with the Group’s transition towards sustainable transport, the first new generation single-deck electric bus was deployed in December 2025. This rollout will continue with three additional electric buses scheduled to commence operations in the second quarter of 2026, while procurement for further electric buses is already underway.

A trial phase of an autonomous bus service connecting DB North and Sunny Bay is scheduled for launch in mid-2026.

Property Management

During FY2026, the Group's property management services in DB and across Hong Kong delivered robust performance, garnering recognitions for sustainability and service excellence.

DB attained multiple accolades at the Hong Kong Green and Sustainability Contribution Awards 2025, organised by Hong Kong Quality Assurance Agency. These included the "Outstanding Award for Excellent Contribution to Sustainable Property (Property Management) – Promote Environmental Protection", "Pioneer Award Excellence for ESG Connect", "Gold Pioneer for ESG Connect" across the three categories of Environmental, Social and Governance, as well as a "Gold Seal for Contribution to Sustainable Property – Promote Environmental Protection". These recognitions reflected the Group's commitment to advancing industry-leading, sustainable property management practices.

DB also received the "Gold Award" at the Hong Kong Outstanding Green Management Award, co-organised by the Hong Kong Association of Property Management Companies during FY2026.

Service excellence continued to receive external acclaim, with 94% of respondents in the latest Residential Services Satisfaction Survey for DB rating the Group's services as "Satisfactory", "Good" or "Excellent".

HOTEL OPERATIONS AND LEISURE BUSINESSES

Hong Kong's tourism sector continued its steady recovery during FY2026, with inbound visitor arrivals rising by 12% year-on-year, driven by resilient demand from the Chinese Mainland and short-haul markets. The recovery trajectory, however, continued to encounter headwinds from increased outbound travel to the Chinese Mainland and neighbouring regions, a strong Hong Kong dollar and macroeconomic uncertainties.

The Group's hotel operations across Hong Kong, Shanghai, Bangkok and Hokkaido demonstrated resilience during FY2026, supported by agile pricing initiatives to adapt swiftly to shifting market dynamics and evolving consumer preferences.

DB continues to develop as a unique resort destination, offering a diverse range of hospitality services to capture the rising demand from experiential travellers. This is further supported by cross-selling initiatives and collaborations across the Group's hospitality portfolio, alongside strategic partnerships with leading international brands.

Hotel Operations

Hong Kong

Hong Kong's inbound tourism momentum continued into 2026, primarily led by same-day and short-stay visitors from the Chinese Mainland. However, the pace of full sector recovery was moderated due to evolving travel patterns, including shorter booking lead times, heightened price sensitivity, and reduced average length of stay among regional travellers.

To sustain occupancy and strengthen guest loyalty, Auberge Discovery Bay Hong Kong (“Auberge”), in which the Group holds a 50% interest, adopted targeted operational strategies, including a dynamic pricing initiative to capitalise on demand from leisure travellers and emerging regional markets. Beyond offering themed room packages, the hotel leveraged digital platforms to enhance brand visibility and deepen engagement with key customer segments. Furthermore, the hotel also strengthened its Meetings, Incentives, Conferences and Exhibitions market positioning by pursuing opportunities at international trade fairs and hosting familiarisation programmes for regional event planners.

Chinese Mainland

Chinese Mainland’s tourism and hospitality sector sustained a robust recovery during FY2026, underpinned by the full resumption of international travel and favourable visa policies. The 5% GDP growth in 2025 stimulated domestic tourism demand, while inbound air passenger arrivals recovered significantly to pre-pandemic levels. Premium and luxury hotels recorded strong occupancy, with consumer preferences increasingly shifted towards cultural experiences, wellness and sustainable travel.

The Sukhothai Shanghai (“TSS”) (50% owned) demonstrated resilience in a competitive, cost-intensive market landscape, bolstered by disciplined revenue management and differentiated guest offerings. Exclusive local partnerships, signature wellness programmes and destination dining events reinforced brand positioning and guest engagement, while cost optimisation across energy management, procurement and labour scheduling mitigated rising operating expenses.

TSS will continue to differentiate through innovative accommodation offerings, bespoke services, superior design and embedded sustainable practices to strengthen guest loyalty.

Thailand

Thailand’s tourism and hospitality sector experienced a slowdown in 2025, primarily driven by a decline in Chinese arrivals and evolving travel preferences. Nonetheless, higher-spending long-haul markets provided resilience and contributed to stabilising overall performance. The Sukhothai Bangkok (“TSB”) continued to reinforce its leadership position in the luxury hospitality sector while prioritising sustainable tourism practices.

TSB delivered robust revenue growth and outperformed its peers during FY2026, despite softening market conditions in Bangkok. Performance was highlighted by a record-breaking single-month revenue during the festive season. The hotel maintained a diversified customer portfolio across individual travellers, groups and corporate clients. Revenue contribution remained balanced between customers from Europe, the Middle East and Africa, and Asia-Pacific, with China, the United States, the United Kingdom, South Korea and France being the primary source markets.

To address market dynamics, TSB remains focused on high-spending core markets, while expanding its reach into emerging luxury travel markets in Asia and the Middle East. In parallel, TSB will refine its sales and revenue strategies, complemented by integrated marketing initiatives, to sustain its momentum of record-breaking performance.

Japan

In Japan, Hotel Kanronomori in Niseko, Hokkaido was unveiled in June 2025 following comprehensive facility enhancements. Opened since 1985, Hotel Kanronomori has long served as a gateway to the region's onsen heritage. The hotel is ideally situated near the Niseko Annupuri International Ski Area, a part of Niseko United, known as a world class winter resort, offering the iconic views of Mount Yotei.

Acquired in 2023, the hotel is the Group's first self-operated hospitality property in Japan, complementing the existing "Auberge Hospitality" and "The Sukhothai Hotels and Resorts" portfolios.

Leisure Businesses

DB's premium leisure portfolio consists of Discovery Bay Recreation Club ("DBRC"), Club Siena, DBGC, LYC, and DB Ice Rink ("DBIR"). These facilities, in which the Group holds 50% ownership, continue to maintain industry leadership through distinctive design, top-tier infrastructure and elite operational excellence.

LYC has established a new benchmark for maritime excellence, becoming Hong Kong's first marina to attain the "5 Gold Anchor Platinum Marina" accreditation from the Marina Industries Association, and remains the city's only "Superyacht Ready Marina".

LYC's boat show, "Festa Nautica 2025" featured over 30 yachts from prestigious international brands, including the inaugural participation of a Chinese Mainland exhibitor showcasing an integrated industry chain and cross-border service model. Beyond its maritime core, LYC has also diversified into the weddings and events segment, earning recognitions for its hospitality, culinary standards and service excellence.

DBGC continued to elevate its facilities and member experience during FY2026. The driving range upgrade, introduced in February 2026, features a premium indoor golf suite with high-definition swing analysis. A performance centre equipped with TrackMan technology is also included, establishing an enhanced environment for skill development and member engagement.

To cultivate future golf talents, DBGC launched a structured Golf Academy offering three-month courses, intensive bootcamps and flexible holiday sessions. Designed for beginners and intermediate players, the programme integrated skill development with on-course practice, strengthening technical proficiency and passion for the sport.

DBIR reinforced its status as a premier international ice sports venue through hosting various competitions. Notable events during FY2026 included the IIHF World Championship, ISI Hong Kong Invitational, Asia Super League, Hong Kong Cup Short Track Speed Skating and the DB Open Figure Skating Challenge.

DBIR served as the official training venue for the Hong Kong China Short Track Speed Skating Team as they prepared for the Milano Cortina Winter Olympics 2026, supporting athletes in their pursuit of international success.

OUTLOOK AND PROSPECTS

While external uncertainties may persist, the Group continues to optimise its operating model to uphold competitiveness and implement robust cost management strategies. Meanwhile, the Group is strategically integrating artificial intelligence across business functions to drive efficiencies and strengthen the foundations for long-term value creation.

Looking ahead, the Group remains steadfast in navigating market shifts and capitalising on emerging opportunities. Its strong heritage, combined with commitment to quality placemaking and sustainable development, positions it well for sustained growth.

Supported by a strong balance sheet and solid financial foundation, the Group shall remain dynamic in pursuing investments in key regions while responding prudently to changing market dynamics and evolving regulatory requirements. As confidence in Hong Kong's residential market gradually recovers, market feedback for "Toscana" has been encouraging since its name unveiling in November 2025. This seafront development is slated for launch later this year and is well-positioned to support the Group's future financial performance.

As the Group prepares to celebrate half a century of innovative development in 2027, its strategic priorities remain clear. While executing the strategic roadmap, it will stay agile and disciplined, focusing on the future of the communities we serve with an unwavering commitment to excellence.

FINANCIAL REVIEW

The Group's revenue for the FY2026 amounted to HK\$2,947.4 million, representing an increase of 68% from HK\$1,753.4 million in the preceding year, principally driven by the delivery of sold units of River One, the property development project in Shanghai.

The Group recorded an underlying profit of HK\$211.5 million for the FY2026, compared with HK\$70.0 million in the previous year. This was mainly attributable to the sales of two luxury houses in DB, which resulted in a realised gain on disposal of HK\$229.4 million, and reduction in finance costs. The loss attributable to owners of the Company narrowed by HK\$523.7 million to HK\$262.3 million as compared with the previous financial year of HK\$786.0 million. The improvement was mainly attributable to the disposal of the two luxury houses in DB, lower finance costs and a decrease in unrealised fair value losses on investment properties.

During the year under review, the operating environment remained challenging. In Hong Kong, the residential market has shown signs of mild recovery. Although homebuyers remained price-sensitive and largely adopted a wait-and-see approach, policy support measures have begun to nurture a more positive sentiment. Retail sector showed mixed performance, with consumption patterns shifting and tenant demand remaining selective, although prime or well-located assets tend to be more resilient. The office market condition remained under pressure, as high vacancy rates, ample new supply and cost-conscious corporate demand continued to put pressure on rents and occupancy. In Chinese Mainland, the property market continued to undergo adjustments, with demand remaining uneven across cities and overall market confidence on a gradual path to recovery. Against this backdrop, the Group will continue to adopt a prudent and disciplined approach, with a focus on capital management, cost control, asset enhancement and the pursuit of selective opportunities.

SEGMENT RESULT ANALYSIS

Property Development

For the FY2026, the Group recognised segment revenue of HK\$1,581.6 million (2025: HK\$303.1 million) and a segment loss of HK\$510.8 million (2025: loss of HK\$203.3 million) from property sales and other services rendered in Hong Kong and Chinese Mainland. The increase in segment loss was mainly due to the absence of the prior-year reversal of the construction cost provision and higher impairment losses, partially offset by contributions from sales completion of development project in Chinese Mainland.

During the year, the development project River One in Shanghai delivered 239 units, generating revenue of HK\$1,220.9 million. In the prior financial year, the Group was released by the relevant government authorities from the obligation to construct certain common facilities within the development projects as required under the approved development plan, and a reversal of construction cost provision of HK\$269.0 million was recognised.

In view of the ongoing adjustment in the property sector, the Group has further recognised impairment losses of approximately HK\$256.3 million (2025: HK\$183.8 million) in respect of certain properties held for development, under development and for sale reflecting their net realisable value under prevailing market circumstances. As at 31 March 2026, the Group has HK\$141.1 million contracted but unrecognised property sales.

Property Investment

The segment recorded revenue of HK\$452.7 million (2025: HK\$526.0 million) and profit of HK\$980.1 million (2025: HK\$581.9 million) from its investment properties portfolio in Hong Kong and Chinese Mainland for the FY2026 with the Group's share of results of HTH, the Group's flagship project in Shanghai. The decline of segment revenue was mainly attributable to the reduced occupancy rates of major properties such as CDW Building and West Gate Tower in Hong Kong. The increase in segment profit was mainly due to the sales of two luxury houses in DB, which gave rise to a realised gain on disposal of HK\$458.7 million. The Group recorded attributable net unrealised fair value losses of HK\$212.9 million (2025: HK\$670.8 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

For the FY2026, the segment recorded revenue of HK\$299.4 million (2025: HK\$306.3 million) and a profit of HK\$76.5 million (2025: HK\$50.0 million). The improvement in segment results was primarily driven by the stringent cost-control measures and increase in government subsidy.

Meanwhile, amidst a consolidating property market, the Group continued to deliver high-quality property management services across Hong Kong. This business segment maintained a stable contribution to both the Group's revenue and net profit for the year.

Hotel Operations

The segment recorded revenue of HK\$296.4 million (2025: HK\$248.4 million) and a loss of HK\$45.6 million (2025: loss of HK\$43.1 million) for the FY2026. Despite intensified market competition, all three properties, TSB, Auberge, and TSS, achieved higher occupancy rates as compared with last financial year. The Group continues to implement agile strategies and maintain high service standards to secure market share and revenue. Additionally, the 77-room Hotel Kanronomori in Hokkaido, Japan, successfully launched in June 2025, strategically located near the Niseko Annupuri International Ski Area.

Leisure Businesses

The segment which primarily comprises DBRC, Club Siena, DBGC, LYC, DBIR and Peony Chinese Restaurant, recorded revenue of HK\$317.3 million (2025: HK\$369.6 million) and a loss of HK\$6.0 million (2025: profit of HK\$42.8 million) for the FY2026. The Group has further recognised impairment losses of HK\$9.2 million (2025: HK\$7.7 million) for this segment. Compared to the previous financial year, the decline in segment result was primarily attributed to the lower income from golf club debenture transfer fee.

LIQUIDITY AND FINANCIAL RESOURCES

Net Debt and Capital Structure

As at 31 March 2026, the Group had total bank balances and cash of HK\$2,325.9 million (2025: HK\$2,049.5 million) and a net debt of HK\$10,080.0 million (2025: HK\$10,141.3 million) after deducting total bank and other loans of HK\$12,405.9 million (2025: HK\$12,190.8 million).

Within the Group's bank balances and cash, about 45% were denominated in Hong Kong dollars, 33% in Renminbi, 10% in US dollars, 10% in Japanese Yen and the remaining were mainly in Singapore dollars and Thai Baht.

As at 31 March 2026, the Group's debt portfolio comprised primarily bilateral and syndicated bank loans to finance its general working capital and the development projects. The unlisted notes of HK\$300 million were issued under Medium Term Note programme in May 2021.

The maturity profile of bank and other loans was 16.9% (2025: 19.8%) falling within one year, 41.5% (2025: 9.8%) falling between one and two years, 39.2% (2025: 67.9 %) falling between two and five years and 2.4% (2025: 2.5%) falling over 5 years.

Among the Group's bank and other loans, 88.2% of which were on floating rate basis whereas 11.8% were on fixed rate basis and the unlisted notes were with fixed coupon rate. On the other hand, 94.5% of the Group's bank and other loans were denominated in Hong Kong dollars and 5.5% were denominated in Renminbi.

Shareholders' Fund and Gearing

As at 31 March 2026, the shareholders' fund of the Group increased by HK\$335.8 million to HK\$22,811.7 million (2025: HK\$22,475.9 million).

The Group's gearing ratio was 44.2% (2025: 45.1%) as calculated by the Group's net debt to the shareholders' fund as at 31 March 2026.

Availability of Facilities

The total available loan facilities as at 31 March 2026 were HK\$15,803.9 million (2025: HK\$18,715.0 million), of which 80.4% were committed.

As at 31 March 2026, the unutilised credit facilities were approximately HK\$3,371.1 million (2025: HK\$6,484.2 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 3.9% per annum in the FY2026 as compared to 5.6% 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 adopts a conservative approach for its treasury management. The Group closely reviews and monitors its foreign currency exposure. To manage foreign currency exposure to 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 rates and currency exposures. It is the policy of the Group to restrict the use of financial derivatives for speculative purposes.

MAJOR DISPOSALS AND PROJECT

Having completed the disposal of the Group's interests in public car park at Tuen Mun Central Square in September 2025, the sales consideration of HK\$177.7 million was received in October 2025.

In December 2025, the Group disposed of two investment holding companies which respectively held a luxury house in DB. The sales consideration of HK\$988.6 million was received in January 2026.

The Group, together with a joint-venture partner, won the bid of the land use rights of a piece of land situated at Xiuzhou District, Jiaxing, Zhejiang in March 2026 for RMB216.4 million (approximately HK\$245.9 million). The Group has 10% equity interest in the project company which is for the acquisition and development of the land. Around 20% of the land cost in the amount of RMB43.5 million (approximately HK\$49.4 million) was paid in March 2026 which the Group contributed RMB4.4 million (approximately HK\$4.9 million). The remaining balance of the land cost will be settled in the next financial year.

PLEDGE OF ASSETS

As at 31 March 2026, the Group pledged certain investment properties and properties held for/under development for sale at a total carrying value of HK\$11,388.9 million (2025: HK\$7,781.8 million) to secure banking facilities granted to the Group.

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 were subordinated to banks to secure a banking facility granted to the joint venture for financing the development project in Tai Po. The related bank loans were fully repaid in June 2025 and the corresponding subordination of the loan advance was released subsequently.

FINANCIAL GUARANTEE CONTRACT

As at 31 March 2026, the Group did not have any significant financial guarantee contracts. In the previous year, 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 as at 31 March 2025. The related bank loans were fully repaid in June 2025 and the corporate guarantee was released subsequently.

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 FY2026, the Company has complied with the code provisions 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 2025 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 FY2026 to be set out in the Corporate Governance Report contained in the Annual Report 2025/2026 of the Company which will be published shortly.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The final results of the Group for the FY2026 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 FY2026 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, 17 June 2026

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

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