Management Discussion and Analysis

MeadowSide, Manchester

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2023 was approximately HK$6.3 billion, an increase of 7.6% as compared with FY2022, with improvement in both property development business and recurring income businesses. Adjusted gross profit[i], a non-GAAP financial measure, came in at HK$2.0 billion as compared with HK$2.3 billion for FY2022. A breakdown of the Group's revenue and gross profit is set out below:

	Property development HK$'000	Hotel operations and management HK$'000	Car park operations and facilities management HK$'000	Gaming operations HK$'000	Others HK$'000	Total HK$'000
FY2023						
Revenue	**3,566,135**	**1,509,043**	**754,298**	**296,229[ii]**	**220,156**	**6,345,861**
Gross profit	**677,475**	**518,624**	**144,137**	**154,871**	**173,396**	**1,668,503**
Depreciation	**–**	**260,675[iii]**	**1,303[iii]**	**22,283**	**–**	**284,261**
Adjusted gross profit[i]	**677,475**	**779,299**	**145,440**	**177,154**	**173,396**	**1,952,764**
Adjusted gross profit margin[i]	**19.0%**	**51.6%**	**19.3%**	**59.8%**	**78.8%**	**30.8%**
FY2022						
Revenue	3,378,357	1,405,408	664,277	231,478[ii]	216,116	5,895,636
Gross profit	1,102,036	500,441	81,524	113,688	186,348	1,984,037
Depreciation	–	267,149[iii]	33,784[iii]	11,640	–	312,573
Adjusted gross profit[i]	1,102,036	767,590	115,308	125,328	186,348	2,296,610
Adjusted gross profit margin[i]	32.6%	54.6%	17.4%	54.1%	86.2%	39.0%

Notes:

(i) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section below.

(ii) After deduction of gaming tax amounting to HK$133 million (FY2022: HK$95 million).

(iii) Excludes depreciation of leased properties under HKFRS 16.

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Revenue from sales of properties amounted to approximately HK$3.6 billion in FY2023, a slight increase as compared with FY2022. Major contributors to the revenues were Hyll on Holland in Singapore, Mount Arcadia in Hong Kong, Hornsey Town Hall in London and New Cross Central and MeadowSide (Plots 2, 3 and 5) in Manchester, and sale of other inventories in Mainland China, Hong Kong and Australia as well as revenue recognition over time of Dorsett Place Waterfront Subang in Malaysia. A portion of revenue from the sale of Consort Place social/affordable housing and Collyhurst social/affordable housing with low margin was also recognised during the year.

Gross profit from sales of properties of approximately HK$677 million was recorded during FY2023, representing a 19.0% gross profit margin, a decrease compared to FY2022 due to lower gross profit margin recorded from properties sales in Singapore and sales of social/affordable housing in the UK.

Revenue from hotel operations and management continued to grow in FY2023, increased by 7.4% as compared with last year to approximately HK$1,509 million. Adjusted gross profit margin[i], a non-GAAP financial measure, for the Group's hotel operations decreased to 51.6% in FY2023 from 54.6% in FY2022 as a result of the ramp-up of new hotels in London and Australia and the removal of quarantine stay requirements in Hong Kong by the government. Since the border re-opened with Mainland China, the Hong Kong hotel business has gradually recovered.

Car park operations and facilities management revenues increased by approximately 13.6% year-on-year to approximately HK$754 million in FY2023, primarily due to loosened COVID-19 related restrictions in the Group's key operating areas, in particular in Victoria, Australia and strong recovery from Manchester, UK. Adjusted gross profit[i], a non-GAAP financial measure, of approximately HK$145 million was achieved for FY2023, representing a 26.1% increase year-on-year and the adjusted gross profit margin[i], a non-GAAP financial measure, rose from 17.4% in FY2022 to 19.3% in FY2023.

Revenue from gaming operations increased year-on-year by 28.0% to approximately HK$296 million (net of gaming tax) in FY2023. The higher revenue was primarily driven by the solid rebound in attendance and the fact that the casinos remained in operation for the entire year throughout FY2023 compared to 2 months of temporary closure in FY2022.


Car Park Operations

The Group's performance in FY2023 was impacted by a number of factors, including the decline in foreign exchange rates and higher interest expenses. Despite this, all of our businesses have reported a recovery following the gradual re-opening of borders and lifting of COVID-19 related restrictions. The Group remained profitable, with profit attributable to shareholders standing at approximately HK$172 million for FY2023.

Adjusted cash profit[i], a non-GAAP financial measure, was approximately HK$576 million for FY2023.

Note:

(i) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section below.

2. Liquidity, financial resources and net gearing

The following table sets out the Group's bank and cash balances, investment securities (which are considered as cash equivalent items due to their easily monetisable nature), bank loans and borrowings and obligations under finance leases and equity as at 31 March 2023.

Consolidated statement of financial position	As at 31 March 2023 HK$ million	As at 31 March 2022 HK$ million
Bank loans, notes and bonds		
Due within 1 year[i]	**21,389**	11,450
Due 1–2 years	**3,728**	10,643
Due 2–5 years	**6,177**	8,106
Due more than 5 years	**980**	996
Total bank loans, notes and bonds	**32,274**	31,195
Investment securities	**2,114**	3,033
Bank and cash balances[ii]	**4,431**	6,903
Liquidity position	**6,545**	9,936
Net debts[iii]	**25,729**	21,259
Carrying amount of the total equity[iv]	**15,648**	17,910
Add: hotel revaluation surplus[v]	**19,236**	18,796
Adjusted total equity[vi]	**34,884**	36,706
Adjusted net gearing ratio[vi] (net debts to adjusted total equity[vi])	**73.8%**	57.9%
Net debt to adjusted total assets[vi]	**35.4%**	28.9%

Notes:

(i) Includes an amount of approximately HK$2,538 million which is reflected as liabilities due within one year even though such a sum is not repayable within one year, as the relevant banks and/or financial institutions have discretionary rights to demand immediate repayment.

(ii) Represents total restricted bank deposits, deposits in financial institutions, and bank balances and cash.

(iii) Represents total bank loans, notes and bonds less investment securities, bank and cash balances.

(iv) Includes 2019 Perpetual Capital Notes.

(v) Based on the independent valuations carried out as at 31 March 2023 and 31 March 2022, respectively and including the Dorsett Melbourne which was completed before 31 March 2023 and opened in April 2023.

(vi) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section below.

To better manage the Group's liquidity position, the Group allocates a portion of its cash position in marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed-income securities and investments in fixed-income funds; investments in the listed shares of The Star, which the Group intends to hold for the long term; and investment in notes issued by the trusts which hold the mortgage portfolio managed by BC Invest, an entity in which the Group has a stake of over 50%.

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The liquidity position of the Group as at 31 March 2023 was approximately HK$6.5 billion. The Group's adjusted total equity[i], a non-GAAP financial measure, as at 31 March 2023 was approximately HK$34,884 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$19,236 million, which is based on independent valuations assessed as at 31 March 2023 and includes the 2019 Perpetual Capital Notes. The adjusted net gearing ratio of the Group stood at 73.8% as at 31 March 2023 compared with 57.9% as at 31 March 2022, reflecting some of the projects reaching a more advanced stage of development, namely West Side Place (Towers 3 and 4) and Aspen at Consort Place and acquisition of new development opportunities.

West Side Place (Towers 3 and 4) was completed and started the handover process in early April 2023. As at 26 June 2023, settlements have reached approximately AUD368 million (equivalent to approximately HK$1,936 million) which the proceeds have been used to settle its development loan. By adjusting this post year end settlement, the Group's adjusted net gearing ratio is 68.2% and the net debt to adjusted total assets is 32.7%.

In an effort to strengthen the Group's financial position, the Group has implemented a series of debt reduction initiatives to reduce its interest costs:

- Focusing on monetising existing completed inventory, particularly at its West Side Place (Towers 3 and 4) development, which has been completed and began the handover and settlement process in early April 2023. As at 26 June 2023, it has already achieved completion of approximately AUD368 million of sales. In addition, the Group is actively selling down other completed inventory and executing its existing sale campaign across Australia, the UK and Hong Kong. Post year end, the Group signed a contract to dispose of the remaining inventory at the Dorsett Bukit Bintang development via a block deal for MYR121 million.

- Recognition of other contracted presales. Completion of the Hyll on Holland in Singapore and Kai Tak office project in Hong Kong is anticipated by FY2024 and FY2025, respectively.

- Actively selling its non-core assets. The Group has appointed sales agents to sell the two Ritz-Carlton hotels in Australia and through its 25% owned JV, signed an agreement in June 2023 to sell Sheraton Grand Mirage Resort on the Gold Coast, Australia for AUD192 million. Other non-core hotels where the Group holds a minority stake, smaller hotels operated by the Group and some mature car park assets are also earmarked to be disposed of.

- Potential spin-off and separate listing of the casino and hotel businesses owned by TWHE. This will unlock value and enable it to raise funds. The Group has submitted a proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules, and the Stock Exchange has agreed that the Company may proceed with the potential spin-off, for details please refer to the Company's announcement dated 2 June 2023. In addition, a pre-IPO investor had invested USD20 million for a 10% stake of Turbo Century Limited which is indirectly holding a 100% stake in TWHE.

- Capital raising for BC Invest. The Group is currently evaluating options for this business given that BC Invest continues to grow and will need new capital to execute on its plan. An adviser is being appointed and discussions are ongoing.

Sheraton Grand Mirage Resort, Gold Coast

PALASINO Furth im Wald, Czech Republic

	As at 31 March 2023 HK$ million	As at 31 March 2022 HK$ million
The Company's notes	**4,463**	4,604
Unsecured bank loans	**5,849**	6,094
Secured bank loans		
– Property development and investment	**10,894**	10,804
– Hotel operations and management	**10,189**	8,320
– Car park operations and facilities management	**417**	496
– Gaming operations	**70**	81
– Others	**392**	796
Total bank loans, notes and bonds	**32,274**	31,195

West Side Place, Melbourne

As at 31 March 2023, total bank loans, notes and bonds amounting to approximately HK$32.3 billion, recorded a HK$1,079 million or 3.5% increase as compared with 31 March 2022.

The Group continued with its prudent approach to financial management. During FY2023, the Group (i) completed a number of secured and unsecured loan financings including a HK$496 million facility for an acquisition of development right (via an URA tender) at Sai Ying Pun, Hong Kong; (ii) fully settled the bank loan facility of West Side Place (Towers 1 and 2) and MeadowSide development, for AUD110 million and approximately GBP58 million, respectively, upon the completion of the developments; and (iii) repurchased an aggregate principal amount of USD16.4 million of 4.5% notes due 2023 and 5.1% notes due 2024.

Bank loans, notes and bonds, denominated in:	**As at 31 March 2023**	As at 31 March 2022
HKD	**60.8%**	49.7%
AUD	**13.7%**	17.3%
SGD	**5.7%**	7.5%
GBP	**3.2%**	6.7%
USD	**13.8%**	15.8%
Others	**2.8%**	3.0%
	100%	100%

Most of the countries or cities the Group has operations in have entered into their interest rate hike period. For the bank loans, notes and bonds of the Group as at 31 March 2023, Hong Kong dollar was the major currency of the indebtedness representing about 60.8%. The other major currencies of indebtedness were Australian dollar, Singapore dollar and Great British pound which were approximately 13.7%, 5.7% and 3.2%, respectively. Indebtedness in US dollar was mainly notes and bonds. During FY2023, the average interest rate for bank loans increased to 3.87% from 2.22% as compared with FY2022.

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During FY2023, the average interest rate for notes and bonds increased to 5.36% from 4.92% as compared with FY2022, primarily due to the lower rate of 3.75% notes being fully redeemed in September 2021. As at 31 March 2023, the Group had 85.9% bank loans, notes and bonds with floating rates (as at 31 March 2022: 85.0%) while the remaining had fixed rates.

As at 31 March 2023, the Group's bank loans, notes and bonds which were due within 1 year was approximately HK$21,389 million. Of this amount, approximately (i) HK$2,954 million represents the 5.1% USD Medium Term Notes 2024 to be repaid in January 2024; (ii) HK$1,033 million was the 4.5% USD Medium Term Notes 2023 that have been repaid in May 2023; (iii) HK$4,149 million were secured corporate, hospitality and car park loans which are expected to be rolled over or refinanced to a longer maturity; (iv) HK$6,566 million were secured development loans, of which approximately HK$6,071 million will be repaid from the presales proceed upon settlement and approximately HK$495 million has been or is expected to be refinanced to a longer maturity; (v) HK$3,264 million were unsecured corporate loans which are being rolled over; (vi) HK$885 million will be repaid in accordance with the repayment schedule; and (vii) HK$2,538 million were in relation to long-term bank loans with a repayable on demand clause and therefore being classified as current liabilities.

Post year end, West Side Place (Towers 3 and 4) with its presale value of HK$4.6 billion started the handover process in early April 2023. Using sales proceeds from the handover, the property development and investment loan balance is expected to be reduced. As at 26 June 2023, the outstanding loan balance was reduced by approximately AUD368 million to approximately AUD222 million, while the entire facility is expected to be repaid in FY2024 as the handover process progresses.

West Side Place, Melbourne

The Group has signed an agreement with CLP Properties Limited ("CLP") to sell the office building at the site (New Kowloon Inland Lot No. 6607) in Kai Tak, Hong Kong via the disposal of Sanon Limited, a wholly-owned subsidiary, for a HK$3.38 billion consideration. The building is expected to be completed delivered in the third quarter of calendar year 2024. This will further improve the Group's gearing and provide capital for other business development initiatives.

As at 31 March 2023, the Group's undrawn banking facilities stood at approximately HK$7 billion. Of this amount, approximately HK$3 billion is allotted to development/construction facilities while the balance of approximately HK$4 billion is for the Group's general corporate use. When combined with presales to be recognised from the Group's ongoing property development projects, the unutilised banking facilities place the Group in a good financial position to fund not only its existing business and operations but also its sustainable growth going forward.

In addition, a total of 5 hotel assets were unencumbered as at 31 March 2023, the capital value of which amounted to approximately HK$1.2 billion based on independent valuation assessed as at 31 March 2023. The Group has other assets unencumbered such as unsold completed residential inventory amounting to HK$5.5 billion. This can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

As a matter of policy, with the exception of certain construction financings, the Group tends to not hedge the interest rate on its outstanding debt. Notes and bonds tend to have fixed rates whilst bank loans tend to have fixed margins over and above the relevant banking benchmark rates. The Group is focused on actively recycling capital and monetising assets to ensure that the indebtedness ratios remain relatively stable and interest expenses do not become an excessive drag on the operating results.

3. Foreign exchange management

In FY2023, the contribution from the Group's non-Hong Kong operations was influenced by the movement of foreign currencies against the Hong Kong dollar. The table below sets forth the exchange rates of the Hong Kong dollar against the local currency of countries where the Group has significant operations:

Rate	**As at 31 March 2023**	As at 31 March 2022	Change
HK$/AUD	**5.26**	5.86	(10.2)%
HK$/RMB	**1.14**	1.23	(7.3)%
HK$/MYR	**1.77**	1.86	(4.8)%
HK$/GBP	**9.70**	10.26	(5.5)%
HK$/CZK	**0.36**	0.36	–
HK$/SGD	**5.91**	5.78	2.2%

Average rate for	**FY2023**	FY2022	Change
HK$/AUD	**5.56**	5.88	(5.4)%
HK$/RMB	**1.19**	1.21	(1.7)%
HK$/MYR	**1.82**	1.87	(2.7)%
HK$/GBP	**9.98**	10.46	(4.6)%
HK$/CZK	**0.36**	0.36	–
HK$/SGD	**5.85**	5.79	1.0%

The Group adopts a practice whereby investments in its non-Hong Kong operations are hedged by borrowings in the local currency of the countries where such investments are made. The impact of movements in the above currencies to the Group's profit attributable to Shareholders for FY2023 is analysed below:

Increase to the Group's profit attributable to Shareholders for FY2023 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the year:

	HK$ million
AUD	**8.9**
RMB	**7.6**
MYR	**0.4**
GBP	**11.9**
CZK	**(0.6)**
SGD	**(0.4)**
Total impact	**27.8**

The movement in foreign currencies also had an impact on the balance sheet position of the Group. As net assets of the Group's non-Hong Kong operations are translated into Hong Kong dollars for consolidation purposes, the movement in foreign currencies has affected the value in Hong Kong dollar-equivalent of such net assets and therefore the Group's net asset position. The Group's net asset value (less 2019 Perpetual Capital Notes) would have been approximately HK$1,701 million higher as at 31 March 2023 assuming exchange rates remained constant during FY2023.

4. Net asset value per share

	As at 31 March 2023 HK$ million	As at 31 March 2022 HK$ million
Equity attributable to shareholders of the Company	**12,355**	14,632
Add: hotel revaluation surplus	**19,236**	18,796
Adjusted net asset value attributable to shareholders[i]	**31,591**	33,428
Number of shares issued (million)	**2,706**	2,420
Adjusted net asset value per share[i]	**HK$11.67**	HK$13.81

After adjusting for the revaluation surplus on hotel assets of approximately HK$19,236 million based on independent valuation assessed as at 31 March 2023, adjusted net asset value attributable to shareholders[i], a non-GAAP financial measure, was approximately HK$31,591 million. Adjusted net asset value per share[i], a non-GAAP financial measure, for the Company as at 31 March 2023 was approximately HK$11.67.

To celebrate the 50th anniversary of the Company's listing on the Stock Exchange, the Group issued bonus shares in the ratio of one bonus share for every ten existing ordinary shares. Taking into account the issuance of 1:10 bonus shares in September 2022, the historical total number of shares per year has been adjusted by adding 10% shares for comparison purposes. The adjusted number of shares outstanding as at 31 March 2022 was 2,662 million and the adjusted net asset value per share as at 31 March 2022 was HK$12.56.

Note:

(i) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section below.

The view from Queen's Wharf Brisbane

5. Capital expenditures

The Group's capital expenditures consisted of expenditures for acquisitions, development and refurbishment of hotel properties, plant and equipment and investment properties.

During FY2023, the Group's capital expenditures amounted to approximately HK$1,123 million, primarily attributable to (i) The Ritz-Carlton, Melbourne and Dorsett Melbourne in Australia; and (ii) Dorsett Canary Wharf, London and Dao by Dorsett Hornsey in the UK. The capital expenditures were funded through a combination of borrowings and internal resources.

6. Capital commitments

The Group continued to carefully monitor its capital commitments in order to optimise its investments and outgoings. The table below provides a summary of the Group's capital commitments:

	As at 31 March 2023 HK$ million	As at 31 March 2022 HK$ million
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties		
– hotel properties	**1,224**	1,390
– investment properties	**320**	719
Commitment to provide credit facility to BC Invest	**75**	81
Others	**99**	144
	1,718	2,334

As at 31 March 2023, the Group's capital commitments amounted to approximately HK$1,718 million, primarily attributable to the following hotel developments: (i) Dorsett Kai Tak in Hong Kong; (ii) Hotels at Queen's Wharf Brisbane and The Star Residences – Epsilon in Australia; and (iii) Dorsett Canary Wharf, London and Dao by Dorsett Hornsey in the UK. The capital commitment will be financed through a combination of borrowings and internal resources.

The sunrise view from the 80th floor, The Ritz-Carlton, Melbourne

BUSINESS REVIEW

1. Property division

The Group's property division includes property development and property investment.

Property development

The Group has a diversified portfolio of residential property developments in Australia, Mainland China, Hong Kong, Singapore, Malaysia and the UK, which are largely focused on the mass residential market. The Group's strong regional diversification reinforces its resilience and allows it to take advantage of different property cycles. The Group has established strong local teams to carry out property development in each of these markets, as their presence allows the Group to identify trends and source the most attractive opportunities. The Group also actively looks to work with property owners for redevelopment opportunities, such as the partnership with The Star and the partnership with MCC. Indeed, in August 2022, the Group won a tender conducted by the URA to acquire the development right of a site at Sai Ying Pun, Hong Kong. These land acquisition strategies have resulted in a land banking strategy comprising of a relatively low land cost base for the Group's development projects and little capital being kept idle.

Total attributable cumulative presales value of the Group's residential properties under development and unbooked contracted sales amounted to approximately HK$18.7 billion as at 31 March 2023. Most presales proceeds are not reflected in the Group's consolidated income statement until the relevant projects are completed. The following table sets out a breakdown of the Group's total cumulative attributable presales value of residential properties under development and unbooked contracted sales as at 31 March 2023.

Developments	Location	Attributable presales HK$ million	Actual/ Expected financial year of completion
Projects under presales			
West Side Place (Tower 3)	Melbourne	2,261	FY2024
West Side Place (Tower 4)	Melbourne	2,372	FY2024
Queen's Wharf Residences (Tower 4)[ii]	Brisbane	1,547	FY2025
Queen's Wharf Residences (Tower 5)[ii]	Brisbane	2,112	FY2026
Perth Hub	Perth	539	FY2025
The Star Residences – Epsilon (Tower 2)[iii]	Gold Coast	556	FY2025
Hornsey Town Hall	London	167	FY2024
Aspen at Consort Place	London	1,336	FY2025
Consort Place – Social/Affordable Housing[i]	London	92	FY2025
Victoria Riverside (Tower A)	Manchester	381	FY2025
Victoria Riverside (Tower B) Social/Affordable Housing	Manchester	254	FY2025
Victoria Riverside (Tower C)	Manchester	452	FY2025
Collyhurst Village	Manchester	50	FY2025 – FY2027
Hyll on Holland[i][iv]	Singapore	1,556	FY2024
Cuscaden Reserve[i][v]	Singapore	1	FY2025
Dorsett Place Waterfront Subang[i][ii]	Subang Jaya	245	FY2025
Kai Tak Development – Office	Hong Kong	3,380	FY2025
Sub-total		**17,301**	

Developments	Location	Attributable presales HK$ million
Contracted sales of completed projects		
West Side Place (Towers 1 and 2)	Melbourne	65
MeadowSide (Plots 2 and 3)	Manchester	62
New Cross Central	Manchester	110
District 17A	Shanghai	7
Royal Riverside	Guangzhou	7
Marin Point	Hong Kong	4
Manor Parc[vi]	Hong Kong	499
Mount Arcadia[vi]	Hong Kong	594
Dorsett Bukit Bintang	Malaysia	4
Sub-total		**1,352**
Total		**18,653**

Notes:

(i) Excludes contracted presales already recognised as revenue up to 31 March 2023.

(ii) The Group has 50% interest in the development.

(iii) The Group has 33.3% interest in the development.

(iv) The Group has 80% interest in the development.

(v) The Group has 10% interest in the development.

(vi) The settlement of the contracted sales is expected in FY2025.

As at 31 March 2023, the expected attributable gross development value ("GDV") of the Group's active residential property development projects under various stages of completion across the regions was approximately HK$61.5 billion.

Details of the Group's current pipeline are shown below:

Developments	Attributable saleable floor area[i] Sq. ft.	Expected attributable GDV[ii] HK$ million	Status/ Expected launch	Expected financial year of completion
Pipeline developments				
Melbourne				
West Side Place				
– Tower 3	518,000	2,379	Launched	FY2024
– Tower 4	621,000	2,829	Launched	FY2024
Monument	595,000	2,463	Planning	Planning
Perth				
Perth Hub	230,000	832	Launched	FY2025

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Developments	Attributable saleable floor area[i] Sq. ft.	Expected attributable GDV[ii] HK$ million	Status/ Expected launch	Expected financial year of completion
Brisbane				
Queen's Wharf Brisbane[iii]				
– Tower 4	253,000	1,547	Launched	FY2025
– Tower 5	328,000	2,284	Launched	FY2026
– Tower 6	145,000	684	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Tower 2 – Epsilon	109,000	556	Launched	FY2025
– Towers 3 to 5	374,000	1,905	Planning	Planning
Hong Kong				
Kai Tak Development – Office	174,000	3,380	Launched	FY2025
Kai Tak Residential[v]	254,000	6,606	FY2024	FY2026/FY2027
Lam Tei, Tuen Mun	180,000	2,966	Planning	Planning
Ho Chung, Sai Kung[vi]	19,000	567	Planning	Planning
Sai Ying Pun[vii]	75,000	2,108	FY2026	FY2028
London				
Hornsey Town Hall	51,000	447	Launched	FY2024
Aspen at Consort Place	377,000	4,128	Launched	FY2025
Consort Place – Social/Affordable Housing	101,000	92	Launched	FY2025
Ensign House	323,000	2,575	Planning	Planning
Manchester				
MeadowSide – Plot 4	244,000	970	Planning	Planning
Victoria North[viii]				
– Victoria Riverside (Tower A)	227,000	1,016	Launched	FY2025
– Victoria Riverside (Tower B) Social/ Affordable Housing	85,000	254	Launched	FY2025
– Victoria Riverside (Tower C)	149,000	633	Launched	FY2025
– Collyhurst Village	153,000	395	Launched	FY2025 – FY2027
– Collyhurst Village Social/Affordable Housing	104,000	338	Launched	FY2025 – FY2027
– Network Rail	1,532,000	6,093	Planning	Planning
– Others	1,202,000	4,780	Planning	Planning
Singapore				
Hyll on Holland[ix]	194,000	1,934	Launched	FY2024
Cuscaden Reserve[x]	16,000	364	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang[xi]	391,000	869	Launched	FY2025
Total developments pipeline as at 31 March 2023	**9,024,000**	**55,994**		

Developments	Attributable saleable floor area[i] Sq. ft.	Expected attributable GDV[ii] HK$ million	Status/ Expected launch	Expected financial year of completion
Completed developments available for sale				
Melbourne				
West Side Place – Towers 1 and 2	332,000	1,432		
Perth				
The Towers at Elizabeth Quay	87,000	639		
Hong Kong				
Marin Point	46,000	540		
Manor Parc	46,000	647		
Mount Arcadia	73,000	1,613		
Manchester				
MeadowSide – Plots 2 and 3	39,000	157		
New Cross Central	38,000	151		
Shanghai				
King's Manor	12,000	86		
The Royal Crest II	2,000	15		
District 17A	9,000	49		
Guangzhou				
Royal Riverside	20,000	84		
Malaysia				
Dorsett Bukit Bintang	27,000	124		
Total completed developments available for sale as at 31 March 2023	**731,000**	**5,537**		
Total pipeline and completed developments available for sale as at 31 March 2023	**9,755,000**	**61,531**		

Notes:

(i) The figures represent approximate saleable floor area which may vary subject to finalisation of development plans.

(ii) The amounts represent expected GDV attributable to the Group, which may change subject to market conditions.

(iii) Total saleable floor area of this development is approximately 1,500,000 sq. ft.. The Group has 50% interest in the development.

(iv) The Group has 33.3% interest in these developments.

(v) Total saleable floor area of this development is approximately 506,000 sq. ft.. The Group has 50% interest in the development.

(vi) Total saleable floor area of this development is approximately 58,000 sq. ft.. The Group has 33.3% interest in the development.

(vii) The total saleable floor area and GDV figures are estimated figures and subject to approval from URA.

(viii) The total saleable floor area and GDV figure is estimated based on land already acquired and expected number of units to be built. As the master developer of Victoria North, the Group is expecting further land acquisitions, which will increase both saleable floor area and GDV for this development.

(ix) Total saleable floor area of this development is approximately 242,000 sq. ft.. The Group has 80% interest in the development.

(x) Total saleable floor area of this development is approximately 170,000 sq. ft.. The Group has 10% interest in the development.

(xi) Total saleable floor area of this development is approximately 1,050,000 sq. ft.. The Group has 50% interest in the development.

Australia

Melbourne

West Side Place is a mixed-use residential development located in the Central Business District ("CBD") of Melbourne. The project comprises approximately 3,000 apartments spreading over 4 towers with a total saleable floor area of approximately 2.2 million sq. ft. and a GDV of HK$10.2 billion.

West Side Place, Melbourne

The development consists of two hotels, including a luxury Ritz-Carlton hotel of 257 rooms in Tower 1 which opened on 23 March 2023 and a Dorsett brand hotel of 316 rooms in Tower 3 which opened on 18 April 2023. Towers 1 and 2 comprise a total of 1,377 apartments with a total saleable floor area of approximately 1.1 million sq. ft. and a total expected GDV of HK$5.0 billion. The handover process started in FY2021 and is expected to continue by phases until FY2024.

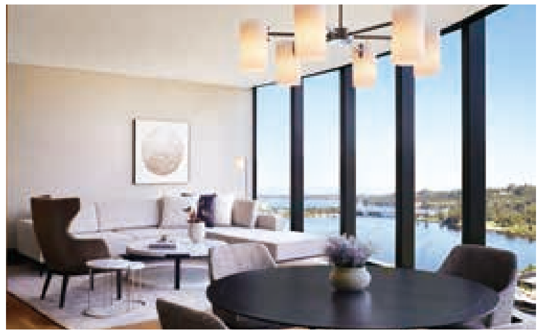
Tower 3 is comprised of 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK$2.4 billion. Approximately HK$2.3 billion worth of units were presold as at 31 March 2023. Tower 4 is comprised of 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$2.8 billion. Approximately HK$2.4 billion worth of units were presold as at 31 March 2023. Both towers have been completed and commenced handover process in early April 2023. With the strong presales recorded, significant cash flow from this development can be expected in the coming year.

Lobby, The Ritz-Carlton, Melbourne

Monument is a residential development at 640 Bourke Street comprising of 1-, 2- and 3-bedroom units in Melbourne's CBD, near the West Side Place development. The property has obtained approval to be redeveloped into a residential project; it has a total saleable floor area of approximately 595,000 sq. ft., a total expected GDV of HK$2.5 billion and is expected to provide approximately 876 residential units. The Group is still reviewing the opportunity to convert the project into a build-to-rent option and discussions are ongoing.

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in total saleable floor area of residential apartments and a luxury Ritz-Carlton hotel of 205 rooms. As at 31 March 2023, the expected GDV of the remaining apartments available for sale was HK$639 million.



Elizabeth Quay, Perth

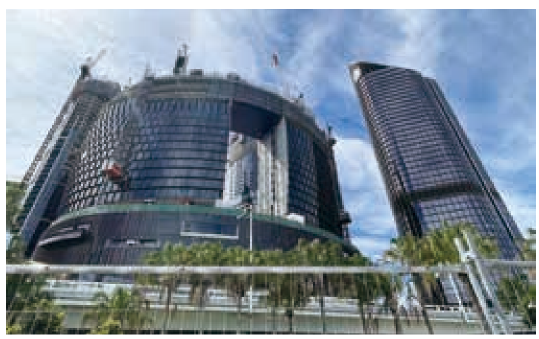
Perth City Link, one of Australia's most exciting regeneration projects, was initiated by the Western Australian Government with the goal of reconnecting Perth's CBD and the entertainment district. Perth Hub, the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena. It consists of Lots 2 and 3 of the Perth City Link and features 314 residential apartments, with total expected GDV of HK$832 million and approximately 260 hotel rooms to be operated by Dorsett. As at 31 March 2023, the Group has presold HK$539 million worth of units. The project is expected to be completed in FY2025.

Construction at Perth City Link

After being selected as the preferred proponent of the Perth City Link projects, the Group secured Lots 4, 9 and 10 of the Perth City Link projects. These three lots will host a wide range of boutique apartments and an integrated retail, entertainment, commercial and hospitality complex. This project is still currently in the planning stage.

Brisbane

The Destination Brisbane Consortium, a JV between the Group, The Star and CTF, entered into development agreements with the Queensland State, Australia for the delivery of the Queen's Wharf Project ("QWB Project") located in Brisbane. The QWB Project comprises:



Construction at Queen's Wharf Brisbane

(i) an integrated resort component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are made progressively, commencing from signing of the QWB Project documents and up to completion of the QWB Project which is expected to be completed by the end of FY2024; and

(ii) the residential component owned as to 50% by the Group and 50% by CTF.

Together with the Group's portion of the land premium for the residential component of the QWB Project, the Group's total capital commitment for the QWB Project is approximately AUD360 million, which the Group has mostly already funded from its internal resources. The QWB Project encompasses a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane and envisages two residential towers, a commercial tower, three world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development gross floor area of the QWB Project is expected to be approximately 387,000 sq. m., of which approximately 108,000 sq. m. relates to the residential component.

Tower 4 is the only residential tower directly connected to the integrated resort development and features 667 residential apartments, with a total saleable floor area of approximately 506,000 sq. ft. and a total expected GDV of HK$3.1 billion. As at 31 March 2023, the Group has presold all the HK$3.1 billion (attributable GDV of HK$1.5 billion) worth of units. Completion of the development is expected to be in FY2025. The Group launched the Queen's Wharf Residences (Tower 5) in FY2022. Tower 5 is across the street from Tower 4 and will house 819 residential apartments with a total GDV of HK$4.6 billion. After its launch in March 2022, the project received a strong response. As at 31 March 2023, the Group has presold HK$4.2 billion (attributable GDV of HK$2.1 billion) worth of units. Completion of the development is expected to be in FY2026. The Group is currently evaluating the option for Tower 6 which can be either a residential or office tower.

Gold Coast

The Star Residences is a mixed-use development featuring 5 towers in the heart of Gold Coast's world-class integrated resort on Broadbeach Island. The project is an extension of the partnership between the Group, The Star and CTF in Gold Coast, in which the Group has a 33.3% interest.


The view from The Star Residences, Gold Coast

The first tower of the development features a 313-room Dorsett hotel which opened in December 2021 and 422 residential apartments with a total saleable floor area of approximately 300,000 sq. ft. and a total expected GDV of HK$1.4 billion. The project was completed with all units presold and delivered as at 31 March 2023.

Epsilon, which is the second tower of the development, will feature a 201-room five-star hotel and approximately 440 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a total expected GDV of HK$1.7 billion. All units of HK$1.7 billion (attributable GDV of HK$556 million) were presold as at 31 March 2023 and completion of the development is expected in FY2025.

Work is ongoing for the design and the marketing strategy of the third to fifth tower of the development.

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai, over a number of years. The development is comprised of a diversified portfolio of residences, including low-rise and high-rise apartments as well as townhouses. The two phases of the development, namely King's Manor and Royal Crest II. As at 31 March 2023, the expected GDV of remaining apartments was HK$150 million. These units are expected to continue to make a contribution to the Group's revenue and profit.


California Garden, Shanghai

Situated on the riverside, Royal Riverside in Guangzhou is a 5-tower residential development. The entire development has been completed. As at 31 March 2023, the expected GDV of remaining apartments was HK$84 million. These units are expected to continue to make a contribution to the Group's revenue and profit.

Hong Kong

The Group built its development pipeline in Hong Kong over the years through the acquisition of re-development sites, participating in government tenders and participating in URA tenders.

Marin Point is a residential development at Sha Tau Kok. This development is made up of 261 low-rise apartments with approximately 103,000 sq. ft. in total saleable floor area. The development has been completed. As at 31 March 2023, the expected GDV of remaining apartments was HK$540 million. The remaining units will be sold on a completed basis.

Manor Parc is a residential development at Tan Kwai Tsuen consisting of 24 town houses with approximately 50,000 sq. ft. in total saleable floor area and a total expected GDV of HK$715 million. The development has been completed. As at 31 March 2023, the expected GDV of remaining apartments was HK$647 million. Of this amount, approximately HK$499 million has been recorded as contracted sales and is expected to be settled in FY2025. The remaining units will be sold on a completed basis.

Mount Arcadia is a residential development site at Tai Po Road. The project comprises 62 apartments and 4 houses and has a total saleable floor area of approximately 84,000 sq. ft. and a total expected GDV of HK$1.8 billion. The project was completed and launched in late March 2022. As at 31 March 2023, the expected GDV of remaining apartments was approximately HK$1.6 billion. Of this amount, approximately HK$594 million has been recorded as contracted sales and is expected to be settled in FY2025. The remaining units will be sold on a completed basis.

Construction at Dorsett Kai Tak, Hong Kong

Mount Arcadia, Hong Kong

The Group acquired a piece of land in Kai Tak for mixed-used development through a government tender in August 2019, adjacent to the Kai Tak Sports Park. It comprises an office portion, a hotel portion that will house a flagship 373-room Dorsett hotel as well as some retail space. The office portion of the development was presold for HK$3.38 billion in FY2022 and expected to complete in FY2025.

In November 2021, the Group formed a JV which is held as to 50% by the Group to acquire another Kai Tak site for residential development. The residential development will feature approximately 1,300 residential apartments, with a total saleable floor area of approximately 508,000 sq. ft. and a total expected GDV of HK$13.2 billion (attributable GDV of HK$6.6 billion). Subject to the market conditions, the development is expected to launch for presales in FY2024 and expected to complete in FY2026.

Management Discussion and Analysis

The Group acquired a site at Lam Tei, Tuen Mun in June 2021 with an expected gross floor area of approximately 180,000 sq. ft. and a total expected GDV estimated at HK$3.0 billion. The project is currently under planning, with overall plans and timetable under review.

The Group formed a JV which is held as to 33.3% by the Group to acquire another residential site located in Ho Chung, Sai Kung in September 2021. The residential development will feature 26 high-end houses with total saleable floor area of approximately 58,000 sq. ft. and a total expected GDV of HK$1.7 billion (attributable GDV of HK$567 million).

In September 2022, the Group acquired the development right, through a tender conducted by URA, for a land that covers a site area of about 1,077.3 sq. m. at Sai Ying Pun, Hong Kong. The Group intends to develop the land into a mixed residential and commercial development. The development is currently going through building plan approval process.

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to the Dorsett Kuala Lumpur. The development consists of 252 high-rise apartments with approximately 215,000 sq. ft. in total saleable floor area. The development was completed with 100 of the remaining units converted into serviced apartments managed by Dorsett and 30 remaining units were made available for sale. Post year end, the Group has signed a contract to dispose of all the remaining 130 units via a block deal for MYR121 million.

Dorsett Bukit Bintang, Kuala Lumpur

Dorsett Place Waterfront Subang is a joint development between the Group and Malaysia Land Properties Sdn. Bhd.; the Group has a 50% interest in this development. The project is located next to Dorsett Grand Subang, the Group's renowned 5-star hotel. The development consists of three blocks and will offer 1,989 fully-serviced suites. The sales of this project have been recognised according to the progress of development. As at 31 March 2023, total presold value of HK$460 million (attributable GDV of HK$230 million) was recorded and the completion of the development is expected in FY2025.

Dorsett Place Waterfront Subang, Subang Jaya

United Kingdom

London

Aspen at Consort Place is a mixed-use development site at Marsh Wall, Canary Wharf in London, which was granted planning approval for a complex featuring private residences of approximately 478,000 sq. ft. in total saleable floor area consisting of approximately 495 residential units, 139 affordable housing units and a hotel of approximately 230 rooms, as well as commercial spaces. Total presold value of HK$1.3 billion was recorded for the residential units as at 31 March 2023 and the affordable housing units were presold for approximately GBP43 million in FY2022. The development is expected to be completed in FY2025.

Aspen at Consort Place, London

Located in North London, Hornsey Town Hall is a mixed-use redevelopment project which involves the conversion of an existing town hall into a hotel/serviced apartment tower with communal areas, as well as a residential component. It consists of 135 residential units with a total saleable floor area of approximately 108,000 sq. ft. and 11 social/affordable units. This development also has a commercial and office component covering approximately 45,500 sq. ft.. Total presold value of HK$167 million was recorded as at 31 March 2023. As the development is completed and has commenced the handover process in FY2023, part of the sales has been recognised as revenue during the financial year. The handover process is expected to continue by phases in FY2024.

Hornsey Town Hall, London

The Group continued to grow its business footprint and strengthen its development presence in the UK. In February 2020, an agreement was executed for the acquisition of Ensign House in Canary Wharf, London, which is adjacent to Aspen at Consort Place. Ensign House is planned to be a 56-storey residential tower consisting of 385 residential units. It will have a total saleable floor area of approximately 323,000 sq. ft. and a total expected GDV of HK$2.6 billion. The project has received planning approval.

Manchester

Victoria North is a mega-scale regeneration development project in Manchester which spans an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria Station and covering the neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. This project is expected to deliver an additional 15,000 new homes over the next decade, providing an optimal mix of high-quality housing, while allowing the city centre to expand. The vision of this project is to create a series of distinct yet clearly connected communities that make the most of the area's natural resources.

The strategic regeneration framework of the Victoria North development was approved by the MCC in February 2019 to provide an illustrative masterplan in order to guide development proposals within Victoria North. It will be used to guide and coordinate developments brought forward by the JV formed between the Group and MCC and subsequently deliver a series of vibrant, sustainable and integrated residential neighborhoods within the extended city centre of Manchester.

Construction at Victoria Riverside, Manchester

Since the Group entered into a development agreement with MCC in April 2017, the Group has acquired various land plots within the Victoria North area, which will be developed into individual projects as the overall masterplan evolves. In July 2019, the Group further acquired 20 acres of land from Network Rail in central Manchester to progress its delivery of the Victoria North. The site is expected to offer over 1,500 new homes, including the first elements of the River City Park at St. Catherine's Wood, which will connect Angel Meadow to the North of Manchester.

Management Discussion and Analysis

The Victoria North project is expected to provide the Group with a significant, long-term pipeline within the UK. As at 31 March 2023, the Group has already secured several land plots within the Victoria North district, providing a pipeline with a saleable floor area of more than 3 million sq. ft., which is expected to deliver approximately 4,500 new homes over the next 5 to 8 years.

MeadowSide is a residential development site in Manchester at NOMA which is one of the major residential growth areas of the city and is sitting on the doorstep of the Group's Victoria North development. The development will feature 4 Plots (Plots 2, 3, 4 and 5) comprising approximately 756 apartments with approximately 560,000 sq. ft. of total saleable floor area around the historic Angel Meadow Park near Victoria Station, one of the major transportation hubs of the city.

MeadowSide, Manchester

Plots 2 and 3 have a total saleable floor area of approximately 220,000 sq. ft. and a total expected GDV of HK$897 million. Handover commenced in March 2022 smoothly. As at 31 March 2023, the expected GDV of remaining apartments was HK$157 million. Of this amount, HK$62 million has been recorded as contracted sales. The development is expected to continue the handover by phases until FY2024. Plot 5 has a total saleable area of 99,000 sq. ft. and a total expected GDV of HK$397 million. The development is completed with all units presold and delivered as at 31 March 2023. Plot 4 has been granted a permit to build a 40-storey residential building. The Group is currently assessing and exploring opportunities to increase gross floor area and enhance GDV accordingly.

New Cross Central, Manchester

New Cross Central is one of the initial sites acquired from MCC as part of the development agreement for the Victoria North project. Located within New Cross at the northern edge of the Manchester City Centre, the development comprises of 80 residential units with a total saleable floor area of approximately 62,000 sq. ft. and a total expected GDV of HK$248 million. The development is completed and has commenced handover process in FY2023. As at 31 March 2023, the expected GDV of remaining apartments was HK$151 million. Of this amount, HK$110 million has been recorded as contracted sales. The development is expected to continue the handover by phases until FY2024.

Victoria Riverside, Manchester

Victoria Riverside is located within the Victoria North masterplan area in close proximity to major transport links including Victoria Station and Manchester City Centre. It is a key gateway into the Victoria North masterplan area and expands the city centre northwards from MeadowSide. It will be a predominantly residential development, incorporating a high-quality public realm with commercial and leisure use and a landmark building. The development features three towers comprising approximately 600 units, with total saleable floor area of approximately 460,000 sq. ft. and a total expected GDV of HK$1.9 billion.

Tower A features 293 residential units with a total saleable floor area of approximately 227,000 sq. ft. and a total expected GDV of HK$1.0 billion. It launched in late September 2022 and total presold value of HK$381 million was recorded as at 31 March 2023. Tower B comprises 128 affordable housing units and has been presold to Trafford Housing Trust, which is part of L&Q, one of the largest housing associations in England for a consideration of approximately GBP26 million. Tower C features 213 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a total expected GDV of HK$633 million. Total presold value of HK$452 million was recorded as at 31 March 2023. The project is expected to be completed in FY2025.

Collyhurst Village is one of the first phases of the Victoria North masterplan. This development consists of 144 private residential units with approximately 153,000 sq. ft. in total saleable floor area and a total expected GDV of HK$395 million. It also includes 130 affordable housing units with approximately 104,000 sq. ft. in total saleable floor area and a total expected GDV of HK$338 million. The development was launched in FY2023 and is expected to be completed by phases between FY2024 to FY2026.

Singapore

Hyll on Holland is a premium development of 319 residential units at Holland Road, a highly attractive and reputable neighbourhood in Singapore. The Group has an 80% interest in the development and the development has an attributable saleable floor area of approximately 194,000 sq. ft.. The sales of this project have been recognised according to the progress of development. As at 31 March 2023, attributable unbooked presales of the development amounted to HK$1.6 billion and completion of the development is expected in FY2024.

Hyll on Holland, Singapore

The project located at Cuscaden Reserve is a residential development site in the prime area of District 9 in Singapore; it is expected to provide approximately 16,000 sq. ft. in attributable saleable floor area and completion of the development is expected in FY2025. The Group has a 10% interest in the project.

Property investment

The Group's property investments comprise investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore, the UK and Australia. In FY2023, a fair value gain on investment properties of approximately HK$39.9 million was recorded. This was attributable primarily to the revaluation gain from the office portion of the Kai Tak Development that amounted to approximately HK$18.5 million. As at 31 March 2023, the valuation of investment properties was approximately HK$8.1 billion (31 March 2022: approximately HK$7.9 billion).

Previously, the Group acquired two sites in Shanghai's Baoshan District and both sites will be developed into residential blocks for leasing purpose. Construction commenced on one of the sites in December 2021 with a lettable floor area of approximately 573,000 sq. ft. which is expected to offer approximately 1,700 units of accommodation. The completion of the development is expected to be in FY2027. The other site has yet to commence construction and is expected to offer approximately 2,300 units of accommodation.

Management Discussion and Analysis

Newly launched upper upscale "Dao by Dorsett"

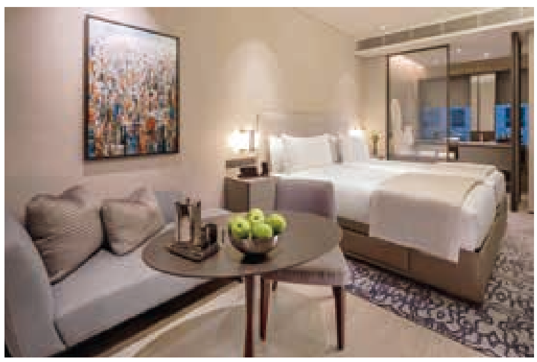
Dao by Dorsett West London

2. Hotel operations and management

The Group owns and operates its hotel portfolio through four distinct lines of business, which focusing on the three- to four-star hotel segment. These include Dorsett Hotels and Resorts, which features the upscale "Dorsett", the newly launched upper upscale "Dao by Dorsett", the upscale "d.Collection" which features boutique hotels with unique identities, as well as the mid-scale "Silka" brand for streamlined, cost-efficient stays.

As at 31 March 2023, the Group owned a total of 33 hotels, including the wholly-owned Dorsett Group, TWHE Hotel Group and the Ritz-Carlton hotels in Perth and Melbourne, as well as the partially-owned Dorsett Gold Coast, Sheraton Grand Mirage Resort on Gold Coast and Dao by Dorsett AMTD in Singapore, making for a total of approximately 8,500 rooms. These hotels are located in Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As at 31 March 2023, the Group also managed 2 other hotels in Malaysia with a combined total of approximately 500 rooms.

As at 31 March 2023, the Group had 9 hotels under its development pipeline, which offer an estimated 2,300 upcoming rooms. Within this pipeline, the Group launched "Dao by Dorsett", an aparthotel brand offering creative and harmonious aparthotels for long-stay guests in July 2022 and rebranded Oakwood Premier AMTD Singapore, a hotel that the Group has a 49% stake, as Dao by Dorsett AMTD Singapore. As a result of the effort and work of the Group's hotel team, we are reporting improved operating results for FY2023, with revenue increasing by 7.4%. With Dao by Dorsett, the Group is excited to build up our asset-light strategy for developing hotel management services in the Middle East and other regions.



Dao by Dorsett AMTD Singapore

On 23 March 2023, the Group opened The Ritz-Carlton, Melbourne, a 257-room luxury hotel, representing the second Ritz-Carlton developed and opened by the Group in Australia. Soon after, the Group opened the Dorsett Melbourne with 316 rooms on 18 April 2023, marking the second Dorsett branded hotel in Australia. The hotels are both located within the West Side Place development, a mixed-use development in the CBD of Melbourne.

The performance of the Group's owned hotel operations for FY2023 is summarised as follows. The results of hotels by region are expressed in their respective local currencies ("LC").

	Occupancy rate ("OCC")		Average room rate ("ARR")			Revenue per available room ("RevPAR")			Revenue	
	FY2023	FY2022	**FY2023 (LC)**	FY2022 (LC)	% Change	**FY2023 (LC)**	FY2022 (LC)	% Change	**FY2023 (LC million)**	FY2022 (LC million)
Hong Kong (HK$)	**64.7%**	77.1%	**916**	892	2.7%	**593**	687	(13.7%)	**654**	773
Malaysia (MYR)	**50.3%**	44.1%	**231**	183	26.2%	**116**	81	43.2%	**74**	49
Mainland China (RMB)	**44.7%**	44.3%	**265**	307	(13.7%)	**118**	136	(13.2%)	**122**	136
Singapore (SGD)[i]	**78.9%**	90.8%	**200**	125	60.0%	**158**	114	38.6%	**19**	13
United Kingdom (GBP)	**71.8%**	45.7%	**122**	85	43.5%	**87**	39	123.1%	**15**	9
Australia (AUD)[ii]	**73.7%**	49.6%	**399**	425	(6.1%)	**294**	211	39.3%	**39**	28
			(HK$)	(HK$)		**(HK$)**	(HK$)		**(HK$ million)**	(HK$ million)
Dorsett Group Total[iii]	**58.8%**	61.6%	**820**	764	7.3%	**483**	471	2.5%	**1,411**	1,357
TWHE Hotel Group Total	**48.0%**	28.3%	**675**	638	5.8%	**324**	181	79.0%	**98**	49

Notes:

(i) Excludes Oakwood Premier AMTD Singapore which is equity accounted.

(ii) Excludes The Ritz-Carlton, Melbourne which was opened on 23 March 2023 and excludes Sheraton Grand Mirage Resort and Dorsett Gold Coast which are equity accounted.

(iii) Excludes TWHE Hotel Group but includes Ritz-Carlton in Perth.

FY2023 has been a year of transition, marked by intermittent spikes in COVID-19 infection rates across the countries in which we operate. Despite these challenges, we have seen strong market recoveries in our hotel business following the relaxation of travel restrictions in Europe, Australia, Singapore and Malaysia during the first quarter. Furthermore, we have seen positive momentum in our Hong Kong hotel business as social distancing regulations and quarantine regimes were gradually lifted in the second half of FY2023. Similarly, our hotel business in other Asian markets has shown varying degrees of recovery since the Mainland China border re-opened on 8 January 2023.

In FY2023, Dorsett Group's total revenue from hotel operations and management during the transition period was approximately HK$1,411 million, representing an increase of 4.0% compared to HK$1,357 million in FY2022. The overall OCC remained stable at approximately 58.8% and the overall ARR rose 7.3% to HK$820 per night. As a result, RevPAR increased slightly to HK$483 per night for FY2023.

While the Group is confident of its recovery from the pandemic, it acknowledges that other risks and challenges remain, which require continued vigilance to ensure sustained success. These include the global labour shortage in the hospitality industry, inflation and rising interest rates, as well as ongoing geopolitical uncertainties and economic weakness.

Management Discussion and Analysis

Despite these challenges, the Group remains committed to being agile and vigilant in its approach and strive to enhance shareholder value through the development of new hotel projects and the continual improvement of its existing assets. The Group is excited to announce that it is targeting the opening of its third Dao by Dorsett hotel in the UK, Dao by Dorsett Hornsey, in late 2023. This will be followed by the opening of our flagship hotel in Hong Kong, Dorsett Kai Tak, as well as Dorsett Canary Wharf in London, and Dorsett Brisbane in Australia in the coming years.

Hong Kong

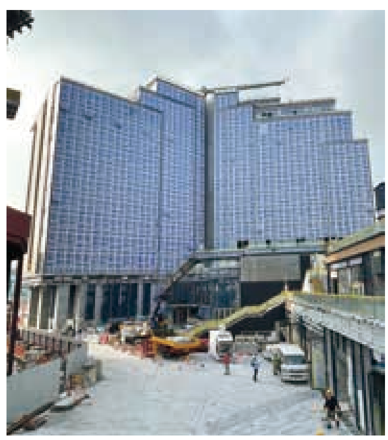
The Group continued to execute its COVID-19 strategy in the first half of FY2023 by providing safe and clean hotel rooms for quarantine guests, close contact customers and medical workers. In the second quarter of 2022, the pandemic was brought under control. Subsequently, restrictive measures were gradually relaxed from 3+4 (3 days of hotel quarantine followed by 4 days of medical surveillance at home) in August 2022 to 0+3 in September 2022. Additionally, quarantine requirements for overseas visitors were cancelled in December 2022. We are pleased to note that the China-Hong Kong border was re-opened on 8 January 2023, and the 48-hour PCR requirement has been cancelled since 6 February 2023.

Dorsett Wanchai, Hong Kong

During FY2023, the Group's hotel segment shifted its focus from accommodating guests in accordance with government pandemic prevention measures to intensifying its promotions targeting inbound tourists from Mainland China and overseas countries. Nevertheless, the travel restrictions remained in place for most of FY2023 and the inbound tourist demand was suppressed and had an adverse effect on our Hong Kong hotels' performance. This resulted in a 15.4% decrease in total revenue for Hong Kong hotel operations. OCC in Hong Kong decreased by 12.4 percentage points to 64.7%, while ARR increased by 2.7% to HK$916 compared to FY2022, resulting in a decrease of 13.7% in RevPAR to HK$593. Throughout the year, Hong Kong contributed HK$654 million, accounting for approximately 43.3% of the Group's hotel revenue.

Hotel bookings in Hong Kong have increased significantly since March 2023. The Group's hotels in Hong Kong have achieved improved rates. The Group is optimistic about Hong Kong's hotel business performance in FY2024 and expects strong performance.

Dorsett Kai Tak, consisting of approximately 373 rooms, is expected to open and operate by Dorsett Group in the first half of 2024. This hotel will be the Group's flagship hotel in Hong Kong as part of our operating hotel assets in long term. The land title of Dorsett Kai Tak is expected to be separated from the Kai Tak Commercial development and is currently under internal organisational restructuring.



Construction at Dorsett Kai Tak, Hong Kong

Malaysia

The hotel business in Malaysia has returned to normalcy quickly since the removal of travel restrictions and the re-opening of the Malaysian border to fully vaccinated foreign travellers on 1 April 2022.

As a result, total revenue from the Group's Malaysia hotels increased 51.0% to approximately MYR74 million as compared with FY2022. ARR increased by 26.2% to MYR231 and OCC increased to 50.3%, resulting in a 43.2% increase in RevPAR to MYR116.

Mainland China

In June 2022, the Chinese government announced a reduction in quarantine requirements from 14 to 7+3 days (7 days hotel quarantine followed by 3 days home medical surveillance), and finally announced the re-opening of the border on 8 January 2023, which has benefited to our hotels in Mainland China, as we are already seeing some returns of international business along with strong domestic clientele.

For the majority of FY2023, hotels in Mainland China faced rigid travel restrictions, resulting in a limited recovery of our hotel business compared with other regions. As a result, OCC in our hotels remained stable at approximately 44.7% and ARR fell 13.7% to RMB265, resulting in our RevPAR recording a drop of 13.2% year-on-year to RMB118. Total revenue also recorded a decrease of 10.3% to RMB122 million.

Mainland China's hotel business has demonstrated a good recovery since the re-opening of the border, and it is expected that the Group's Mainland China hotels will perform better in FY2024 than FY2023.

Singapore

Dorsett Singapore

In April 2022, Dorsett Singapore, our 285-room hotel in downtown Singapore, transitioned from accommodating quarantine guests and healthcare staff to normal operations as the borders re-opened.

As a result of the tourism boom in Singapore, Dorsett Singapore has recorded a significant increase in ARR from SGD125 to SGD200, as well as an increase in RevPAR by 38.6% to SGD158. In turn, Dorsett Singapore's revenues increased significantly from SGD13 million to SGD19 million as a result of this growth.

Management Discussion and Analysis

UK

The Group's UK hotels experienced significant improvement in their business performance during FY2023. The OCC steadily increased from the beginning of FY2023, as tourists and business travellers returned to London. Additionally, the opening of Dao by Dorsett West London in July 2022 significantly boosted our operations in the UK. The management contract of Dorsett City London, which was sold by the Group in June 2021, expired on 13 March 2023.

Dao by Dorsett West London

Total revenue for the Group's UK hotels increased by 66.7% year-on-year to GBP15 million, with a 26.1 percentage points increase in OCC year-on-year to 71.8% and a 43.5% increase in ARR year-on-year to GBP122. The outlook for the Group's hotels in the UK is bright as travel returns to normal and the current value of the Pound Sterling provides an added incentive to visit the UK.

Australia

Since the border re-opened in February 2022, The Ritz-Carlton, Perth has continued its progression and experienced strong leisure demand, as well as increased corporate demand.

Dorsett Gold Coast, Australia

The Dorsett Gold Coast opened with very strong demand, but its performance has not been consolidated due to the Group's one-third ownership in the hotel. It is anticipated that our hotel business in Australia will perform strongly in FY2024 with the contributions from the wholly-owned Ritz-Carlton Melbourne and Dorsett Melbourne.

As a result, the Group's hotels in Australia recorded a total revenue of approximately AUD39 million with 73.7% OCC and AUD399 ARR for FY2023, which represented a growth of 39.3% in revenue and 39.3% growth in RevPAR over FY2022.

Continental Europe – TWHE Hotel Group

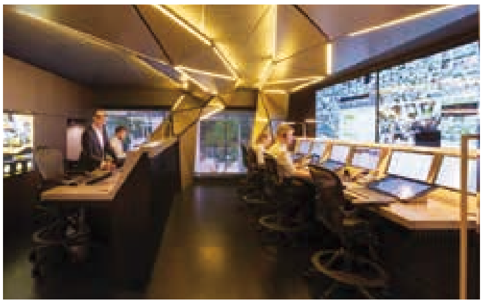
TWHE hotels in Continental Europe have benefited from the lifting of government travel restrictions and have been able to welcome international guests starting in FY2023. While at the same time, we are seeking to mitigate the impact of inflation, rising energy costs, and a shortage of labour in the hospitality industry, all of which are becoming increasingly important.

Hotel Donauwelle, Austria

As a result, overall OCC increased 19.7 percentage points to 48.0% and ARR increased 5.8% to HK$675, resulting in a 79.0% growth in RevPAR to HK$324. Total revenue for TWHE hotels increased significantly to HK$98 million in FY2023 compared to HK$49 million in FY2022.

3. Car park operations and facilities management

The Group's car park operations and facilities management business, including car park operations that operate under the "Care Park" brand, has a portfolio of car park bays amounting to 119,245 bays which were owned or managed by the Group as at 31 March 2023. Among the Group's 403 car parks, 24 were self-owned car parks with 8,616 car park bays. The remaining car park bays in Australia, New Zealand, the UK, Hungary and Malaysia remain under management contracts with third-party car park owners.



Central monitoring system, Care Assist

In FY2023, the Group's car park operations and facilities management business underwent some senior management changes and is now well-positioned for growth. The Group's revenue from car park operations and facilities management experienced steady growth, reporting a 13.6% increase compared to FY2022 to approximately HK$754 million. This growth is attributed to the gradual relaxation of travel restrictions and residents' movements. As with our other operations, we anticipate a gradual return to normalcy in the near future.

We will continue to execute our strategy of monetising mature car parks and recycling capital to reinvest in projects with higher internal rates of return. In FY2023, the Group successfully monetised several car parks. The proceeds from these disposals have been used to reduce debt or invest in operations.

4. Gaming operations and management

Europe

The Group operates its portfolio of 3 casinos in the Czech Republic through TWHE which features gaming tables and slot machines. All the casinos were rebranded as "PALASINO" during FY2022.

All casinos under TWHE were rebranded as "PALASINO"

In FY2023, the Group's 3 casinos were fully operational, as opposed to the two-month temporary closure in FY2022 due to the COVID-19 pandemic. With the gradual relaxation of pandemic-related restrictions and the recovery of economic environment, gaming operations quickly resumed and generated favourable returns.

As a result, revenue from TWHE's gaming operations in FY2023 increased significantly by 28.0% to approximately HK$296 million (net of gaming tax) as compared to FY2022. The Group's gaming revenues have proven to be very resilient as the casinos have built a loyal customer base.

TWHE has obtained an online gaming licence in Malta in November 2022. Looking ahead, the Group remains optimistic about its gaming business and ability to capitalise on growth opportunities in the region. In March 2023, the Group completed a USD20 million placement for 10% stake in Turbo Century Limited, the intermediate holding company of TWHE. The Group is currently exploring the opportunity for a capital market deal to unlock the full potential of TWHE to create additional value for shareholders.

The following tables set forth certain operating data of TWHE's casinos for the period ended 31 March 2023:

	As at 31 March 2023	As at 31 March 2022
Number of slot machines	**560**	446
Number of tables	**59**	65
	FY2023	FY2022
Table game revenue[i] (HK$ million)	**75**	55
Slots revenue[i] (HK$ million)	**204**	145
Average table game win rate[ii]	**21.6%**	20.9%
Average slot win per machine per day (HK$)	**1,533**	1,644

Notes:

(i) Net of gaming tax.

(ii) Table game win rate is defined as total win on the gaming table (being total bets received less payouts made) divided by total amount of cash and non-negotiable chips deposited on the gaming table.

Australia

In March 2018, the Group entered into a strategic alliance agreement with The Star and CTF and currently has a 4.98% equity stake in The Star, one of the two major casino operators in Australia which has a dominant position in Sydney, the Gold Coast and Brisbane. In February 2023, the Star raised AUD800 million in a rights issue to replenish its balance sheet. The Group and CTF both subscribed to their pro-rata entitlement of approximately AUD40 million.

Strategic benefits to the Group from this investment and the strategic alliance agreement are:

(i) strengthening the Group's relationship with The Star;

(ii) forging a partnership with The Star for potential mixed-use property projects, and adding to the Group's development pipeline in Australia; and

(iii) allowing the Group to increase its exposure to the QWB Project and benefit from The Star's future growth.

Construction at Queen's Wharf Brisbane

The Group owns 25% of the integrated resort in Brisbane. Together with The Star and CTF, the Group is building three world-class hotels, high-end gaming facilities with VIP rooms, food and beverage outlets and more than 6,000 sq. m. of retail and eatery space that will be operated by DFS Group, a global leader in retail operations.

The QWB Project is currently under construction, with its first stage expected to be completed and opened in FY2024.

5. BC Invest – Provision of mortgage services

As an extension of its property development business, the Group established a mortgage lending platform under BC Invest that specialises in providing residential mortgages to non-resident international property buyers. BC Invest is highly synergistic with the Group's property development business and offers significant growth potential beyond it.

After carefully reviewing potential markets in which it could grow its business, BC Invest expanded to the UK in late FY2021 and the response has been positive. BC Invest is building an asset management business (retail and institutional) to diversify its business model and financing sources. It is also extending its mortgage business to the domestic resident market.

Loans and advances reached approximately AUD4.3 billion as at 31 March 2023, an increase of about 65.3% from 31 March 2022. BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio for Australia and the UK. Net interest margin was maintained at 1.39% in FY2023 as BC Invest aimed to capture more market share. Though most of the capital is provided by third parties, the Group has committed approximately AUD14.3 million as at 31 March 2023, which was classified as investment securities. Including interest income from funding, BC Invest contributed approximately HK$13.9 million to the Group's profit in FY2023.

On 31 March 2023, BC Invest acquired the remaining portion of Mortgageport it did not already own, resulting in full ownership of Mortgageport. Mortgageport is a leading non-bank lender, catering mostly to domestic borrowers. Including third party assets under management, BC Invest managed a total AUM of approximately AUD5.3 billion as at 31 March 2023.

BC Invest's Exhibition

On the funding side, it continued to diversify its funding sources by tapping into the RMBS market. In April 2022, it issued an RMBS that raised AUD416 million, featuring a proportion of domestic borrowers and green tranches. This was followed by two more RMBS transactions in August 2022 and December 2022, each for AUD408 million. These transactions featured a proportion of Australian domestic and SMSF prime borrowers.

Post year end in April 2023, BC Invest successfully issued its seventh RMBS and raised AUD507 million. This transaction is backed by first mortgage loans to Australian resident borrowers, including SMSF prime borrowers. The issuance signals a shift towards a largely resident borrower RMBS program mix.

OUTLOOK

Despite the recent rise in interest rates and inflation, which may lead to higher interest and operating expenses that could impact our operations and financial performance in the foreseeable future, the Group still remains cautiously optimistic. Our underlying businesses are on the upswing and are expected to each deliver a good revenue over the next 12 months. We are confident that our diverse portfolio and our dedication to sustainable growth strategies will enable us to navigate these headwinds effectively. We will strive to emerge stronger in the long run.

The property development operations should see significant settlements across Singapore, Australia and the United Kingdom, in particular, as a number of our projects are coming to fruition. Hyll on Holland in Singapore, West Side Place (Towers 3 and 4) in Melbourne should continue to see significant settlements over the next 12 months and likewise in the UK, the Group will continue to settle Hornsey Town Hall in London as well as New Cross Central in Manchester. This should provide strong cash flows for the Group and result in further deleveraging for the Group. In addition, the Group is actively finalising the preparatory work to launch a number of exciting projects in Hong Kong, including the JV residential project in Kai Tak and the residential project in Sai Ying Pun comprising approximately 1,300 units and 200 units with some retail space, respectively. These projects will launch in either FY2024 or early FY2025. The Group is also working actively to launch the next phase of its Victoria North masterplan and Collyhurst Village in Manchester.

The Group's presales and unbooked contracted sales remain at a healthy level of HK$18.7 billion, representing future settlements for the Group and providing strong visibility of future cash flows in the years to come. As we settle our existing projects and launch new projects, we do expect that number to vary but not to change significantly as the Group always aims to replenish its landbank and continues to come up with exciting and attractive new residential projects.

Our recurring income businesses are expected to continue to perform well. In particular, our hotel operations should see a solid rebound in Hong Kong as the border with Mainland China has re-opened. With the return of tourists and business travellers, along with resumption of conferences and entertainment events, our hotels are well-positioned to benefit. As the world continues to emerge from the pandemic and travelling becomes more common, we anticipate that our Group's properties will benefit. We are pleased to have added two new hotel properties, namely The Ritz-Carlton, Melbourne and the Dorsett Melbourne, which are situated in prime locations and are expected to contribute significantly to the performance of our hotel operations. In addition, we have several new hotels in the pipeline and should come on stream in the next 24 to 36 months, including new Dorsett hotels in Hong Kong, Perth and London; as well as hotels held through JVs with The Star and CTF, including a new hotel on the Gold Coast and three new hotels at Queen's Wharf in Brisbane. With these new landmark additions, we expect our hotel business to see incredible growth over the years to come.

The car park operations are experiencing a gradual recovery as commuters are adopting a park-and-ride approach by returning to city centres and showing a slight preference for private transportation which result in an increase in occupancy and rates. Following a meticulous review of the Group's overall assets' portfolio, the Group have decided to sell a number of matured car parks; primarily those that have already undergone significant repositioning and revaluation. Whilst some car parks have been sold, the third party management business has continued to grow. This has helped to limit the impact of any revenue loss.

At TWHE, the Group's European gaming and hospitality operations continue to strengthen as patrons continue to enjoy returning to brick-and-mortar gaming establishments. The Group has introduced a third-party investor and is currently undergoing a potential spin-off and separate listing of its operations on the Stock Exchange. The upcoming opening of the integrated resort at Queen's Wharf in Brisbane – a JV project with The Star and CTF in the calendar year 2024, will contribute to the Group's recurring income businesses. Overall, all of the Group's recurring income businesses are well positioned to enjoy another solid year ahead.

The Group has been focused on monetising non-core mature assets. Over the course of the last 12 months, a number of mature car park assets and existing completed of residential inventory were sold. In addition, construction of the Kai Tak office building which was sold to CLP for HK$3.38 billion, is progressing well and is expected to be completed in FY2025 as planned. However, the Group continues to work on more disposals, including the sale of a few car parks and potentially some non-core hotels. The intention of the Group is to sell mature or low yielding assets to reduce debt and/or to recycle the capital into projects that generate more attractive returns. Generally, as the interest rate backdrop has changed, the Group is taking steps to adjust the nature and the return profiles of its asset portfolio.

The Group's balance sheet and access to capital continues to be good. Whilst the bond market does not offer now as attractive terms as in the past, primarily due to headwinds in the real estate sector in China, the core banking relationships of the Group continue to provide ample support at competitive rates. Our current gearing and leverage ratios are expected to come down as residential property settlements continue to occur and as our recurring income businesses continue to provide steady and growing cash flows. In addition, a number of the Group's assets are denominated in currencies other than our reporting currency of the Hong Kong dollar. If and when the Hong Kong dollar depreciates against those currencies, the gearing and leverage ratios are expected to improve marginally providing a further tailwind to the strength of the balance sheet.

BC Invest continues to grow steadily despite a rising interest rate environment. The business is expected to continue to grow as more products are launched in the market and more end customers are targeted. The Australian borders are opened again and residential real estate continues to be sought after by non-residents and residents alike. As a result, prices are well underpinned and may continue to stabilise and increase, especially if interest rates do not rise anymore and actually start to fall. BC Invest has been a frequent issuer of RMBS and has built a strong following of institutional investors. That allowed BC Invest to tap into the bond market and obtain attractive financing terms, even in very volatile market conditions. BC Invest also works closely with large local and international financial institutions that offer warehousing facilities at competitive rates, enabling BC Invest to continue to grow its AUM and service its customers. The next 12 months will be pivotal as the business has reached an inflection point in regard to profitability and more strategic discussions are underway to explore the next growth phase of BC Invest.

The Group is expected to reap the benefits of many years of hard work over the next 12 to 24 months. Several landmark projects are set to complete and drive significant cash flows. Furthermore, the addition of many new hotels will create recurrent revenues to the Group. Meanwhile, the Group will continue to review its asset portfolio and seek opportunities to recycle capital. Despite prevailing economic uncertainty, the Group aims to remain cautious and defensive. However, we are well positioned to benefit from the re-opening of the global economy and will continue to stay focused on executing strategy across all business segments.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023, the Group had approximately 3,900 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external training appropriate for various level of staff roles and functions.

Annual Dinner 2023