

Chairman and Chief Executive Officer's Statement

I am pleased to announce that, amidst a series of challenges, our FY2024 revenue has reached record heights of HK\$10.2 billion and our profitability has exceeded last year. Earnings per share in FY2024 increased by 28.1% to HK8.2 cents and our solid performance has allowed the full year dividend to be maintained at HK14 cents per share, providing a substantial yield for our shareholders. Our dividend policy (set out in the Corporate Governance Report) relates principally to our adjusted cash profit of approximately HK\$780 million as we believe this is representative of the Group's underlying profitability. In a volatile market characterised by high interest rates and the final phase of COVID-19, it was not easy to achieve growth in these circumstances and our team has demonstrated remarkable skill and determination.



Revenue from property development, our core business, reached approximately HK\$6.8 billion in FY2024. As at 31 March 2024, our cumulative attributable presales and unbooked contracted sales amounted to approximately HK\$11.5 billion, providing a solid foundation for sustainable growth and cash flow for the Company. In the near future, we have several landmark projects reaching the harvesting stage, including Hyll on Holland in Singapore, Aspen at Consort Place and Victoria Riverside in the UK, as well as Perth Hub and Queen's Wharf Brisbane (Tower 4) in Australia. With the completion and settlement of these projects, we expect to further reduce our leverage. We are also poised to launch our JV project in Kai Tak – The Pavilia Forest soon and further developments will enhance the vibrancy and depth of our portfolio. Looking forward, our active residential property development projects under various stages of completion across the region amounting to approximately HK\$65.2 billion. We expect to continuously develop our pipeline and portfolio under different market conditions, adapting to evolving markets as needed. This strategic approach allows us to navigate uncertainties while maintaining a strong foothold in the industry. With a keen eye on sustained growth, we are not rushing into land replenishment, leveraging our existing resources effectively.

Hotels, our second major business, excelled with HK\$2.0 billion in revenue in FY2024, bringing us recurring income. We currently own 32 hotels and are developing 8 hotels in the pipeline, adding 2,000 hotel rooms within two years. Notable achievements are the recent openings of the Ritz-Carlton Melbourne and Dorsett Melbourne. The launch of our flagship Dorsett Kai Tak hotel in Hong Kong, as well as Dorsett Alpha Square Canary Wharf and Dorsett North London in London, will contribute further growth to our hotel performance over the next few years.

The spin-off and separate listing of Palasino Holdings Limited (stock code: 2536) on the Main Board of the Hong Kong Stock Exchange on 26 March 2024 has proved a great success. After an initial price at IPO of HK\$2.60, with over 7,000 applications, the market price has more than doubled to around HK\$6, with a market capitalisation of almost HK\$5 billion. We continue to own a 72.07% stake and look forward to further exciting developments for this company.

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Sustainability remains a paramount focus for us, and we have dedicated significant efforts to this crucial initiative. The recent obtaining of our second sustainability-linked loan facility and another green facility underscores our ongoing dedication to sustainable practices and responsible business conduct which embed sustainability at the core of our operations. We are also conducting a task force on climate-related financial disclosures assessment to showcase our commitment to transparently assessing and reporting climate-related risks and opportunities.

Recognising the impact of interest rates on the real estate segment, we are firmly committed to effective control of our borrowings. We have recently executed strategic deleveraging transactions, such as the completion of the office component within the Kai Tak commercial development in Hong Kong, the sale of our 25% stake in the Sheraton Grand Mirage Resort on the Gold Coast in Australia and the block deal for the remaining units at Dorsett Bukit Bintang in Malaysia. We will continue to divest non-core assets, optimise our portfolio and bolster our balance sheet as we position ourselves to reinvest in higher return projects. We are confident that our levels of leverage will continue to decline to a relatively conservative range.

The diligent efforts we have invested in expanding and diversifying our development pipeline across various regions have successfully borne fruit. We invested in diversification across various regions early on enabling us to adapt to different business cycles affecting both our property development and hotel businesses. This serves as a crucial tool in navigating the challenges of the volatile market landscape.

Amidst the shifting terrains of the property development and hotel industries, our unwavering commitment to excellence, sustainability, and responsible business practices serves as our guiding light. Positioned strategically for the future, our cohesive team, marked by resilience and competitiveness, forms the bedrock of our ability to not only endure but thrive in this demanding market climate.

Grateful acknowledgement is extended to our 4,000 colleagues worldwide for their steadfast dedication, a driving force behind our collective achievements. Furthermore, we express our appreciation to our shareholders and our banking and financial institution partners for their enduring support during these tumultuous times. Your continued trust and collaboration remain paramount for our sustained success and growth.

David CHIU

Chairman and Chief Executive Officer

27 June 2024