

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

We have achieved a new milestone with record financial growth for the Group last year. I am especially proud the Group has accumulated years of experience in overseas development in Hong Kong, Mainland China, Singapore, Malaysia, Australia and London and developed in-depth development skillsets and professional teams in the location of our operations and the valuable experience and expertise puts us well ahead of our peers and in a good position to consistently deliver value for our shareholders. The Group's "Chinese Wallet" strategy which targets China's growing middle class travels, migration and investment in major world cities also has helped drive the growth of the Company. Riding on the strength of diversified locations across different markets yet focused business models has also brought to the growth for the Company in terms of revenue and earnings.

In property development, the Group currently has some 20 active property development projects and total development pipeline approximately 11 million sq. ft., the Group is well-positioned for sustained growth in the coming years. Our strong presence in Hong Kong, Mainland China, Singapore, Malaysia, Australia and London allows the Group to take advantage of peaks and troughs in the different property markets. For instance, the Group was able to purchase properties in Singapore at low cost and was well positioned to sell them as property prices peaked, reaping a good return to investment. In mainland China, the land costs for residential sites in Shanghai and Guangzhou were acquired at very low base. This strengthened the Group's profitability in the coming years. In Hong Kong, I believe there will continue to be robust demand for apartments the HK\$8 million or below. The Group will continue to participate in government land tenders and actively capture development opportunities in Hong Kong. The upcoming successive completion of the Group's development projects with a total gross development value of approximately HK\$35 billion will continue to generate stable income for the Group in the coming years.

In hotel business, Dorsett's branding strategy, namely boutique hotels under "d. Collection", "Dorsett Hotels & Resorts" and economy hotels under "Silka Hotels", continues to be successful in capturing both business and leisure travelers. Despite the current challenges in the hospitality industry, the Group's hotels, namely in Singapore and London continues to perform well. With increase in newly completed hotels and increase in the number of guest rooms, the Group's hospitality business will continue to grow. As China's middle class increase their spending on travel, we are optimistic of continued growth for the Group's hospitality business. I have full confidence in the growth of the Group's hotel division as Dorsett is highly responsive to fluctuations and changes in the markets and has a clear strategy for continued expansion and network coverage.





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The car park operations and facilities management business has steady growth, mainly due to increase in the number of self-owned car parks and car parks under management. We expect the car park operations and facilities management business will maintain growth during financial year 2016.

Whilst we are entering into a new phase of growth and expansion, the Group continues to be committed to its social responsibility. For the financial year 2015, the Group contributed a total of more than HK\$8 million to various charitable and social causes. The Group's hotels in Hong Kong, Malaysia, Singapore and London actively participated in the annual event "Earth Hour". The Lan Kwai Fong Hotel @ Kau U Fong continues to work closely with the Environmental Protection Department to support local recycling. The Group's Cosmopolitan Hotel Hong Kong introduced a family programme which provides internship opportunities for children of our employees. I am delighted to learn that the daughter of a colleague who participated in this programme expressed how proud she felt working at a Dorsett Hotel, seeing her father

work alongside his colleagues to offer a comfortable experience for the guest who stays at our hotels.

On balance sheet management, the Group will remain prudent in its approach and seek to reduce development risk by pre-selling residential projects. The regional development strategy and the diversification, targeting the "Chinese Wallet" will continue. Standing on the solid foundation built over the years, I am fully confident of the Group's continued growth.

Last but not least, I would always cherish the memory of my dear father, Deacon Te Ken CHIU J.P., the founder and honorary chairman of the Company, who passed away on 17 March 2015 in Hong Kong Yan Chai Hospital at the age of 90. My father founded the Company in 1950 and led the listing of the Company on the Hong Kong Stock Exchange in 1972. My father was also a mentor and a role model for the Chiu's family and our colleagues. He started his business from scratch and prospered to be one of the most successful business tycoons in Hong Kong, through sheer hard work and determination. He led a legendary life of

tenacity, unremitting self-improvement and was truly a visionary. His life-long belief of perseverance will continue to inspire us to march forward courageously and unswervingly to bring to the Company's continued success.

While I believe the China growth engine have come to a mature stage, nevertheless, we are blessed that we are still positioned in the relatively high growth economic belt and the purchasing power of the burgeoning middle class Chinese is still strong. Thus, I believe that the company will continue to enjoy many years of steady growth.

The Company will grow from strength to strength and continue to deliver growth and value to its shareholders. I sincerely acknowledge the hard works, dedication and loyalty of 3,400 employees of the Company.

Thank you for your continued support and confidence in us.

David CHIU

Chairman and Chief Executive Officer



Cosmopolitan Hotel's One Family Programme



CSR Effort by associates of Lan Kwai Fong Hotel @ Kau U Fong

