



Chairman and Chief Executive Officer's Statement



What is going on to the world is unprecedented, and our businesses in Hong Kong particularly suffered from the double blow of social unrest and the outbreak of COVID-19 which principally hit our hotel and car park operations. Fortunately, the Group has diversified by expanding its regional exposures and successfully balanced the impact of these events. Proving the effectiveness of our diversification strategy, I am pleased to announce to our Shareholders that the Group has achieved a record-breaking revenue and continued to be profitable in FY2020.

Our hotel operations have suffered badly from the drastic drop of business travelers and leisure tourists and the situation remains challenging. Despite the changes in the global travel trends are still unknown, we see potential demand from short-haul tourists, especially the Mainland Chinese, who consider Hong Kong their preferred leisure travel and shopping destination. Consumer sentiment for outbound tours is building up and this potential demand stands to benefit our three to four-star hotels in Hong Kong. With the promulgation of National Security Law in Hong Kong, I believe that it helps strengthen the social stability of Hong Kong. After the pandemic, we are of the view that the Mainland tourists will come and visit Hong Kong again.

Fortunately, property development remains the core business of the Group. We have built up a strong property development portfolio to maintain future growth. The substantial cumulative presales values and development pipeline provide visibility to the Group's future revenue. The Group is also well diversified geographically and therefore able to take advantage of different territory cycles. In the UK, apart from the extensive local experience and knowledge we have developed, the business environment is favorable for foreign investors. The British government has recently introduced a policy to abolish the stamp duty on properties valued below GBP500,000 (approximately HK\$5 million). We thus have more confidence in medium-priced buildings in the UK. We see the time is ripe to increase our land bank in the UK. In Australia, although we are still bullish on the market, we believe our land bank is sufficient for development in the coming years; while in Hong Kong and China, we are ready to take advantage of opportunities as they arise.

Low market sentiment and poor parking demand due to COVID-19 are affecting our car park performance. However, with the lockdown measures and relevant restrictions gradually easing in some countries, we expect a prompt recovery of our car park operations. The expansion of our car park operation in Hungary and Manchester has created a strong base and footprint for us in Europe and has generated steady recurring income. From a long-term perspective, we will continue to leverage resources to build the Care Park brand to consolidate our leadership in Australia and New Zealand and to further develop our presence in Europe. We believe the growth of the business into a prominent international car parking platform will provide us with progressive recurring cash flow in the coming years.



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Along with the gradual relaxation of restrictions in Continental Europe, 3 of our casinos reopened in June 2020 and are performing satisfactorily. We believe our efforts in developing the gaming operations will allow us to stay resilient amid the current economic headwinds. Furthermore, with the first phase of the AUD\$3.6 billion Queen's Wharf Brisbane integrated resort expected to open in late 2023, we expect the contribution from the gaming segment will continue to grow gradually. Our investment in The Star recorded a setback in FY2020, but we consider this is a temporary situation and we are optimistic in its long run, future.

The Group is committed to striking a balance between making profits and delivering sustainable development. We believe that building the right management team and good corporate governance are the most critical components for maintaining long-term sustainable success. In FY2020, the Group won a number of international awards in relation to corporate governance, corporate management, investor relations and ESG and I am very proud of the widespread recognition for our efforts in this regard.

To step up our social responsibility, the Group together with Hengan International Group Company Limited, have proactively sourced and donated 1,000,000 face masks to primary and secondary schools, hospitals as well as disadvantaged groups in Hong Kong and China to fight against the virus. Moreover, the Group has also actively sourced and distributed gloves across region. The Group has also looked after over 1,000 healthcare personnel and front-liners in its hotels globally, including Hong Kong, China, Malaysia, Singapore and London.

On the ESG front, global trends, such as growing customers' and shareholders' interest in sustainability, are re-shaping the business environment. Investors are emphasizing ESG factors when evaluating companies. As such, we are proactively setting up a sound sustainability governance model and integrating it into our business operations. We believe that is what our Shareholders expect of us.

The general economy remains challenging with the double blow of social unrest and COVID-19. We remain cautious in exploring investment opportunities in land acquisition. The healthy gearing level of the Group provides room for the Group to grasp opportunities when available. Looking ahead, the economy of Hong Kong will certainly face difficulties and challenges. However, China is tackling the problems effectively by putting more resources in maintaining employment as well as fostering social stability. As such, the economic growth of China and Hong Kong will still be stronger than the rest of the world.

I am confident that the Group will be able to navigate the current global economic headwinds and deliver a sustainable progressive dividend to its Shareholders. I would also like to take the opportunity to thank our Shareholders, partners and our colleagues for their concerted effort, which underpins the steady growth of our business. They are the key reasons for the Group's success.

David CHIU

Chairman and Chief Executive Officer

30 June 2020

The Towers at Elizabeth Quay, Perth



An aerial photograph of a waterfront park and marina. In the foreground, a modern, curved pier with a grey metal railing and a walkway extends into the water. The pier is landscaped with young trees and greenery. To the left, a large, multi-story building with a dark roof and wooden accents is situated on the shore. A large, multi-decked boat is docked at a pier in the middle ground. The water is a deep blue, and the sky is bright blue with scattered white clouds. In the background, a city skyline is visible across the water.

**PURSUIT OF
RESTLESS
EXPLORATION**