Management Discussion and Analysis

MeadowSide, Manchester

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2022 was approximately HK$5.9 billion, a slight decrease of 0.8% as compared with FY2021, driven primarily by the lower recognition of revenue from residential development but offset by robust recovery of all recurring income businesses. Adjusted gross profit[i], a non-GAAP financial measure, came in at approximately HK$2.3 billion as compared with HK$2.2 billion for FY2021. 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
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%**
FY2021						
Revenue	4,226,066	888,958	502,195	87,811[ii]	238,664	5,943,694
Gross profit	1,525,059	106,312	(4,413)	9,573	204,952	1,841,483
Depreciation	–	290,709[iii]	32,941[iii]	11,219	–	334,869
Adjusted gross profit[i]	1,525,059	397,021	28,528	20,792	204,952	2,176,352
Adjusted gross profit margin[i]	36.1%	44.7%	5.7%	23.7%	85.9%	36.6%

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$95 million (FY2021: HK$37 million).

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

Management Discussion and Analysis

Revenue from sales of properties amounted to approximately HK$3,378 million in FY2022, a decrease of 20.1% as compared with FY2021. Major contributors to the revenues were West Side Place (Towers 1 and 2) in Melbourne and MeadowSide (Plots 2, 3 and 5) in Manchester and sale of other inventories in Australia, Mainland China and Hong Kong as well as revenue recognition over time of projects in Singapore and Malaysia.

Gross profit from sales of properties of approximately HK$1,102 million was recorded during FY2022, representing a 32.6% gross profit margin, a decrease compared to FY2021, due to lower gross profit margin recorded from property sales in Singapore.

Revenue from hotel operations and management continued its strong trajectory by increasing 58.1% as compared with last year to approximately HK$1,405 million in FY2022. Adjusted gross profit margin[i], a non-GAAP financial measure, for the Group's hotel operations increased to 54.6% in FY2022 from 44.7% in FY2021, which was driven by a strong improvement in overall revenue across all regions as a result of an improvement of revenue per available room.

Revenue from car park operations and facilities management also made a significant recovery of 32.3% year-on-year to approximately HK$664 million in FY2022, mainly due to loosened restrictions in the Group's major 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$115 million was achieved for FY2022, a 304.2% increase year-on-year.

Revenue from gaming operations increased year-on-year by 163.6% to approximately HK$231 million (net of gaming tax) in FY2022. The higher revenue was primarily driven by the re-opening of our operations and the solid rebound in attendance, which consistently reached or sometimes even exceeded pre-pandemic levels. Adjusted gross profit margin[i], a non-GAAP financial measure, increased to 54.1% in FY2022 from 23.7% in FY2021, primarily due to a recovery in overall business and careful cost control.

Though the repercussions of the COVID-19 pandemic remain, rebounding revenues from the Group's recurring income businesses indicate the Group's position for sustainable growth through the cycles. Despite decreases in performance at the beginning of the pandemic, adjustments to business models and optimisation of costs have not only cushioned the overall impact, but also helped the businesses outperform its peers. As such, the Group remained profitable, with profit attributable to shareholders standing at approximately HK$1,300 million for FY2022, an increase of 139.4% as compared with approximately HK$543 million for FY2021.

Adjusted cash profit[i], a non-GAAP financial measure, was approximately HK$1,425 million for FY2022, an increase of 126.2% from approximately HK$630 million recorded for FY2021.

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.

Hornsey Town Hall, London

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 2022.

Consolidated statement of financial position	**As at 31 March 2022 HK$ million**	As at 31 March 2021 HK$ million
Bank loans, notes and bonds		
Due within 1 year[i]	**11,450**	12,274
Due 1–2 years	**10,643**	5,939
Due 2–5 years	**8,106**	6,581
Due more than 5 years	**996**	2,783
Total bank loans, notes and bonds	**31,195**	27,577
Investment securities	**3,033**	4,143
Bank and cash balances[ii]	**6,903**	4,426
Liquidity position	**9,936**	8,569
Net debts[iii]	**21,259**	19,008
Carrying amount of the total equity[iv]	**17,910**	17,054
Add: hotel revaluation surplus[v]	**18,796**	17,550
Adjusted total equity[vi]	**36,706**	34,604
Adjusted net gearing ratio[vi] (net debts to adjusted total equity[vi])	**57.9%**	54.9%
Net debt to adjusted total assets[vi]	**28.9%**	28.2%

Notes:

(i) Includes an amount of approximately HK$1,117 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 2022 and 31 March 2021 respectively.

(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%.

The liquidity position of the Group as at 31 March 2022 was approximately HK$9.9 billion. The Group's adjusted total equity[i], a non-GAAP financial measure, as at 31 March 2022 was approximately HK$36,706 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$18,796 million, which is based on independent valuations assessed as at 31 March 2022 and includes the 2019 Perpetual Capital Notes. The adjusted net gearing ratio[i], a non-GAAP financial measure, of the Group rose to 57.9% as at 31 March 2022 from 54.9% as at 31 March 2021, reflecting some of the projects reaching a more advanced stage of development, namely Aspen at Consort Place and West Side Place (Towers 3 and 4) and acquisition of new development opportunities.

Management Discussion and Analysis

During FY2022, the Group continued with its prudent approach to financial management. It (i) issued an additional US$150 million 2024 Notes; (ii) completed a number of major loan financings including a GBP255 million construction loan for Aspen at Consort Place, a AUD75 million term loan for the Ritz-Carlton hotel in Perth and a number of unsecured corporate facilities raising in aggregate approximately HK$1 billion; (iii) fully redeemed the 2021 Notes amounting to approximately US$236.6 million, which were issued on 8 September 2016 and (iv) repaid approximately SGD146 million and GBP19 million in loan facility in relation to 21 Anderson Road and Dorsett City London respectively upon their disposal.

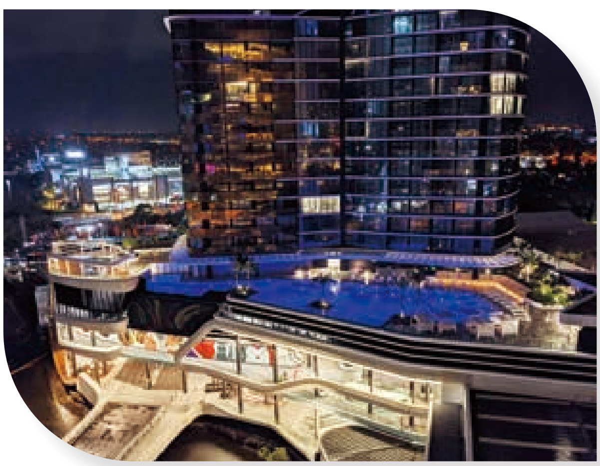
The Group continues to maintain a balanced debt maturity profile. As at 31 March 2022, the Group's bank loans, notes and bonds which were due within 1 year was approximately HK$11,450 million. Of this amount, approximately HK$5.4 billion loans were mostly secured and are expected to be rolled over or refinanced to a longer maturity. In addition, (i) certain development loans of approximately HK$2.9 billion will be repaid from presales proceeds upon settlement or refinanced; (ii) certain term loans of approximately HK$607 million were refinanced in the first quarter of FY2023; (iii) certain non-development term loans of approximately HK$608 million are close to the completion of refinancing; (iv) approximately HK$897 million will be repaid in accordance with the respective repayment schedule; and (v) the remaining balance of approximately HK$1.1 billion were in relation to long-term bank loans with a repayable on demand clause and hence classified as current liabilities.

In FY2022, the average interest rate for bank loans was reduced from 2.37% to 2.22% as compared with FY2021 and the average interest rate for notes and bonds was slightly increased to 4.92% in FY2022 from 4.63% in FY2021. The overall average interest rate for bank loans, notes and bonds was maintained at 2.68% in both financial years.

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.

Mount Arcadia, Hong Kong



The Star Residences, Gold Coast

As at 31 March 2022, the Group's undrawn banking facilities stood at approximately HK$8.1 billion. Of this amount, approximately HK$3.8 billion is allotted to construction/development facilities while the balance of approximately HK$4.3 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 solid 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 2022, the capital value of which amounted to approximately HK$1.7 billion based on independent valuation assessed as at 31 March 2022. The Group has other assets unencumbered such as unsold residential units. These assets totaling approximately HK$6.7 billion, can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

Dorsett Gold Coast

3. Foreign exchange management

In FY2022, the contribution from the Group's non-Hong Kong operations was influenced by the movement of foreign currencies against the Hong Kong dollar. The US dollar saw a sustained appreciation throughout the year due to the Federal Reserve actions and words to tighten financial conditions.

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 2022**	As at 31 March 2021	Change
HK$/AUD	**5.86**	5.90	(0.7)%
HK$/RMB	**1.23**	1.18	4.2%
HK$/MYR	**1.86**	1.87	(0.5)%
HK$/GBP	**10.26**	10.66	(3.8)%
HK$/CZK	**0.36**	0.35	2.9%
HK$/SGD	**5.78**	5.77	0.2%

Average rate for	**FY2022**	FY2021	Change
HK$/AUD	**5.88**	5.34	10.1%
HK$/RMB	**1.21**	1.14	6.1%
HK$/MYR	**1.87**	1.83	2.2%
HK$/GBP	**10.46**	10.11	3.5%
HK$/CZK	**0.36**	0.33	9.1%
HK$/SGD	**5.78**	5.61	3.0%

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 FY2022 is analysed below:

Decrease to the Group's profit attributable to Shareholders for FY2022 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the year:

	HK$ million
AUD	**(25.8)**
RMB	**(7.6)**
MYR	**(0.6)**
GBP	**(20.9)**
CZK	**(5.3)**
SGD	**(2.5)**
Total impact	**(62.7)**

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$38 million higher as at 31 March 2022 assuming exchange rates remained constant during FY2022.

4. Net asset value per share

	As at 31 March 2022 HK$ million	As at 31 March 2021 HK$ million
Equity attributable to shareholders of the Company	**14,632**	13,797
Add: Hotel revaluation surplus	**18,796**	17,550
Adjusted net asset value attributable to shareholders(i)	**33,428**	31,347
Number of shares issued (million)	**2,420**	2,395
Adjusted net asset value per share(i)	**HK$13.81**	HK$13.09

Adjusting for the revaluation surplus on hotel assets of approximately HK$18,796 million, based on independent valuation assessed as at 31 March 2022, adjusted net asset value attributable to shareholders(i), a non-GAAP financial measure, was approximately HK$33,428 million. Adjusted net asset value per share(i), a non-GAAP financial measure, for the Company as at 31 March 2022 was approximately HK$13.81.

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.

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 FY2022, the Group's capital expenditures amounted to approximately HK$1,237 million, primarily attributable to (i) Dorsett Kai Tak in Hong Kong; (ii) Dorsett Melbourne and the Ritz-Carlton Melbourne in Australia; and (iii) Dorsett Canary Wharf and Dao by Dorsett Hornsey in the UK. The capital expenditures were funded through a combination of borrowings and internal resources.

Given the impact of the COVID-19 pandemic, the Group closely reviewed each of its projects and all significant capital expenditures. In some cases, the Group paused or slightly delayed the timing of the expenditures as necessitated by the operating environment.

6. Capital commitments

The Group continued its close review of its capital commitments in order to optimise its investments and outgoings.

	As at 31 March 2022 HK$ million	As at 31 March 2021 HK$ million
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of		
– hotel properties	**1,390**	907
– investment properties	**719**	56
Commitment to provide credit facility to BC Invest	**81**	214
Others	**144**	14
	2,334	1,191

As at 31 March 2022, the Group's capital commitments amounted to approximately HK$2,334 million, primarily attributable to the following hotel developments: (i) Dorsett Kai Tak in Hong Kong; (ii) Dorsett Melbourne, Dorsett Gold Coast and The Star Residences – Epsilon in Australia; and (iii) Dorsett Canary Wharf and Dao by Dorsett Hornsey in the UK. The capital commitments will be financed through a combination of borrowings and internal resources.

The view from Queen's Wharf, Brisbane

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. Similarly, in early September 2021, it signed an exclusivity agreement with C&R to co-develop high-quality residential properties across, and potentially beyond, the existing portfolio of C&R in the UK. 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 amounted to approximately HK$16.7 billion as at 31 March 2022, an increase of approximately HK$2.9 billion or 21.0% compared with 31 March 2021. 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 as at 31 March 2022.

Developments	Location	Attributable presales HK$ million	Actual/ Expected financial year of completion
West Side Place (Tower 3)	Melbourne	2,528	FY2023
West Side Place (Tower 4)	Melbourne	2,669	FY2023
Queen's Wharf Residences (Tower 4)[ii]	Brisbane	1,669	FY2024
Queen's Wharf Residences (Tower 5)[ii]	Brisbane	494	FY2025
Perth Hub	Perth	575	FY2025
The Star Residences (Tower 1)[iii]	Gold Coast	511	FY2023
The Star Residences – Epsilon (Tower 2)[iii]	Gold Coast	591	FY2024
Aspen at Consort Place	London	1,134	FY2025
Consort Place Social/Affordable Housing	London	438	FY2025
Hornsey Town Hall	London	488	FY2023
MeadowSide (Plots 2 and 3)[i]	Manchester	644	FY2023
MeadowSide (Plot 5)[i]	Manchester	11	FY2023
New Cross Central	Manchester	184	FY2023
Victoria Riverside (Tower C)	Manchester	233	FY2025
Victoria Riverside (Tower B) Social/Affordable Housing	Manchester	269	FY2025
Hyll on Holland[i][iv]	Singapore	755	FY2024
Cuscaden Reserve[i][v]	Singapore	7	FY2025
Dorsett Place Waterfront Subang[i][ii]	Subang Jaya	156	FY2023
Kai Tak Development – Office	Hong Kong	3,380	FY2024
Total presales as at 31 March 2022		16,736	

Notes:

(i) Excludes contracted presales already recognised as revenue up to 31 March 2022.

(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.

As at 31 March 2022, the expected attributable gross development value of the Group's active residential property development projects under various stages of completion across the regions was approximately HK$66.6 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	2,651	Launched	FY2023
– Tower 4	621,000	3,152	Launched	FY2023
Monument	595,000	2,744	FY2023	FY2026
Perth				
Perth Hub	230,000	913	Launched	FY2025
Brisbane				
Queen's Wharf Residences[iii]				
– Tower 4	253,000	1,723	Launched	FY2024
– Tower 5	328,000	2,545	Launched	FY2025
– Tower 6	145,000	762	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Tower 1	111,000	528	Launched	FY2023
– Tower 2 – Epsilon	109,000	620	Launched	FY2024
– Towers 3 to 5	374,000	2,116	Planning	Planning
Hong Kong				
Kai Tak Development – Office	174,000	3,380	Launched	FY2024
Kai Tak Residential[v]	253,000	6,581	FY2023	FY2026
Lam Tei, Tuen Mun	180,000	2,966	Planning	Planning
Ho Chung, Sai Kung[vi]	19,000	567	Planning	Planning

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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
London				
Aspen at Consort Place	377,000	4,256	Launched	FY2025
Consort Place Social/Affordable Housing	101,000	438	Launched	FY2025
Hornsey Town Hall	108,000	1,009	Launched	FY2023
Ensign House	285,000	3,217	Planning	Planning
Vauxhall Square[vii]	Planning	Planning	Planning	Planning
Manchester				
MeadowSide				
– Plots 2 and 3	184,000	805	Complete by stage	FY2023
– Plot 5	5,000	21	Complete by stage	FY2023
– Plot 4	244,000	1,026	Planning	Planning
Victoria North[viii]				
– New Cross Central	62,000	260	Launched	FY2023
– Victoria Riverside (Tower A)	226,000	1,055	Planning	Planning
– Victoria Riverside (Tower B) Social/ Affordable Housing	85,000	269	Launched	FY2025
– Victoria Riverside (Tower C)	149,000	658	Launched	FY2025
– Network Rail	1,532,000	6,445	Planning	Planning
– Others	1,202,000	5,056	Planning	Planning
– Leftfields	Planning	Planning	Planning	Planning
– Network Rail Phase 3	Planning	Planning	Planning	Planning
– John Ryan Land (NT03)	Planning	Planning	Planning	Planning
Singapore				
Hyll on Holland[ix]	194,000	2,876	Launched	FY2024
Cuscaden Reserve[x]	16,000	356	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang[xi]	451,000	931	Launched	FY2024
Total developments pipeline as at 31 March 2022	**9,131,000**	**59,926**		
Completed developments available for sale				
Melbourne				
West Side Place				
– Towers 1 and 2	424,000	2,082		
Perth				
The Towers at Elizabeth Quay	88,000	722		

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Shanghai				
King's Manor	12,000	92		
The Royal Crest II	4,000	33		
District 17A	13,000	76		
Guangzhou				
Royal Riverside	36,000	161		
Hong Kong				
Marin Point	50,000	525		
Manor Parc	48,000	681		
Mount Arcadia	84,000	1,790		
Malaysia				
Dorsett Bukit Bintang	115,000	499		
Total completed developments available for sale as at 31 March 2022	**874,000**	**6,661**		
Total pipeline and completed developments available for sale as at 31 March 2022	**10,005,000**	**66,587**		

Notes:

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

(ii) The amounts represent expected gross development value 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 Group entered into agreement to acquire the development in March 2022 and the transaction was closed in April 2022.

(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 243,000 sq. ft.. The Group has 80% interest in the development.

(x) Total saleable floor area of this development is approximately 160,000 sq. ft.. The Group has 10% interest in the development.

(xi) Total saleable floor area of this development is approximately 902,000 sq. ft.. The Group has 50% interest in the development.

Management Discussion and Analysis

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$11.4 billion.

West Side Place, Melbourne

The development consists of two hotels, including one in Tower 3 that is under the Group's Dorsett brand with approximately 300 hotel rooms and another in Tower 1 to be operated by Ritz-Carlton with approximately 250 hotel rooms. All four towers have been launched for presales. 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$5.6 billion. The lower levels of Towers 1 and 2 were completed in FY2021. The handover process started in FY2021 and is expected to continue by phases until FY2023. Tower 3 comprises 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK$2.7 billion. HK$2.5 billion worth of units were presold as at 31 March 2022 and the project is expected to be completed in FY2023. Tower 4 comprises 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$3.2 billion. HK$2.7 billion worth of units were presold as at 31 March 2022 and the project is also expected to be completed in FY2023. With the strong presales recorded for this development, the Group is expected to have significant cash flow and earnings in the coming few years.

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 GDV of HK$2.7 billion and is expected to provide approximately 876 residential units. Presales for this development is expected to be launched in FY2023, with completion of the development expected in FY2026. Though the Group will continue with its build-to-sell approach, the development has also attracted attention as a potential build-to-rent option.

Monument, Melbourne

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in saleable floor area of residential apartments and a luxury Ritz-Carlton hotel of 205 rooms. As at 31 March 2022, the expected GDV of the remaining apartments available for sales was HK$722 million.

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 project and features 314 residential apartments, with total expected GDV of HK$913 million and approximately 260 hotel rooms to be operated by Dorsett. As at 31 March 2022, the Group has presold HK$575 million worth of units. The project is expected to be completed in FY2025.

Perth City Link

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

Brisbane

The Destination Brisbane Consortium, a joint venture between the Group, The Star and Chow Tai Fook Enterprises Limited, 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:

(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 by the end of FY2024; and

(ii) the residential component owned in the proportion of 50% by the Group and 50% by CTF.

Queen's Wharf, Brisbane

Together with the Group's portion of the land premium for this residential component, the Group's total capital commitment 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 GFA 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 GDV of HK$3.4 billion. As at 31 March 2022, the Group has presold HK$3.3 billion (attributable GDV of HK$1.7 billion) worth of units. Completion of the development is expected to be in FY2024. The Group launched Queen's Wharf Residences (Tower 5) in FY2022. Tower 5 is across the street from Tower 4 and will house 819 residential apartments with total GDV of HK$5.1 billion. After its launch in March 2022, the project received a strong response with presold value of HK$3.9 billion (attributable GDV of HK$1.9 billion) was recorded up to the end of April 2022. Completion of the development is expected to be in FY2025. Tower 6 was originally considered to be another residential tower but given the strong interest for office space in that location, the Group is considering selling the tower as an office building to a single landlord. Deliberations are ongoing.

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 Star Residences, Gold Coast

The first tower of the development features a 313-room Dorsett hotel and 422 residential apartments with a total saleable floor area of approximately 332,000 sq. ft. and a GDV of HK$1.6 billion. The Dorsett hotel formally opened in December 2021. Total presold value of HK$1.5 billion (attributable GDV of HK$511 million) was recorded as at 31 March 2022, with completion of the first tower expected to take place in FY2023.

Epsilon, which is the second tower of the development, will feature a 201-room five-star hotel and 440 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a GDV of HK$1.9 billion. Total presold value of HK$1.8 billion (attributable GDV of HK$591 million) was recorded as at 31 March 2022 and completion of the development is expected in FY2024.

Work is ongoing for the design and the marketing strategy of the third to fifth towers 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, continued to make a contribution to the Group's revenue and profit, with HK$220 million of GDV being settled in FY2022.

California Garden, Shanghai

Situated on the riverside, Royal Riverside in Guangzhou is a 5-tower residential development. The entire development has been completed. In FY2022, 64 apartments were settled and recognised of approximately HK$349 million revenue.

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 bidding for projects with the Urban Renewal Authority. More recently, it has also acquired projects from other developers facing financial strain.

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. Total presold value of HK$568 million was recorded as at 31 March 2022 and 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 GDV of HK$719 million. Total presold value of HK$602 million for 21 town houses was recorded as at 31 March 2022 and the remaining units will be sold on a completed basis.

Mount Arcadia is a residential development 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 GDV of HK$1.8 billion. The project was completed and launched in late March 2022. The project received a strong response post year end, with presold value of HK$598 million was recorded up to end of April 2022.

Kai Tak Development, 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 400-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 be completed in FY2024.

In November 2021, the Group entered into a joint venture to acquire another Kai Tak site with 50% ownership for residential development. The construction had started on the site, which will significantly reduce the delivery time. The residential development will feature approximately 1,300 residential apartments, with a total saleable floor area of approximately 506,000 sq. ft. and a GDV of HK$13.2 billion. The development is expected to launch in FY2023 and expected to complete in FY2026.

The Group acquired a site at Lam Tei, Tuen Mun in June 2021 for residential development with a total saleable floor area of approximately 180,000 sq. ft. and a GDV of HK$2.97 billion. The project is currently under planning, with overall plans and timetable under review.

The Group entered into a joint venture to acquire another residential site located in Ho Chung, Sai Kung, with 33.3% ownership in September 2021. The residential development will feature a number of high-end houses with total approximately 58,000 sq. ft. of saleable floor area and a GDV of HK$1.7 billion.

Management Discussion and Analysis

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 a number of the remaining units converted into serviced apartments and managed by the Dorsett Group. The rest is to be sold on a completed basis.

Dorsett Place Waterfront Subang, Subang Jaya

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. Total presold value of HK$312 million (attributable GDV of HK$156 million) was recorded as at 31 March 2022 and the completion of the development is expected in FY2024.

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$1.1 billion was recorded for the residential units as at 31 March 2022 and the affordable housing units were presold for approximately GBP43 million (equivalent to approximately HK$438 million) in FY2022. The development is expected to be completed in FY2025.

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 which will provide 146 apartments (including 11 social/affordable units) with a total saleable floor area of approximately 108,000 sq. ft. for private residential units. This development also has a commercial component covering approximately 37,400 sq. ft.. Total presold value of HK$488 million was recorded as at 31 March 2022 and the development is expected to be completed in FY2023.

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 285,000 sq. ft. and a GDV of HK$3.2 billion. The project was recently received planning approval.

In March 2022, the Group entered into an agreement to acquire Vauxhall Square, a large-mixed use development in London's city centre with a gross floor area of 133,000 sq. m. and the transaction was closed in April 2022. The development has planning consent for residential, hotel and hostel, office, retail and leisure space.

Aspen at Consort Place, London

Manchester

Victoria North is a mega-scale regeneration development project in Manchester which spans an area of more than 390 acres (equivalent to approximately 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 Manchester City Council (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 joint venture 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.

Victoria North, Manchester

Management Discussion and Analysis

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.

The Victoria North project is expected to provide the Group with a significant, long-term pipeline within the United Kingdom. As at 31 March 2022, the Group has already secured several land plots within the Victoria North territory, 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 5-8 years.

Victoria North, Manchester

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. Plots 2 and 3 have a total saleable area of approximately 217,000 sq. ft. and a GDV of HK$948 million. Total presold value of HK$787 million was recorded as at 31 March 2022. Handover starts in March 2022 smoothly and recognised approximately HK$148 million revenue in FY2022. The development will continue the handover by phases in FY2023. Plot 5 with a total saleable area of approximately 99,000 sq. ft. and a GDV of HK$419 million. Handover process starts in FY2022 and the cumulative GDV of approximately HK$406 million has been delivered as at 31 March 2022. The process is expected to continue in FY2023. Planning permit to build 40 floors residential building for Plot 4 was granted. Now, the Group is assessing and exploring for opportunity to increase GFA and enhance the GDV accordingly.

MeadowSide, 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 center, the development comprises 80 residential units with a total saleable floor area of approximately 62,000 sq. ft. and a GDV of HK$260 million. Total presold value of HK$184 million was recorded as at 31 March 2022. Construction work is progressing smoothly and the project is expected to be completed in FY2023.

New Cross Central, 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 634 units, with total saleable floor area of approximately of 460,000 sq. ft. and a GDV of HK$2.0 billion. Tower A is still under planning. 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. The disposal amounted to a total consideration of approximately GBP26 million (equivalent to approximately HK$269 million). Tower C features 213 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a GDV of HK$658 million. Presales of Tower C was launched in late March 2021 and total presold value of HK$233 million was recorded as at 31 March 2022. The project is expected to be completed in FY2025.

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 of the development with an attributable saleable floor area of approximately 194,000 sq. ft. and an attributable GDV of HK$2,876 million. Attributable GDV of HK$755 million was presold as at 31 March 2022 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 an attributable GDV of HK$356 million and completion of the development is expected in FY2025. The Group has a 10% interest in the joint venture.

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 FY2022, a fair value gain on investment properties of approximately HK$643 million was recorded. This was attributable primarily to the revaluation gain from the office portion of the Kai Tak Development amounted to approximately HK$499 million (see below), and 21 Anderson Road (see below) which amounted to approximately HK$100 million. As at 31 March 2022, the valuation of investment properties was approximately HK$7.9 billion (31 March 2021: approximately HK$8.2 billion).

In September 2021, the Group entered into a sale and purchase agreement to sell the company holding the freehold condominium development in Singapore located at 21 Anderson Road, which comprises 34 residential units, for an aggregate consideration of approximately SGD216 million (equivalent to approximately HK$1.2 billion). The transaction was completed on 1 November 2021.

In December 2021, the Group entered into a sale and purchase agreement with a subsidiary of CLP Holdings Limited to sell the office portion of its landmark Kai Tak Development for a consideration of HK$3.38 billion. The office building is expected to be delivered and the disposal is expected to be completed in FY2024.

Previously, the Group acquired two sites in Shanghai's Baoshan District and both sites will be developed into residential blocks for leasing purpose. In FY2022, construction commenced on one of the sites with lettable floor area of approximately 573,000 sq. ft. which is expected to offer over 1,200 units of accommodation. The completion of the development is expected to be in FY2027.

Management Discussion and Analysis

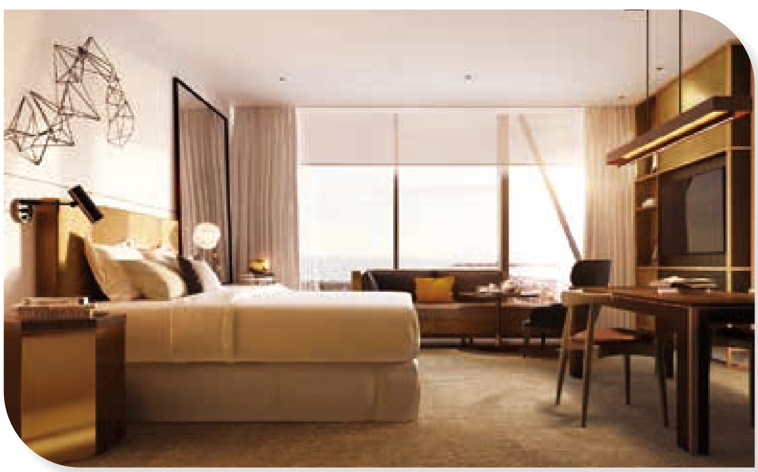
Dao by Dorsett West London

2. Hotel operations and management

The Group owns and operates its hotel portfolio through four distinct lines of business, which focuses on the three to four-star hotel segment. These include Dorsett Hotels and Resorts, which features the upscale "Dorsett Grand," the mid-scale "Dorsett," the value-led "Silka" branded hotels, the "d.Collection" boutique hotels with unique identities and "Dao by Dorsett", a newly-launched long-stay aparthotel brand which offers a collection of creative and harmonious aparthotels.

As at 31 March 2022, the Group owned a total of 31 hotels, including the wholly-owned Dorsett Group, Trans World Corporation (TWC Hotel Group) and the Ritz-Carlton hotel in Perth, as well as the partially-owned Dorsett Gold Coast and Sheraton Grand Mirage in Gold Coast and Oakwood Premier AMTD in Singapore, making for a total of approximately 8,149 rooms. These hotels are located in Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As at 31 March 2022, the Group also managed 3 other hotels in Malaysia with a combined total of approximately 824 rooms and Dorsett City London in the UK with approximately 267 rooms.

As at 31 March 2022, the Group had 12 hotels under its development pipeline, which will offer approximately 2,900 more rooms. Within this pipeline, Dao by Dorsett West London opened in June 2022 and Ritz-Carlton Melbourne is progressing steadily, and the hotel is expected to be completed in FY2023.



The Ritz-Carlton, Melbourne

The performance of the Group's owned hotel operations for FY2022 is summarised as follows. The results of hotels by region are expressed in their respective local currencies (LC).

	Occupancy Rate		Average room rate			RevPAR			Revenue	
	FY2022	FY2021	**FY2022 (LC)**	FY2021 (LC)	% Change	**FY2022 (LC)**	FY2021 (LC)	% Change	**FY2022 (LC'million)**	FY2021 (LC'million)
Hong Kong (HK$)	**77.1%**	75.5%	**892**	533	67.4%	**687**	402	70.9%	**773**	469
Malaysia (MYR)	**44.1%**	37.4%	**183**	160	14.4%	**81**	60	35.0%	**49**	44
Mainland China (RMB)	**44.3%**	43.6%	**307**	273	12.5%	**136**	119	14.3%	**136**	97
Singapore (SGD)(i)	**90.8%**	75.3%	**125**	138	(9.4%)	**114**	104	9.6%	**13**	10
United Kingdom (GBP)	**45.7%**	12.9%	**85**	68	25.0%	**39**	9	333.3%	**9**	3
Australia (AUD)(ii)	**49.6%**	39.2%	**425**	410	3.7%	**211**	161	31.1%	**28**	20
	(HK$)	(HK$)	**(HK$)**	(HK$)		**(HK$)**	(HK$)		**(HK$'million)**	(HK$'million)
Dorsett Group Total(iii)	**61.6%**	54.6%	**764**	513	48.9%	**471**	280	68.2%	**1,357**	860
TWC Hotel Group Total	**28.3%**	17.4%	**638**	607	5.1%	**181**	106	70.8%	**49**	29

Notes:

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

(ii) Excludes Sheraton Grand Mirage and Dorsett Gold Coast which are equity accounted.

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

Amidst the ongoing COVID-19 pandemic, glimmers of a return to normality continued at a steady pace, with hotel operations making a strong recovery overall. Travel restrictions were progressively lifted, which brought eager business and leisure travellers back to the Group's hotels; additionally, the Group continued to focus its hotel business model towards quarantine guests. As at 31 March 2022, the Group has welcomed over half a million quarantine guests globally. Shifts in travel behaviour emerged as well, particularly with the rise of remote work and the tendency to travel less frequently but stay for a longer time. In order to target this opportunity, the Group will have 2 aparthotels under the newly-launched Dao by Dorsett brand, which targets the long-stay market. Dao by Dorsett West London, a 74-room aparthotel adjacent to Dorsett Shepherds Bush, was opened in June 2022. Following that, Oakwood Premier AMTD Singapore, a 268-room hotel acquired in 2019 by a joint venture company between AMTD and the Group, will be rebranded as Dao by Dorsett AMTD Singapore in July 2022.

Hong Kong

The closing of Hong Kong borders to non-residents since March 2020 has had a significant negative impact on the Group's hotel operations and the Hong Kong hospitality industry as a whole. According to the Hong Kong Tourism Board, Hong Kong received only 91,398 international visitors in 2021, as compared to approximately 55.9 million in 2019 and approximately 3.6 million in 2020. Nevertheless, the pandemic remained relatively under control in Hong Kong for most of 2021, leading to an upward trend in the overall performance of Hong Kong's hotel market.

The Group's hotel operations quickly readjusted its operating model to cater to quarantine stays in the beginning of the COVID-19 period. As a continued supporter of the Hong Kong government's anti-pandemic efforts, all 9 of the Group's Hong Kong hotels have been partnering with authorities in various initiatives such as the Community Isolation Facility and Designated Quarantine Hotel schemes and an agreement with the Social Welfare Department. These operations providing short-term accommodations for a range of guests such as overseas returnees, those who tested positive for COVID-19 but were asymptomatic or only had mild symptoms, medical frontliners and domestic helpers. This allowed the Group to effectively reposition all of its Hong Kong hotels and maximise their utilisation in spite of the COVID-19 situation.

Dorsett Tsuen Wan was selected as the first hotel for Community Isolation Facility in Hong Kong

As a result, total revenue for Hong Kong hotel operations recorded a growth of 64.8% as compared with FY2021. Hong Kong remained the main revenue contributor to the Group's hotel business with a total revenue of approximately HK$773 million, which accounted for approximately 55.0% of the Group's hotel revenue. OCC in Hong Kong increased 1.6 percentage points to 77.1% and ARR increased by 67.4% to HK$892 as compared with FY2021, resulting in an increase of 70.9% in RevPAR to HK$687.

Malaysia

In May 2021, the Malaysian government announced a third lockdown. As such, the Group continued to work with local authorities by serving guests with quarantine needs at Dorsett Grand Labuan and Dorsett Grand Subang, which provided a total room inventory of 658 rooms. Dorsett Kuala Lumpur, with 322 rooms in the city centre located next to Dorsett Bukit Bintang, was temporarily closed in June 2021 and reopened in August 2021 to welcome long-stay guests, in line with the overall recovery of Malaysia's hotel industry in second half of FY2022, after travel and quarantine restrictions for non-residents gradually relaxed.

Consequently, the Group's hotels in Malaysia showed an improvement in year-on-year business performance for FY2022 despite the temporary closures of Silka Johor Bahru, Silka Maytower Kuala Lumpur and J-Hotel by Dorsett during the financial year. Total revenue from the Group's Malaysia hotels increased 11.4% to approximately MYR49 million as compared with FY2021 and ARR increased by 14.4% to MYR183 and OCC increased to 44.1%, resulting in a 35.0% increase in RevPAR to MYR81 amidst the relatively low base in FY2021.

After 2 years of travel restrictions, Malaysia reopened its borders to fully-vaccinated foreign travellers on 1 April 2022 and the Group anticipates that the loosened policy will bring more international guests to Malaysia.

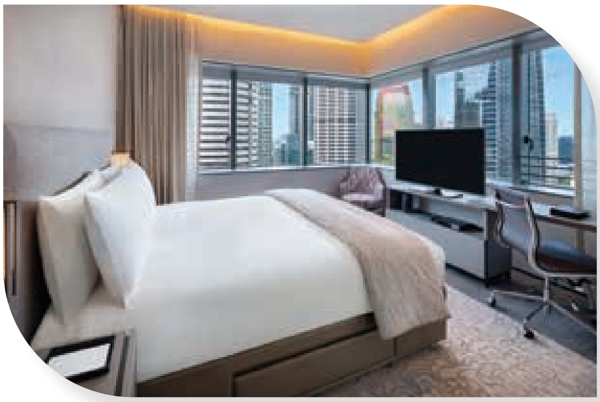
Mainland China

Restraints on international travel in Mainland China remained in place during FY2022, which limited most hotels to cater to domestic demand. The Group's hotels in Mainland China actively worked to drive online sales, widen distribution channels and increase brand awareness in order to attract more local leisure travellers, particularly travel groups.

Throughout the year, Dorsett Chengdu, the Group's largest hotel in Mainland China with 556 rooms, was periodically appointed by the local government to help combat different waves of COVID-19 outbreaks by acting as a quarantine centre. Additionally, Dorsett Shanghai was expropriated in March 2022 to support the local community as the city grappled with its recent outbreak.

Despite sporadic COVID-19 outbreaks, revenue from the Group's Mainland China hotels recorded an increase of 40.2% to RMB136 million, most of which was due to local travellers. ARR increased 12.5% year-on-year to RMB307 while OCC remained at similar level to FY2021 at 44.3%, resulting in a recorded increase in RevPAR of 14.3% to approximately RMB136.

Singapore



Dao by Dorsett AMTD Singapore

Dao by Dorsett AMTD Singapore

Dorsett Singapore, a 285-room hotel in downtown Singapore, was re-selected as one of the government facilities to accommodate quarantine guests in FY2022, thereby contributing its full room inventory to serve the local community from May 2021 to March 2022, an action that generated steady revenues as the pandemic continued to weigh down the local economy.

As a result, Dorsett Singapore's total revenue for FY2022 experienced a growth of 30.0% to approximately SGD13 million, mainly due to the jump in OCC from 75.3% to 90.8%, which subsequently resulted in a 9.6% increase in RevPAR to SGD114.

In September 2021, the Civil Aviation Authority of Singapore launched Vaccinated Travel Lanes for 32 countries/ regions, which was progressively extended to allow international travellers holding a valid Vaccinated Travel Pass to enter Singapore without being subjected to quarantine requirements. After the conclusion of the government contract in March 2022, Dorsett Singapore started to welcome domestic and international travellers, marking a resumption of its normal operations in FY2023.

UK

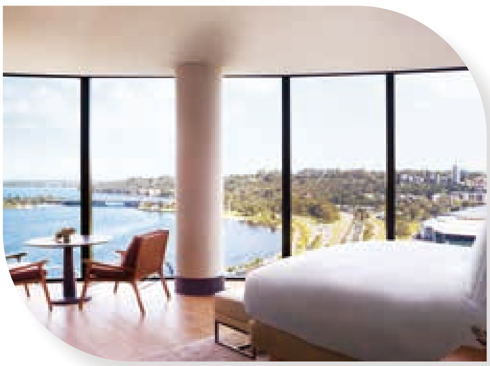
Dao by Dorsett West London

Due to several rounds of outbreaks and lockdowns in the UK, business at the Group's UK hotels in FY2022 started out very weak, which led to the Group's reluctant closure of both of its hotels in January 2021. In May 2021, Dorsett Shepherds Bush reopened and entered a 6-month government contract to serve quarantine guests arriving from certain countries. Bookings noticeably improved later on in mid-2021, which was largely attributed to the leisure segment. To capitalise on the growing demand, the Group reopened Dorsett City London in May 2021, prior to completion of the hotel's sale on 30 June 2021. Although the Group continues to manage and operate for the new owner for 2 years post disposal, the hotel performance for Dorsett City London has not been consolidated.

As a result, total revenue increased by 200.0% to approximately GBP9 million, with an increase of 32.8 percentage points in OCC to 45.7% and a 25.0% increase in ARR to GBP85, due to the very low base in FY2021.

With the announcement of the loosening of several COVID-19 restrictions in January 2022 and the subsequent removal of all testing requirements for eligible fully vaccinated arrivals in February 2022, travel bookings to the UK increased significantly; thus, the Group expects strong performance from its UK hotels in FY2023.

Australia



The Ritz-Carlton, Perth

The Western Australian tourism industry was hit hard by the delayed reopening of state borders and acceleration of local community cases in 2021, which inevitably impacted the Ritz-Carlton hotel in Perth. Furthermore, the hotel saw a reduction in catering demand following a plunge in customer confidence due to the capacity restrictions that were made in lieu of lockdowns for food and beverage venues. Despite this challenging environment, the Ritz-Carlton Perth leveraged its leadership position in the local market and successfully attracted a significant amount of domestic travellers by launching a series of marketing promotions, leading to satisfactory overall performance in FY2022.

The Ritz-Carlton Perth recorded a total revenue of approximately AUD28 million with 49.6% OCC and AUD425 ARR for FY2022, which represented a growth of 40.0% in total revenue and 31.1% growth in RevPAR over FY2021.

Following the reopening of Western Australia's state borders to both domestic and international travellers in March 2022, the hotel performed strongly due to an improvement in demand for hotel rooms. As such, the Group is poised to see significant recovery of hotel business in FY2023.

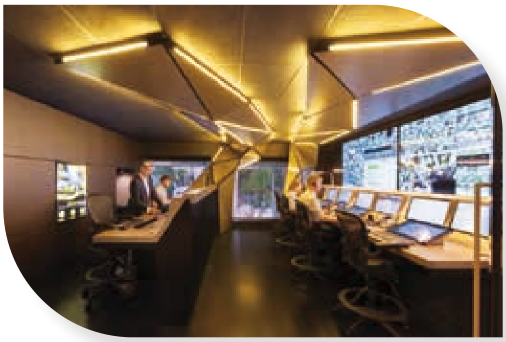
Continental Europe – TWC Hotel Group

Given the continued restrictions on global travel due to the impact and uncertainties of the COVID-19 pandemic, FY2022 remained a challenging year for the Group's hotels in Continental Europe. Nevertheless, performance improved in FY2022 as barriers to travel were gradually reduced, which allowed business to improve.

As a result, total revenue increased by 69.0% to approximately HK$49 million in FY2022, as compared with a very low base in FY2021. Overall OCC increased by 10.9 percentage points to 28.3% and ARR increased by 5.1% to HK$638, which resulted in a 70.8% growth in RevPAR to HK$181.

Hotel Donauwelle, Austria

3. Car park operations and facilities management



Central monitoring system, Care Assist

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 120,201 bays which were owned or managed by the Group as at 31 March 2022. Among the Group's 424 car parks, 27 were self-owned car parks with approximately 9,370 car park bays. The remaining 110,831 car park bays in Australia, New Zealand, the UK, Hungary and Malaysia remain under management contracts with third-party car park owners.

In FY2022, the Group's car park operations remained affected by COVID-19; however, the business environment has improved with the gradual loosening of restrictions. Revenue improved 32.3% to approximately HK$664 million as compared to FY2021.

The Group monetised several car parks in Australia and New Zealand for an aggregate consideration of approximately AUD47 million in FY2022. Most of these disposed car parks will continue to be managed by Care Park. The proceeds from the disposals have been used to reduce debt or to invest in operations.

4. Gaming operations and management

Europe

All casinos under TWC were rebranded as "PALASINO"

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

The 3 casinos were temporarily closed for much of FY2021, but reopened in May 2021. As a result of increasingly relaxed pandemic-related restrictions and recovery of the economic environment, gaming operations quickly resumed and generated positive returns. Revenue from TWC's gaming operations in FY2022 increased by 163.6% to approximately HK$231 million (net of gaming tax) as compared to FY2021, despite being temporarily closed for two months due to the COVID-19 restrictions.

TWC is continuing with its previous initiative to obtain an online gaming licence in Malta to offer its services to more guests.

The following tables set forth certain operating data of TWC's casinos for the period ended 31 March 2022:

	As at 31 March 2022	As at 31 March 2021
Number of slot machines	**446**	442
Number of tables	**65**	65

	FY2022	FY2021
Table game revenue[i] (HK$ million)	**55**	21
Slots revenue[i] (HK$ million)	**145**	55
Average table game win rate[ii]	**20.9%**	20.1%
Average slot win per machine per day (HK$)	**1,644**	1,063

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 took a 4.99% 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.

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;

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

(iv) benefiting from cross-selling through future co-operation with The Star which is synergistic to the gaming platform of the Group.

The Star, Gold Coast

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, F&B outlets and more than 6,000 sq. m. of retail and eatery space that will be operated by DFS Group ("DFS"), a global leader in retail operations.

The QWB Project is under construction with its first stage expected to complete and open in mid-2023.

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 AUD2.6 billion as at 31 March 2022, an increase of about 122.8% from 31 March 2021. BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio of 60.9% for Australia and 62.8% for the UK on average as at 31 March 2022. Net interest margin was maintained at 1.29% in FY2022 as BC Invest aimed to capture more market share. Though most of the capital is provided by third parties, the Group has committed approximately AUD70 million and approximately GBP9 million as at 31 March 2022, which was classified as investment securities. Including interest income from funding, BC Invest contributed approximately HK$22.6 million to the Group's profit in FY2022.

In October 2021, BC Invest entered into a strategic partnership and long-term funding support arrangement with Mortgageport. The transaction allowed BC Invest to own a 53% stake in Mortgageport, including a significant placement of new equity and sponsorship of Mortgageport's current and future warehouse facilities. 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 AUD3.8 billion as at 31 March 2022.

On the funding side, it continued to tap the RMBS market to diversify its funding sources. In February 2022, it launched the BC Invest Australian Credit Fund, which is Australia's first green mortgage fund targeting green residential buildings. In April 2022, it announced a new AUD416 million RMBS transaction, which contained a proportion of domestic borrowers and green tranches.

BC Invest's Exhibition

CONTINGENT LIABILITY

During the year, legal proceedings, which were issued in the High Court of Justice in London, were served upon Ensign House (FEC) Limited ("EHFL") and FEC Development Management Limited. The proceedings were instigated by Ensign House Limited ("EHL"). The claim which is made by EHL is stated as a claim for "damages and/or equitable compensation and/or an account of profits and/or a constructive trust and/or interest under statute and/or in equity and/or other relief". The essence of the claim is that each of the defendants was involved in a breach of contract and/or breaches of other duties by using confidential information provided by or on behalf of EHL in connection with the acquisition by EHFL of the property known as Ensign House, Admiral's Way, Canary Wharf. At this juncture, the management is of the opinion, upon advised by the legal counsel, that the claim is not valid as there is no breach of contract and therefore these allegations of wrongdoing will be rigorously denied and the proceedings are being fully contested.

OUTLOOK

Looking ahead, the business environment should continue to improve, especially the hospitality sector; this bodes well for our financial performance going forward. Our recurring income businesses should be the ones that most benefit from a full re-opening of the global economy. As more cities welcome business and leisure travelers, our hotel assets should see higher occupancy. Similarly, our car park operations should see more traffic.

With that being said, there are still many headwinds and risks to manage, such as persistently high inflation, labour shortages, rising interest rate environment and the continued Ukraine conflict, to name a few. As a result, the Group remains prudent and measured in all of the investments that it undertakes. The focus on monetising non-core assets is also important, as it provides us with additional capital that can be re-invested in attractive investment opportunities without unduly leveraging the balance sheet.

The Group's diversity and solid balance sheet allows us to manage these risks adequately. Our operations in different countries and across different sectors means that specific risks can be mitigated, whilst our solid balance sheet and our access to ample liquidity reduces financial risks and allows the Group to weather any major storm.

On the residential property development front, the Group has a significant pre-sales pipeline and a steady pipeline of new launches planned, which delivers visible and predictable cash flows to the Group as units settle with end customers. Furthermore, we remain on the lookout for attractive landbank opportunities and joint venture partners to bulk up our pipeline of projects in promising locations. The residential projects in Kai Tak, Hong Kong and Vauxhall Square, London are two of the Group's recent acquisitions and testify to the Group's ability to move fast and execute transactions.

Cumulative presales of properties reached a record high at approximately HK$16.7 billion. This includes the presales in various cities and the office portion of the Kai Tak Development. Our launch of Mount Arcadia in Hong Kong and Tower 5 of Queen's Wharf Residences in Brisbane has received an enthusiastic response post year-end and we will continue with presales of a number of developments in coming financial year.

In our hotel business, we are excited at the prospects of opening more hotel properties just as pent-up demand rises. With approximately 12 new hotels or 2,900 new rooms coming online in the next 3 years (by the end of FY2025), the Group is poised to benefit from the return of travel. The opening of Dao by Dorsett West London in June 2022 and the upcoming opening of the Ritz-Carlton Melbourne this year will contribute to the Group's revenue in FY2023.

Loosened restrictions contributed greatly to the rebound of the Group's car park operations, which were hit hard during the COVID-19 pandemic. Upon a meticulous review of its overall assets portfolio, the Group proceeded to sell a number of car parks primarily assets that had enjoyed very strong re-positioning and revaluation already. Whilst some car parks are being sold, the management contracts remain mostly with the Group, limiting the impact of loss of revenues. In fact, the Group increased the number of car park bays under management, from 114,821 in FY2021 to 120,201 in FY2022 and continued to grow its facilities management business.

The Group has continued over the past few years to invest steadily in a number of flagship projects and expects them to begin generating returns soon. The integrated resort at Queen's Wharf, Brisbane is one such investment. DFS, the retail giant, has signed up to manage the three-level retail emporium comprising over 6,000 sq. m. of retail and leisure space. DFS is expected to bring more than 100 global prestige brands to join this shopping haven. This landmark deal will bolster QWB's reputation as Australia's future international tourism and leisure hotspot and enhance the value of the integrated resort and the residential units.

The Group initiated ground work for the award of a Malta online gaming license, which will enable PALASINO to offer its gaming experience to other regional customers.

BC Invest is expected to continue its vigorous growth as non-residents' and residents' demand for residential mortgages in Australia and in the UK remains strong. BC Invest has now an array of financing tools available, including the issuance of more RMBS, the establishment of new financing warehouses and more recently, the launch of credit funds. BC Invest has built a strong institutional following and has proven its ability to raise financing in challenging market conditions. On the origination side, the acquisition and integration of Mortgageport is running smoothly and more cost benefits and revenue synergies should materialise from this transaction in the months to come.

The Group has laid a strong foundation for continued growth and is confident that it has a strong pipeline which will generate long-term value for its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had approximately 3,500 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.