Chairman and Chief Executive Officer's Statement

The past year presented economic challenges, with global uncertainties affecting investors' confidence and market stability. Despite the economic doldrums and navigating choppy waters, I am glad to report that our adjusted revenue maintained at a level of over HK$10 billion for two consecutive years. Though our profitability was impacted by several non-cash impairment losses recognised during the year, we remained resilient and delivered a positive adjusted cash profit, which we believe is representative of the Group's underlying profitability. With reluctance, the Board has decided not to recommend a final dividend for FY2025 to conserve cash and reduce gearing. Resumption of dividend payments as soon as prudently possible is a high priority for the Board.

We successfully completed several key property developments in FY2025, including phased handovers of Aspen at Consort Place in London, Hyll on Holland in Singapore, Queen's Wharf Residences (Tower 4) in Brisbane and Perth Hub in Perth. We also launched Red Bank Riverside – Falcon and Kingfisher in Manchester and 640 Bourke Street in Melbourne which have received positive feedback from buyers. On the home front, The Pavilia Forest in Hong Kong has also progressed well. Our strong development pipeline, underpinned by approximately HK$8.9 billion in attributable presales and unbooked contracted sales as at 31 March 2025, positions us well to maintain momentum across premium urban developments globally. However, the local property market in Hong Kong continues to face softness. I believe many developers who acquired land over the past five years are likely to incur losses on their property development projects. However, we did not hold exposure in the office and retail mall segments, which are probably the weakest property sectors in Hong Kong.

Our hotel business remains a key pillar with recurring income stream, achieving HK$2.1 billion in revenue in FY2025. While travel habits in Hong Kong have evolved, we continue to adapt to market dynamics to maintain strong performance. A significant milestone was the opening of Dorsett Kai Tak in September 2024, our new flagship hotel in Hong Kong, strategically located adjacent to the newly opened and widely praised Kai Tak Sports Park. This hotel property is expected to benefit from mega events and further strengthen our presence in the city. We currently own 35 hotels and have six in the pipeline. Looking ahead, we are set to open Dorsett Canary Wharf, London and Dorsett North London in London in the coming year, which will further contribute to the growth of our recurring income.

Sustainability remains a cornerstone of our strategy. In FY2025, we advanced our environmental, social, and governance initiatives by enhancing greenhouse gas emission monitoring and conducting climate risk assessments with independent experts. By embedding ESG principles into our operations, we are committed to creating long-term value for our stakeholders while contributing to a sustainable future.

Reducing our gearing ratio will be the Group's top priority in the near future. I am glad to report that the recent completion of residential developments in Australia, Singapore, the United Kingdom, and Hong Kong, along with strong settlements, has resulted in a reduction in our adjusted gearing ratio. With our strong presales progress, we have tangible receivables, which will further enable us to reduce our gearing ratio upon development completion.

We remain committed to executing our monetisation strategy for non-core assets and businesses, with the objective of reducing our debt and gearing levels. In FY2025, we monetised approximately HK$1.2 billion in non-core assets and business. This included our stake in BC Invest as well as certain car park, hotel and property in the UK. These transactions are expected to contribute positively to our financial performance in the coming year. We will continue to actively recycle capital through the divestment of non-core assets and businesses, reinforcing our strategic aim of lowering gearing. Notably, one of our key strengths is our strong international residential development team and our diversified business footprint.

Looking ahead, we are adopting a cautious but optimistic outlook. Despite elevated interest rates throughout the year, recent months have shown signs of easing. We believe that interest costs will be reduced in the coming year. The non-cash impairment losses recognised during the year, our robust property development pipeline and disciplined financial strategy provide a solid foundation. We remain resolutely focused on executing our strategic roadmap and delivering sustainable, long-term value creation through disciplined capital allocation and rigorous financial management.

I extend my heartfelt gratitude to our shareholders, investors, customers, bankers, business partners, and employees for their unwavering support. Your trust and dedication have been instrumental in navigating the challenges of FY2025. With a clear strategy and a resilient team, we are confident in our ability to drive growth and create lasting value for all stakeholders.

David CHIU
Chairman and Chief Executive Officer

26 June 2025