



遠東發展有限公司

Far East Consortium International Limited

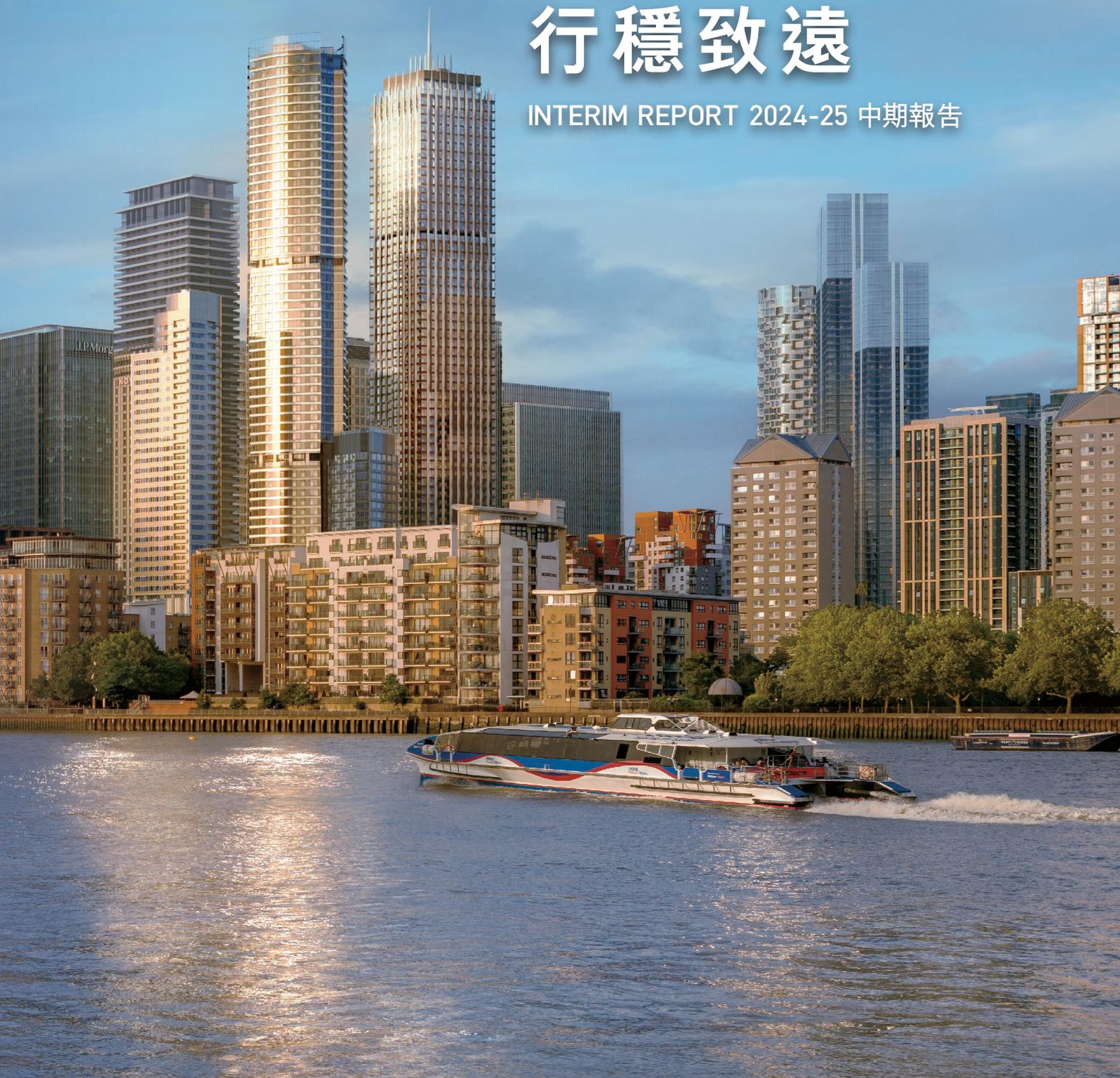
*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

Stock Code 股份代號：035

# Navigating on Solid Foundation 行穩致遠

INTERIM REPORT 2024-25 中期報告







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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

David CHIU, Tan Sri Dato', B.Sc.  
(Chairman and Chief Executive Officer)

Cheong Thard HOONG, B.ENG., ACA

Dennis CHIU, B.A.

Craig Grenfell WILLIAMS, B.ENG.  
(CIVIL)

Wing Kwan Winnie CHIU, BBS, JP  
Jennifer Wendy CHIU

### Independent Non-Executive Directors

Kwong Siu LAM

Wai Hon Ambrose LAM

Lai Him Abraham SHEK

## AUDIT COMMITTEE

Wai Hon Ambrose LAM (Chairman)

Kwong Siu LAM

Lai Him Abraham SHEK

## NOMINATION COMMITTEE

David CHIU (Chairman)

Kwong Siu LAM

Wai Hon Ambrose LAM

Lai Him Abraham SHEK

## REMUNERATION COMMITTEE

Wai Hon Ambrose LAM (Chairman)

David CHIU

Lai Him Abraham SHEK

## EXECUTIVE COMMITTEE

David CHIU

Cheong Thard HOONG

Dennis CHIU

Craig Grenfell WILLIAMS

Wing Kwan Winnie CHIU

Jennifer Wendy CHIU

Wai Hung Boswell CHEUNG

## ESG STEERING COMMITTEE

Wing Kwan Winnie CHIU (Chairman)

Cheong Thard HOONG

Wai Hung Boswell CHEUNG

## JOINT MANAGING DIRECTORS

Wing Kwan Winnie CHIU

Jennifer Wendy CHIU

## CHIEF FINANCIAL OFFICER

Wai Hung Boswell CHEUNG

## COMPANY SECRETARY

Wai Hung Boswell CHEUNG

## AUTHORISED REPRESENTATIVES

David CHIU

Wai Hung Boswell CHEUNG

## LEGAL ADVISORS

Ashurst

Deacons

Kao, Lee & Yip

Reed Smith Richards Butler LLP

Woo Kwan Lee & Lo

## AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity  
Auditors

## PRINCIPAL BANKERS

### Hong Kong

Australia and New Zealand Banking  
Group Limited

Bangkok Bank Public Company  
Limited, Hong Kong Branch

Bank of China (Hong Kong) Limited

Bank of Communications Co., Ltd.

Cathay United Bank Company,  
Limited, Hong Kong Branch

China CITIC Bank International  
Limited

China Construction Bank (Asia)  
Corporation Limited

China Everbright Bank Co., Ltd.,  
Hong Kong Branch

China Minsheng Banking Corp., Ltd.,  
Hong Kong Branch

Dah Sing Bank, Limited

DBS Bank (Hong Kong) Limited  
First Commercial Bank Limited,  
Hong Kong Branch

Fubon Bank (Hong Kong) Limited

Hang Seng Bank Limited  
Hua Xia Bank Co., Limited  
Hong Kong Branch  
Industrial and Commercial Bank of  
China (Asia) Limited  
Nanyang Commercial Bank, Limited  
O-Bank Co., Ltd.  
OCBC Bank (Hong Kong) Limited  
Oversea-Chinese Banking  
Corporation Limited  
Ping An Bank Co., Ltd.,  
Hong Kong Branch  
Public Bank (Hong Kong) Limited  
Shanghai Pudong Development Bank  
Co., Ltd.  
The Hongkong and Shanghai  
Banking Corporation Limited  
The Bank of East Asia, Limited  
United Overseas Bank Limited

## Malaysia

Public Bank Berhad

## Singapore

DBS Bank Ltd.

Oversea-Chinese Banking  
Corporation Limited

RHB Bank Berhad

The Hongkong and Shanghai  
Banking Corporation Limited

## Australia

Australia and New Zealand Banking  
Group Limited

Barclays Bank PLC

DBS Bank Limited, Australia Branch

The Bank of East Asia, Limited

United Overseas Bank Limited,  
Sydney Branch

## Mainland China

China Minsheng Banking Corp., Ltd.,  
Shanghai Branch

Dah Sing Bank (China) Limited

Industrial and Commercial Bank of  
China Limited

Nanyang Commercial Bank (China)  
Limited

Shanghai Pudong Development Bank  
Co., Ltd.

## United Kingdom

Oversea-Chinese Banking  
Corporation Limited

The Bank of East Asia, Limited

The Hong Kong and Shanghai  
Banking Corporation Limited

## Corporate Information

**PLACE OF INCORPORATION**

Cayman Islands

**REGISTERED OFFICE**

JTC (Cayman) Limited  
P.O. Box 30745,  
94 Solaris Avenue,  
2nd Floor, Camana Bay,  
Grand Cayman KY1-1203,  
Cayman Islands

**PRINCIPAL OFFICE**

16th Floor,  
Far East Consortium Building,  
121 Des Voeux Road Central,  
Hong Kong

**SHARE REGISTRAR**

Tricor Investor Services Limited  
17/F., Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

**LISTING INFORMATION**

Ordinary Shares (Code: 035)  
Initial 7.375% USD Senior  
Guaranteed Perpetual Capital  
Notes issued by FEC Finance  
Limited (Code: 5781)  
The Stock Exchange of Hong Kong  
Limited

**WEBSITE**

<http://www.fecil.com.hk>



# UNITED KINGDOM



## UNITED KINGDOM

- Property development
- Property investment
- Hotel operations
- Car park operations and facilities management



## CONTINENTAL EUROPE

- Hotel operations
- Car park operations and facilities management
- Gaming and entertainment



## SINGAPORE

- Property development
- Property investment
- Hotel operations



# CHINA

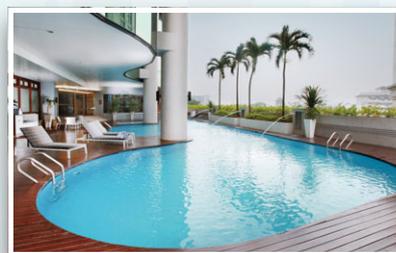


# SINGAPORE MALAYSIA



## MALAYSIA

- Property development
- Hotel operations
- Car park operations and facilities management



Perth

# Diversified and Balanced Portfolio of Businesses

FEC has a geographically diverse footprint across the Asia Pacific and Europe

## ○ MAINLAND CHINA

- Property development
- Property investment
- Hotel operations



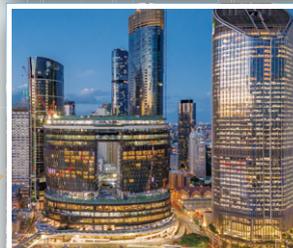
## ○ HONG KONG

- Property development
- Property investment
- Hotel operations



## ○ AUSTRALIA & NEW ZEALAND

- Property development
- Property investment
- Hotel operations
- Car park operations and facilities management
- Gaming and entertainment



### AUSTRALIA

- Brisbane
- Gold Coast
- Sydney
- Melbourne

### NEW ZEALAND



Dorsett Kai Tak, Hong Kong



Aspen at Consort Place, London

# Major Events in First Half of Financial Year 2024/25

The Group entered into an agreement to dispose a car park in the UK for a consideration of approximately GBP17.24 million

The Group started the handover of Aspen at Consort Place in London, the UK



20  
MAY  
24

The Group won four awards at the "14th Asian Excellence Award 2024"



20  
JUN  
24

BC Invest successfully issued AUD530 million Australian dollar-denominated Ruby 2024-1 Bond Trust, a RMBS bond

The Group started the handover of Hyll on Holland in Singapore



The Group won "Excellence in Brand Value Award" organised by China Financial Market



The Group launched a residential project – The Pavilia Forest in Hong Kong



20  
JUL  
24

Major Events in First Half of Financial Year 2024/25

The Group opened the initial phase of integrated resort in Queen’s Wharf project in Brisbane



The Group soft-opened its flagship hotel in Hong Kong, Dorsett Kai Tak, Hong Kong which consists of 373 guest rooms and is located adjacent to the Kai Tak Sports Park



An extraordinary resolution relating to the U.S.\$360,000,000 Perpetual Notes was passed to allow the Group to have the option for partial redemption

20  
AUG  
24

The Group launched Kingfisher, a tower under a residential project – Red Bank Riverside in Manchester, the UK



20  
SEP  
24

The Group formed a partnership with 10% stakeholding, completed the acquisition of a hotel in Singapore and rebranded the hotel as “Dorsett Changi City Singapore”



The Group won “Outstanding Corporate Strategy Awards 2024” organised by Eastweek



The Group successfully arranged its third sustainability-loan facility of HK\$540 million

The Group won two awards at the “ESG Achievement Awards 2023/2024”



The Group formed a 50/50 public-private partnership to deliver the former Greater Manchester Police Headquarters site on Chester Road in Old Trafford, Manchester, the UK

The Group completed the disposal of a carpark in the UK for a consideration of approximately GBP17.24 million

**DEEPLY ROOTED  
FAR AHEAD**



# Interim Results 2024/25



Hyll on Holland, Singapore

## INTERIM RESULTS

The board of directors (the "Board") of Far East Consortium International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2024 ("1H FY2025"). These unaudited consolidated financial statements have been reviewed by the Company's audit committee (the "Audit Committee") prior to recommending them to the Board for approval.

Financial year ended or ending 31 March is referred to as "FY" throughout this report.

## INTERIM DIVIDEND

The Board has declared the payment of an interim dividend for the six months ended 30 September 2024 of HK1.0 cent (six months ended 30 September 2023: HK4.0 cents) per ordinary share (the "Interim Dividend"). The Interim Dividend will be paid to the shareholders of the Company (the "Shareholders") whose names appear on the Company's Register of Members on 2 January 2025, except for the holders of treasury shares (if any). The Interim Dividend will be paid in the form of a scrip dividend with the Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of and permission to deal in the new shares to be allotted and issued thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 2 January 2025. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to the Shareholders together with a form of election (if applicable) on or around 10 January 2025. Dividend warrants and/or new share certificates will be posted on or around 18 February 2025.



# REACHING NEW HORIZONS



Victoria Riverside, Manchester



# Management Discussion and Analysis



The Pavilia Forest, Hong Kong

## BUSINESS UPDATE

- The global economic environment remained challenging during 1H FY2025. The Group continued to pursue its strategic objectives to reduce its debt levels and finance costs and seek opportunities to unlock and realise the value of its non-core assets amidst volatile economic conditions, positioning itself for growth and resilience in 1H FY2025.
- Despite impairment losses in certain projects and various non-cash factors, the Group managed to deliver a positive adjusted cash profit<sup>(i)</sup>, a non-GAAP financial measure, of approximately HK\$139 million for 1H FY2025. Moreover, adjusted net gearing ratio<sup>(i)</sup>, a non-GAAP financial measure, was maintained at 68.8% as at 30 September 2024.
- During 1H FY2025, revenue decreased by 18.7% to approximately HK\$5.2 billion as compared with that of the six months ended 30 September 2023 ("1H FY2024"). The main reason was that less residential property development was completed and settled as compared with the same period last year. Despite the lower recognition of revenue from property development, the Group's recurring income businesses have reported an increase in revenue.
- The Group's revenue from property development recorded a decrease of 25.8% to approximately HK\$3.5 billion as compared with 1H FY2024. Aspen at Consort Place in London has commenced completion in phases and started the handover process in May 2024 while Hyll on Holland in Singapore was completed and started the handover process in June 2024. In addition, sales of completed inventories such as Mount Arcadia and Manor Parc in Hong Kong and West Side Place (Towers 3 and 4) in Melbourne, Australia were also major contributors to revenue of 1H FY2025.

## Management Discussion and Analysis

- The Group demonstrated its ability to launch and sell residential property developments in spite of the challenging business environment. New presales recorded during 1H FY2025 was approximately HK\$3.8 billion. In late March 2024, the Group launched one of the towers in Red Bank Riverside – Falcon in Manchester with a total gross development value (“GDV”) of approximately HK\$689 million, followed by another tower – Kingfisher with a total GDV of approximately HK\$1.2 billion in August 2024. Presales for these towers were received with positive feedback. Concurrently, following the abolishment of all demand-side management measures for residential properties market in Hong Kong with effect from 28 February 2024, The Pavilia Forest in Hong Kong was launched in July 2024 with a total expected attributable GDV of approximately HK\$6.0 billion and presold 60.2% of units launched as at 30 September 2024.
- The cumulative attributable presales value of properties under development and unbooked contracted sales stood at approximately HK\$11.8 billion as at 30 September 2024. The Group is actively accelerating the completion of its projects as evidenced by the completion of Victoria Riverside – City View (Tower B), Park View (Tower C) and Bromley Street in Manchester, the United Kingdom (“UK”), Perth Hub in Perth, Australia and The Star Residences (Tower 2) in Gold Coast, Australia in 2H FY2025. In addition, Queen’s Wharf Brisbane (Tower 4) in Brisbane, Australia is expected to be completed and initiated the handover process in early FY2026, providing a significant boost of revenue and cash flow to the Group.
- In the Group’s hotel operations and management business, revenue slightly increased by 1.1% to approximately HK\$977 million as compared with 1H FY2024. The increase was mainly driven by the stabilisation of two new hotels in Australia, namely Ritz-Carlton Melbourne and Dorsett Melbourne. The Group’s hotel business in Hong Kong is poised for growth momentum with the soft opening of Dorsett Kai Tak, Hong Kong in September 2024.
- Dorsett Kai Tak, Hong Kong, consisting of 373 rooms, was soft-opened on 26 September 2024. It is strategically positioned adjacent to the Kai Tak Sports Park (“Sports Park”) vicinity in Hong Kong, offering easy access to the main stadium and other facilities of the Sports Park, as well as captivating views of Victoria Harbour. It provides an excellent opportunity to complement and benefit from the stream of travellers attracted by the international events hosted in the Sports Park, bolstering potential occupancy and expanding the Group’s market reach.
- In March 2024, a subsidiary of the Group formed a partnership with 10% stakeholding, to acquire a hotel in Singapore and rebranded the hotel as Dorsett Changi City Singapore. The hotel is located just a 10-minute drive from Singapore Changi Airport and features 313 rooms along with amenities. Dorsett Hospitality International (“Dorsett”) has secured the hotel management contract. The partnership demonstrates the Group’s ability to expand its hotel business by leveraging an asset-light model. The transaction was completed in September 2024.



Perth Hub, Perth

## Management Discussion and Analysis

- Revenue from car park operations and facilities management amounted to approximately HK\$380 million, an increase of 6.7% as compared with 1H FY2024. In September 2024, the Group completed the disposal of a car park in Boundary Farm, Manchester, the UK for a consideration of approximately GBP17.24 million. The Group continues to focus on reviewing and rationalising its car park portfolio by discontinuing underperforming assets. Concurrently, the Group has continued to pursue and secure new contracts for car parks and facilities management to expand its portfolio and increase operational efficiency.



Car park in Australia

- The Group's gaming business under Palasino Holdings Limited ("Palasino") has been successfully spun-off and separately listed on the main board of the Stock Exchange on 26 March 2024. As at 30 September 2024, the Group held a controlling stake of 72.07% in Palasino after the partial exercise of the over-allotment option in April 2024. Revenue from the Group's gaming business for 1H FY2025 slightly increased by 0.9% to approximately HK\$196 million compared to 1H FY2024, which was primarily driven by the increase in the number of slot machines and slot attendance.
- BC Investment Group Holdings Limited ("BC Invest"), a company in which the Group has a stake of approximately 53.16%, continued to grow in 1H FY2025. BC Invest successfully issued a residential mortgage-backed security ("RMBS") bond that raised AUD530 million in 1H FY2025. The net interest margin slightly increased to 1.26% (1H FY2024: 1.23%). As at 30 September 2024, BC Invest managed a total assets under management ("AUM") of approximately AUD6.1 billion (as at 31 March 2024: AUD5.4 billion).
- The integrated resort under the Queen's Wharf Project in Brisbane ("QWB Project"), in which the Group owns a 25% stake, had its soft opening on 29 August 2024. A hotel and gaming facilities with premium gaming rooms were unveiled with positive responses. Other facilities such as food and beverage outlets, retail and dining spaces and two hotels will be launched in phases in the near future. The Group anticipates cash inflow will be generated from the project.
- The Group continued its ongoing strategy of deleveraging by actively recycling non-core assets and non-core businesses to repay bank loans and to invest in projects with higher return. The Group is considering to dispose of the long-lease residential developments in Baoshan, Shanghai within two years. The Group is also reviewing strategic options for BC Invest.



Queen's Wharf Brisbane, Brisbane

## FINANCIAL HIGHLIGHTS

- During 1H FY2025, despite the net loss attributable to shareholders of approximately HK\$770 million, the adjusted cash profit<sup>(i)</sup>, a non-GAAP financial measure, remained positive at approximately HK\$139 million.
- In line with the decrease in revenue, various one-off and non-operating expense factors in 1H FY2025, the net loss attributable to shareholders amounted to approximately HK\$770 million. The loss was primarily due to various factors:

## Management Discussion and Analysis

- finance costs for 1H FY2025 amounted to approximately HK\$497 million;
  - impairment loss on interest in an associate for QWB Project of approximately HK\$204 million;
  - share of impairment loss recognised by a joint venture ("JV")'s residential property under development of approximately HK\$217 million;
  - decrease in fair value of investment properties amounted to approximately HK\$133 million; and
  - net foreign exchange loss increased to approximately HK\$167 million.
- Loss per share in 1H FY2025 was HK27.3 cents. The declared interim dividend for 1H FY2025 was HK1.0 cent per share (1H FY2024: HK4.0 cents per share).
  - The Group's adjusted total equity<sup>(i)</sup>, a non-GAAP financial measure, slightly increased by 0.4% to approximately HK\$33,671 million as at 30 September 2024 due to the offsetting effects of favourable impact on foreign currency translation of foreign operations which contributed positively to reserves. Adjusted net asset value per share<sup>(i)</sup>, a non-GAAP financial measure, was HK\$10.81 as at 30 September 2024 compared to HK\$10.77 as at 31 March 2024.
  - Adjusted net gearing ratio<sup>(i)</sup>, a non-GAAP financial measure, stood at 68.8% and net debt to adjusted total assets<sup>(i)</sup>, a non-GAAP financial measure, maintained at a healthy level of 35.2% as at 30 September 2024. The Group has continued to prudently manage its capital structure by refinancing some of its shorter-term debts through the bank market, actively monetise its non-core assets in an effort to reduce its debt levels and accelerate the completion of properties under development.
  - The Group's liquidity position stood at approximately HK\$4.5 billion, with a comfortable level of cash and marketable securities available as at 30 September 2024. Furthermore, the Group had HK\$5.4 billion in unencumbered hotel assets and unsold residential inventory as at 30 September 2024.
  - In September 2024, the Group solicited a consent, with 98.4% vote in favour, for an option to partially redeem the USD360 million perpetual capital notes over multiple optional redemption dates and increase the frequency of the optional redemption dates to monthly intervals after the first call date, with minimum optional redemption conditions at USD20 million. The consent provides the Group with more flexibility in managing its cash flow. The Group aims to initiate partial call in the first quarter of 2025 while maintaining its gearing and cash flow position at a sustainable level.

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.

## Management Discussion and Analysis

### FINANCIAL REVIEW

#### 1. Profit and loss analysis

The Company's consolidated revenue for 1H FY2025 was approximately HK\$5.2 billion, a decrease of 18.7% as compared with 1H FY2024. Adjusted gross profit<sup>(i)</sup>, a non-GAAP financial measure, came in at approximately HK\$1.6 billion, as compared with HK\$2.2 billion for 1H FY2024. 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 and facilities management HK\$'000	Others HK\$'000	Total HK\$'000
<b>1H FY2025</b>						
Revenue	3,519,437	976,608	380,012	196,118	99,567	5,171,742
Gross profit	943,239	258,009	81,897	78,133	72,397	1,433,675
Depreciation	-	166,419 <sup>(iv)</sup>	11,137 <sup>(iv)</sup>	3,453	-	181,009
Adjusted gross profit <sup>(i)</sup>	943,239	424,428	93,034	81,586	72,397	1,614,684
Adjusted gross profit margin <sup>(i)</sup>	26.8%	43.5%	24.5%	41.6%	72.7%	31.2%
<b>1H FY2024</b>						
Revenue	4,746,047	966,203 <sup>(iii)</sup>	356,100	194,279 <sup>(iii)</sup>	99,722	6,362,351 <sup>(iii)</sup>
Gross profit	1,439,119	304,835 <sup>(iii)</sup>	69,202	78,901 <sup>(iii)</sup>	82,667	1,974,724
Depreciation	-	166,767 <sup>(iii)(iv)</sup>	11,974 <sup>(iv)</sup>	3,619 <sup>(iii)</sup>	-	182,360
Adjusted gross profit <sup>(i)</sup>	1,439,119	471,602 <sup>(iii)</sup>	81,176	82,520 <sup>(iii)</sup>	82,667	2,157,084
Adjusted gross profit margin <sup>(i)</sup>	30.3%	48.8% <sup>(iii)</sup>	22.8%	42.5% <sup>(iii)</sup>	82.9%	33.9% <sup>(iii)</sup>

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) Restated gaming revenue as gross revenue which added back the gaming tax amounted HK\$67 million for 1H FY2024.
- (iii) Reclassified the revenue and relevant results of Palasino Savannah Resort from gaming operations to hotel operations and management for 1H FY2024.
- (iv) Excludes depreciation of leased properties under HKFRS 16.

Revenue from sales of properties amounted to approximately HK\$3.5 billion in 1H FY2025, a decrease of 25.8% as compared with 1H FY2024. Major contributors to the revenue were Manor Parc in Hong Kong, Mount Arcadia in Hong Kong, Aspen at Consort Place in London, Hyll on Holland in Singapore and West Side Place (Towers 3 and 4) in Melbourne. Gross profit of approximately HK\$943 million was recorded during 1H FY2025, representing a 26.8% gross profit margin, a decrease as compared with 1H FY2024 due to lower gross profit margin recorded from properties sales in Singapore and the UK during 1H FY2025.

The Group's recurring income businesses reported a growth in revenue during the 1H FY2025.

## Management Discussion and Analysis

Revenue from hotel operations and management continued to grow, increasing slightly by 1.1% as compared with the same period last year to approximately HK\$977 million in 1H FY2025. Adjusted gross profit margin<sup>(i)</sup>, a non-GAAP financial measure, for the Group's hotel operations decreased to 43.5% in 1H FY2025 from 48.8% in 1H FY2024 was mainly due to the increase in the operating cost.

Car park operations and facilities management revenue amounted to approximately HK\$380 million during 1H FY2025, an increase of 6.7% as compared with 1H FY2024. Adjusted gross profit<sup>(i)</sup>, a non-GAAP financial measure, of approximately HK\$93 million was recorded for 1H FY2025. Adjusted gross profit margin<sup>(i)</sup>, a non-GAAP financial measure, increased to 24.5% in 1H FY2025 from 22.8% in 1H FY2024, as a result of the Group's strategic focus to phase out under-performing contracts and improve cost of all car parks.

Revenue from the Group's gaming business for 1H FY2025 and 1H FY2024 were restated as gross revenue, outlining figures before gaming tax and reclassified the revenue and relevant results of Palasino Savannah Resort from gaming operations business to hotel operations and facilities management business, at approximately HK\$196 million and HK\$194 million, respectively, indicating a year-on-year increase of 0.9%. The rise in revenue was primarily driven by the increase in the number of slot machines and slot attendance. Adjusted gross profit<sup>(i)</sup>, a non-GAAP financial measure, of approximately HK\$82 million was recorded for 1H FY2025 (1H FY2024: HK\$83 million). Adjusted gross profit margin<sup>(i)</sup>, a non-GAAP financial measure, decreased to 41.6% in 1H FY2025 from 42.5% in 1H FY2024.

The Group's profitability in 1H FY2025 was impacted by several factors, including finance costs, net foreign exchange loss, impairment loss on interest in an associate for QWB Project, share of impairment loss recognised by a JV's residential property under development, and decrease in fair value of investment properties.

Loss attributable to shareholders of the Company recorded at approximately HK\$770 million for 1H FY2025, a decrease as compared with profit attributable to shareholder of the Company of approximately HK\$232 million for 1H FY2024. Adjusted cash profit<sup>(i)</sup>, a non-GAAP financial measure, was approximately HK\$139 million for 1H FY2025, a decrease of 77.5% from approximately HK\$617 million recorded for 1H FY2024.

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.

## Management Discussion and Analysis

### 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 equities as at 30 September 2024.

<b>Consolidated statement of financial position</b>	<b>As at 30 September 2024 HK\$'million</b>	As at 31 March 2024 HK\$'million
Bank loans and notes		
Due within 1 year <sup>(i)</sup>	<b>12,573</b>	12,674
Due 1–2 years	<b>2,376</b>	3,420
Due 2–5 years	<b>11,510</b>	10,563
Due more than 5 years	<b>1,187</b>	1,105
<b>Total bank loans and notes</b>	<b>27,646</b>	27,762
Investment securities	<b>1,504</b>	1,742
Bank and cash balances <sup>(iii)</sup>	<b>2,968</b>	3,178
<b>Liquidity position</b>	<b>4,472</b>	4,920
<b>Net debts<sup>(iii)</sup></b>	<b>23,174</b>	22,842
Carrying amount of the total equity <sup>(iv)</sup>	<b>14,688</b>	14,871
Add: hotel revaluation surplus <sup>(v)</sup>	<b>18,983</b>	18,682
<b>Adjusted total equity<sup>(vi)</sup></b>	<b>33,671</b>	33,553
<b>Adjusted net gearing ratio<sup>(vii)</sup> (net debts to adjusted total equity<sup>(vi)</sup>)</b>	<b>68.8%</b>	68.1%
<b>Net debt to adjusted total assets<sup>(vi)</sup></b>	<b>35.2%</b>	34.6%

Notes:

- (i) Includes an amount of approximately HK\$1,912 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 and cash balances.
- (iii) Represents total bank loans and notes less investment securities and bank and cash balances.
- (iv) Includes the 2019 Perpetual Capital Notes.
- (v) Based on the independent valuations carried out as at 31 March 2024, except (a) Dorsett Melbourne carried out its valuation in November 2023; and (b) Dorsett Kai Tak, Hong Kong, which was accounted for only as at 30 September 2024 due to its opening in September 2024.
- (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.

## Management Discussion and Analysis

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 and investments in notes issued by the trusts which hold the mortgage portfolio managed by BC Invest.

As at 30 September 2024, the Group's bank loans and notes which were due within 1 year was approximately HK\$12,573 million. Of this amount, (i) approximately HK\$3,698 million were secured corporate, hospitality and car park loans, expected to rollover or refinance to longer maturities; (ii) approximately HK\$3,219 million in secured development loans, of which, approximately HK\$2,978 million to be repaid from the presales proceeds upon settlement, and the remaining of approximately HK\$241 million is expected to be refinanced for a longer maturity; (iii) approximately HK\$3,166 million were unsecured corporate loans which were or is expected to be rolled over; (iv) approximately HK\$578 million will be repaid in accordance with the repayment schedule; and (v) approximately HK\$1,912 million were in relation to long-term bank loans with a repayable on demand clause and therefore being classified as current liabilities.

The liquidity position of the Group as at 30 September 2024 was approximately HK\$4,472 million. The Group's adjusted total equity<sup>(ii)</sup>, a non-GAAP financial measure, as at 30 September 2024 was approximately HK\$33,671 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK\$18,983 million, which is based on independent valuations assessed as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024, and included the 2019 Perpetual Capital Notes.

The adjusted net gearing ratio<sup>(ii)</sup>, a non-GAAP financial measure, stood at 68.8% as at 30 September 2024, a similar level as compared with 31 March 2024.

In an effort to strengthen the Group's financial position, the Group has implemented a series of debt reduction initiatives to reduce its finance costs:

- accelerate the completion of several landmark projects with a total expected attributable GDV of approximately HK\$8.5 billion, including Aspen at Consort Place in London, Victoria Riverside in Manchester, Perth Hub in Perth, The Star Residences – Epsilon (Tower 2) in Gold Coast and Queen's Wharf Residences (Tower 4) in Brisbane. A visible cash flow is set to contribute to debt reduction upon the receipt of sales proceeds;
- increase sales effort to monetise its existing inventory of approximately HK\$4.8 billion, particularly West Side Place (Towers 1 to 4) in Melbourne and Mount Acadia in Hong Kong, along with active selling campaigns across Australia, the UK and Hong Kong;
- actively selling its non-core assets and non-core business. The Group is considering to dispose of long-lease residential blocks in Baoshan, Shanghai, with one parcel for raw land sale and the other to be developed into approximately 1,700 units, within two years. The Group is also reviewing strategic options for BC Invest; and
- upcoming launch of several development projects, including other towers in Red Bank Riverside in Manchester and 640 Bourke Street in Melbourne, which have a total expected attributable GDV of approximately HK\$8.1 billion in aggregate.

## Management Discussion and Analysis

As at 30 September 2024, total bank loans and notes amounted to approximately HK\$27,646 million, a decrease of approximately HK\$116 million as compared with 31 March 2024. The decrease was driven by various financing activities taken, including (i) repayment of a number of corporate financings of approximately HK\$1.2 billion; (ii) settlement of certain construction facilities upon the handover and settlement of several projects of approximately HK\$1.4 billion, including Aspen at Consort Place in London and Hyll on Holland in Singapore; (iii) divestment of a non-core car park in the UK further contributed to debt reduction; and (iv) netting off the impact from (a) a new syndicated hotel facility of HK\$1.5 billion; and (b) new drawdown of construction facilities of pipeline projects.

	<b>As at 30 September 2024 HK\$ million</b>	As at 31 March 2024 HK\$ million
The Company's notes	<b>476</b>	476
Unsecured bank loans	<b>5,237</b>	6,449
Secured bank loans		
– Property development and investment	<b>7,988</b>	8,298
– Hotel operations and management	<b>13,535</b>	12,083
– Car park operations and facilities management	<b>330</b>	374
– Gaming operations and facilities management	<b>58</b>	61
– Others	<b>22</b>	21
<b>Total bank loans and notes</b>	<b>27,646</b>	27,762
	<b>As at 30 September 2024</b>	As at 31 March 2024
<b>Bank loans and notes, denominated in:</b>		
HK\$	<b>63.0%</b>	60.7%
AUD	<b>14.7%</b>	15.1%
SGD	<b>4.1%</b>	4.5%
GBP	<b>10.1%</b>	11.6%
RMB	<b>7.2%</b>	7.3%
Others	<b>0.9%</b>	0.8%
	<b>100%</b>	100%

## Management Discussion and Analysis

Most of the countries or cities the Group has operations in have passed their interest peak. As at 30 September 2024, the primary currency of indebtedness for the Group's bank loans and notes was Hong Kong dollar, representing about 63.0%. Other significant currency debts included Australian dollar, Singapore dollar, Great British pound and Renminbi, accounting for approximately 14.7%, 4.1%, 10.1% and 7.2%, respectively. To optimise funding costs, the Group engaged in swapping several bank borrowings to Renminbi for lower financing expenses. During 1H FY2025, the average interest rate for bank loans decreased to 6.39% from 6.74% as compared with 1H FY2024. As at 30 September 2024, the Group had 97.3% bank loans and notes with floating rates (as at 31 March 2024: 97.3%) while the remaining had fixed rates.

As at 30 September 2024, the Group's undrawn banking facilities stood at approximately HK\$4.3 billion. Of this amount, approximately HK\$1.4 billion is allotted to development/construction facilities while the balance of approximately HK\$2.9 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 good financial position to fund not only its existing business and operations, but also its sustainable growth going forward.

In addition, the Group has other assets unencumbered such as unencumbered hotel assets and unsold residential inventory amounting to HK\$5.4 billion, retail assets and commercial assets. These can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

As a matter of policy, with the exception of certain construction financings, the Group tends to not hedge the interest rate on its outstanding debt. Notes tend to have fixed rates whilst bank loans tend to have fixed margins over and above the relevant banking benchmark rates. The Group remains committed to a proactive strategy of recycling capital and monetising assets to ensure that the indebtedness ratios remain relatively stable and interest expenses do not become an excessive drag on the operating results.

## Management Discussion and Analysis

### 3. Foreign exchange management

In 1H FY2025, the contribution from the Group's non-Hong Kong operations was affected by the movement of foreign currencies against the Hong Kong dollar. The table below denotes the exchange rates of the Hong Kong dollar against the local currencies of countries in which the Group has significant operations.

Rate	As at 30 September 2024	As at 31 March 2024	Change
HK\$/AUD	5.36	5.08	5.5%
HK\$/RMB	1.11	1.08	2.8%
HK\$/MYR	1.89	1.65	14.5%
HK\$/GBP	10.38	9.84	5.5%
HK\$/CZK	0.34	0.33	3.0%
HK\$/SGD	6.07	5.79	4.8%
Average rate for	1H FY2025	1H FY2024	Change
HK\$/AUD	5.22	5.14	1.6%
HK\$/RMB	1.10	1.11	(0.9%)
HK\$/MYR	1.77	1.72	2.9%
HK\$/GBP	10.11	9.62	5.1%
HK\$/CZK	0.34	0.35	(2.9%)
HK\$/SGD	5.93	5.82	1.9%

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 1H FY2025 is analysed below.

Increase to the Group's loss attributable to shareholders for 1H FY2025 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the period:

	HK\$ million
AUD	4.0
RMB	(0.6)
MYR	(2.4)
GBP	(7.9)
CZK	0.5
SGD	(0.6)
<b>Total impact</b>	<b>(7.0)</b>

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 movements in foreign currencies have 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 the 2019 Perpetual Capital Notes) would have been approximately HK\$971 million lower as at 30 September 2024 assuming exchange rates remained constant during 1H FY2025.

## Management Discussion and Analysis

### 4. Net asset value per share

	<b>As at 30 September 2024 HK\$ million</b>	As at 31 March 2024 HK\$ million
Equity attributable to shareholders of the Company	<b>11,479</b>	11,680
Add: Hotel revaluation surplus	<b>18,983</b>	18,682
<b>Adjusted net asset value attributable to shareholders<sup>(i)</sup></b>	<b>30,462</b>	30,362
Number of shares issued (million)	<b>2,818</b>	2,818
<b>Adjusted net asset value per share<sup>(i)</sup></b>	<b>HK\$10.81</b>	HK\$10.77

After adjusting for the revaluation surplus on hotel assets of approximately HK\$18,983 million based on independent valuations assessed as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong, which was accounted for only as at 30 September 2024 due to its opening in September 2024, adjusted net asset value attributable to shareholders<sup>(i)</sup>, a non-GAAP financial measure, was approximately HK\$30,462 million. Adjusted net asset value per share<sup>(i)</sup>, a non-GAAP financial measure, for the Company as at 30 September 2024 was approximately HK\$10.81.

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 primarily went towards acquisitions, development and construction and refurbishment of hotel properties, plant and equipment and investment properties.

During 1H FY2025, the Group's capital expenditures amounted to approximately HK\$385 million, primarily attributable to the (i) Dorsett Kai Tak, Hong Kong in Hong Kong; (ii) Dorsett Canary Wharf in London, the UK; (iii) Dao by Dorsett North London in London, the UK; (iv) Dorsett Perth in Perth, Australia ; and (v) upgrade and replacement of property and equipment of Palasino Group. The capital expenditures were funded through a combination of borrowings and internal resources.

## Management Discussion and Analysis

### 6. Capital commitments

The Group continued to carefully monitor its capital commitments in order to optimise its investments and spending. The table below provides a summary of the Group's capital commitments:

	<b>As at 30 September 2024 HK\$ million</b>	As at 31 March 2024 HK\$ million
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of		
– hotel properties	<b>780</b>	500
– investment properties	<b>81</b>	236
Commitment to provide credit facility to a joint venture	<b>288</b>	273
Capital injection to investment funds	<b>56</b>	69
	<b>1,205</b>	1,078

As at 30 September 2024, the Group's capital commitments amounted to approximately HK\$1,205 million, primarily attributable to the following hotel developments: (i) The Star Residences – Epsilon in Gold Coast, Australia; (ii) Dorsett Canary Wharf in London, the UK; and (iii) one of the sites in the long-lease residentials development in Baoshan, Shanghai. The capital commitments will be financed through a combination of borrowings and internal resources. All of these developments are in the final stage of construction. It is expected that capital expenditure for the above developments will be substantially reduced in the coming financial year.

## Management Discussion and Analysis

### 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, the UK, Hong Kong, Singapore, Malaysia and Mainland China, which are largely focused on the mass residential market. The Group's strong regional diversification reduces volatility and allows us 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 Entertainment Group Limited ("The Star") and the partnership with Manchester City Council ("MCC"). 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 kept idle.

Total cumulative attributable presales value of the Group's residential properties under development and unbooked contracted sales amounted to approximately HK\$11.8 billion as at 30 September 2024. Most presales proceeds are not reflected in the Group's consolidated statement of profit and loss until the relevant projects are completed. The following table sets out a breakdown of the Group's total cumulative attributable presales value and the cumulative unbooked contracted sales of residential properties as at 30 September 2024.

Developments	Location	Attributable presales HK\$ million	Expected financial year of completion
<b>Projects under presales</b>			
Queen's Wharf Residences (Tower 4) <sup>(iii)</sup>	Brisbane	1,576	FY2026
Queen's Wharf Residences (Tower 5) <sup>(iii)</sup>	Brisbane	2,328	FY2028
Perth Hub	Perth	848	FY2025
The Star Residences			
– Epsilon (Tower 2) <sup>(iii)</sup>	Gold Coast	567	FY2025
Aspen at Consort Place <sup>(i)</sup>	London	1,277	FY2025
Consort Place – Social/Affordable Housing <sup>(i)</sup>	London	1	FY2025
Victoria Riverside – Crown View (Tower A)	Manchester	1,020	FY2026
Victoria Riverside – City View (Tower B)	Manchester	272	FY2025
Victoria Riverside – Park View (Tower C)	Manchester	593	FY2025
Victoria Riverside – Bromley Street	Manchester	94	FY2025
Collyhurst Village	Manchester	211	FY2025 – FY2027
Red Bank Riverside – Falcon	Manchester	520	FY2028
Red Bank Riverside – Kingfisher	Manchester	131	FY2028
Dorsett Place Waterfront Subang <sup>(ii)(iii)</sup>	Subang Jaya	267	FY2025 – FY2026
The Pavilia Forest <sup>(ii)</sup>	Hong Kong	1,146	FY2026
<b>Sub-total</b>		<b>10,851</b>	

## Management Discussion and Analysis

Developments	Location	Attributable contracted sales HK\$ million
<b>Contracted Sales of completed projects</b>		
West Side Place (Towers 1 and 2)	Melbourne	122
West Side Place (Tower 3)	Melbourne	130
West Side Place (Tower 4)	Melbourne	270
The Towers at Elizabeth Quay	Perth	28
Hornsey Town Hall	London	5
Hornsey Town Hall – Social/Affordable Housing	London	20
Cuscaden Reserve <sup>(iii)(iv)</sup>	Singapore	4
Manor Parc	Hong Kong	89
Mount Arcadia	Hong Kong	243
<b>Sub-total</b>		<b>911</b>
<b>Total</b>		<b>11,762</b>

Notes:

- (i) Excludes contract presales already recognised as revenue up to 30 September 2024.
- (ii) The Group has 50% interest in the development.
- (iii) The Group has 33.3% interest in the development.
- (iv) The Group has 10% interest in the development.

As at 30 September 2024, the expected attributable GDV of the Group's active residential property development projects under various stages of development across the regions was approximately HK\$65.9 billion.

Details of the Group's current pipeline are shown below:

Developments	Attributable saleable floor area <sup>(i)</sup> Sq. ft.	Expected attributable GDV <sup>(ii)</sup> HK\$ million	Launched/ expected launch	Expected financial year of completion
<b>Pipeline developments</b>				
<b>Melbourne</b>				
640 Bourke Street	556,000	4,312	FY2025	FY2029
<b>Perth</b>				
Perth Hub	230,000	848	Launched	FY2025
<b>Brisbane</b>				
Queen's Wharf Brisbane <sup>(iii)</sup>				
– Tower 4	253,000	1,576	Launched	FY2026
– Tower 5	353,000	2,460	Launched	FY2028
– Tower 6	169,000	1,285	Planning	FY2028

## Management Discussion and Analysis

Developments	Attributable saleable floor area <sup>(i)</sup> Sq. ft.	Expected attributable GDV <sup>(iii)</sup> HK\$ million	Launched/ expected launch	Expected financial year of completion
<b>Gold Coast</b>				
The Star Residences <sup>(iv)</sup>				
– Tower 2 – Epsilon	109,000	567	Launched	FY2025
– Towers 3 to 5	374,000	1,941	Planning	Planning
<b>Hong Kong</b>				
The Pavilia Forest <sup>(v)</sup>	254,000	5,959	Launched	FY2026
Lam Tei, Tuen Mun	383,000	6,320	Planning	Planning
Ho Chung, Sai Kung <sup>(vi)</sup>	19,000	472	Planning	FY2027
Sai Ying Pun	75,000	1,871	FY2026	FY2028
<b>London</b>				
Aspen at Consort Place	276,000	3,406	Launched	FY2025
Consort Place – Social/ Affordable Housing	1,000	1	Launched	FY2025
Ensign House	296,000	3,529	Planning	Planning
Ensign House – Social/ Affordable Housing	108,000	429	Planning	Planning
<b>Manchester</b>				
MeadowSide (Plot 4)	244,000	1,268	Planning	Planning
Victoria North <sup>(vii)</sup>				
– Victoria Riverside				
– Crown View (Tower A)	223,000	1,046	Launched	FY2026
– Victoria Riverside				
– City View (Tower B)	85,000	272	Launched	FY2025
– Victoria Riverside				
– Park View (Tower C)	149,000	600	Launched	FY2025
– Victoria Riverside				
– Bromley Street	39,000	176	Launched	FY2025
– Collyhurst Village	153,000	442	Launched	FY2025 – FY2027
– Collyhurst Village – Social/ Affordable Housing	104,000	361	Planning	FY2025 – FY2027
– Red Bank Riverside				
– Falcon	131,000	689	Launched	FY2028
– Red Bank Riverside				
– Kingfisher	230,000	1,221	Launched	FY2028
– NT02-NT04	721,000	3,743	Planning	FY2028 – FY2030
– Network Rail	1,532,000	7,951	Planning	Planning
– Others	967,000	5,020	Planning	Planning
Trafford	421,000	2,024	Planning	Planning
Trafford – Social/Affordable Housing	147,000	519	Planning	Planning
<b>Malaysia</b>				
Dorsett Place Waterfront Subang <sup>(viii)</sup>	443,000	804	Launched	FY2025 – FY2026
<b>Total developments pipeline as at 30 September 2024</b>	<b>9,045,000</b>	<b>61,112</b>		

## Management Discussion and Analysis

Developments	Attributable saleable floor area <sup>(i)</sup> Sq. ft.	Expected attributable GDV <sup>(iii)</sup> HK\$ million	Launched/ expected launch	Expected financial year of completion
<b>Completed developments available for sale</b>				
<b>Melbourne</b>				
West Side Place				
– Towers 1 and 2	184,000	900		
– Tower 3	80,000	379		
– Tower 4	193,000	926		
<b>Perth</b>				
The Towers at Elizabeth Quay	85,000	636		
<b>London</b>				
Hornsey Town Hall	12,000	102		
Hornsey Town Hall – Social/ Affordable Housing	6,000	20		
<b>Manchester</b>				
MeadowSide – The Gate and The Stile	3,000	14		
New Cross Central	2,000	7		
<b>Singapore</b>				
Cuscaden Reserve <sup>(ix)</sup>	42,000	81		
<b>Shanghai</b>				
King's Manor	10,000	71		
The Royal Crest II	2,000	14		
District 17A	5,000	27		
<b>Guangzhou</b>				
Royal Riverside	11,000	50		
<b>Hong Kong</b>				
Marin Point	45,000	527		
Manor Parc	19,000	282		
Mount Arcadia	34,000	793		
<b>Total completed developments available for sale as at 30 September 2024</b>				
	<b>733,000</b>	<b>4,829</b>		
<b>Total pipeline and completed developments available for sale as at 30 September 2024</b>				
	<b>9,778,000</b>	<b>65,941</b>		

## Management Discussion and Analysis

Notes:

- (i) The figures represent approximate saleable floor area which may vary subject to finalisation of development plans.
- (ii) The amounts represent expected GDV attributable to the Group, which may change subject to market conditions.
- (iii) Total saleable floor area of this development is approximately 1,550,000 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 508,000 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 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.
- (viii) Total saleable floor area of this development is approximately 1,054,000 sq. ft.. The Group has 50% interest in the development.
- (ix) Total saleable floor area of this development is approximately 171,000 sq. ft.. The Group has 10% interest in the development.

### Australia

#### Melbourne

West Side Place is a mixed-use residential development located in the Central Business District (“CBD”) of Melbourne. The project comprises of 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 approximately HK\$10.5 billion.

The development consists of two hotels, including a luxury Ritz-Carlton hotel of 257 rooms in Tower 1 which opened on 23 March 2023 and a Dorsett brand hotel of 316 rooms in Tower 3 which opened on 18 April 2023. 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 approximately HK\$5.1 billion. The development has been completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$900 million, and sales and settlements are expected to continue in 2H FY2025.

Tower 3 and Tower 4 have been completed and commenced handover process in early April 2023. Tower 3 is comprised of 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of approximately HK\$2.4 billion. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$379 million. Of this amount, approximately HK\$130 million was recorded as contracted sales. Tower 4 is comprised of 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of approximately HK\$2.9 billion. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$926 million. Of this amount, approximately HK\$270 million was recorded as contracted sales. Sales and settlements are expected to continue in 2H FY2025.

640 Bourke Street, located in Melbourne adjacent to the West Side Place and Upper West Side, is a mixed-use development. The project will reach 70 levels, featuring high-end 1-, 2-, and 3-bedroom apartments. Once completed, it will provide 608 residential units, 430 sq. m. of retail space and 294 car park bays, with a total saleable floor area of approximately 556,000 sq. ft., and a total expected GDV of approximately HK\$4.3 billion. Together with West Side Place and Upper West Side, 640 Bourke Street will form a continuous stretch of mixed-use developments across three consecutive city blocks, significantly contributing to the revitalisation of the western edge of the CBD.

## Management Discussion and Analysis

### **Perth**

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in total saleable floor area of residential apartments and a luxury Ritz-Carlton hotel of 205 rooms. As at 30 September 2024, the expected GDV of the completed stocks available for sale was approximately HK\$636 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 and features 314 residential apartments, with a total expected GDV of approximately HK\$848 million and approximately 260 hotel rooms to be operated by Dorsett. All residential apartments were presold as at 30 September 2024. The project is expected to be completed in 2H FY2025.

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

### **Brisbane**

The Group, The Star and Chow Tai Fook Group ("CTF"), entered into development agreements with the Queensland State, Australia for the delivery of the QWB Project located in Brisbane. The QWB Project comprises:

- (i) an integrated resort precinct in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%), of which the details are set out under the section of "Gaming operations and facilities management"; and
- (ii) a residential precinct ("QWB Residential Precinct") owned 50% by the Group and 50% by CTF.

The QWB Project encompasses a total area of approximately 12 hectares at Queen's Wharf, Brisbane and delivers (i) three residential towers under the QWB Residential Precinct, and (ii) an integrated resort under QWB Project ("QWB Integrated Resort") featuring three world-class hotels, a high-end casino with private gaming areas, food and beverage outlets and more than 19,000 sq. m. of retail and dining space in Brisbane's prime waterfront district. The integrated resort had its first stage opening on 29 August 2024.

Out of the total expected core development gross floor area of approximately 387,000 sq. m., for the QWB Project approximately 175,000 sq. m. will be contributed by the QWB Residential Precinct. Tower 4 is the only residential tower directly connected to the QWB Integrated Resort development and features 667 residential apartments, with a total saleable floor area of approximately 506,000 sq. ft. and a total expected GDV of approximately HK\$3.2 billion (attributable GDV of HK\$1.6 billion). All residential units were presold as at 30 September 2024 and completion of the development is expected in 1H FY2026.

The Group launched the Queen's Wharf Residences (Tower 5) in FY2022. Tower 5 is across the street from Tower 4 and will house 866 residential apartments with a total saleable floor area of approximately 707,000 sq. ft. and with a total expected GDV of approximately HK\$4.9 billion. After its launch in March 2022, the project received a strong response. As at 30 September 2024, the Group presold approximately HK\$4.7 billion (attributable GDV of HK\$2.3 billion) worth of units. Completion of the development is expected to be in FY2028.

Tower 6 is a residential tower and features 315 residential apartments, with a total saleable floor area of approximately 337,000 sq. ft. and a total expected GDV of approximately HK\$2.6 billion. It is expected to be completed in FY2028.

## Management Discussion and Analysis

### **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 among the Group, The Star and CTF in Gold Coast, in which the Group has a 33.3% interest.

The first tower of the development features a 313-room Dorsett hotel which opened in December 2021 and 422 residential apartments with a total saleable floor area of approximately 300,000 sq. ft. and a total expected GDV of approximately HK\$1.4 billion. All units of the first tower were completed and settled in FY2023.

Epsilon, the second tower of the development, consists of the first Andaz Hotel in Australia with 202 rooms and 437 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a total expected GDV of approximately HK\$1.7 billion (attributable GDV of HK\$567 million). All residential units were presold as at 30 September 2024 and completion of the development is expected in 2H FY2025.

Work is ongoing for the design and the marketing strategy of the third to fifth towers of the development.

### **United Kingdom**

#### **London**

Aspen at Consort Place is a mixed-use development site located at Marsh Wall, Canary Wharf in London. It comprises 502 residential units, 139 affordable housing units, 237 hotel rooms, and commercial spaces with a total saleable floor area of approximately 481,000 sq. ft.. The handover process of lower floor residential units commenced in May 2024 and is expected to continue by phases in 2H FY2025.

In North London, Hornsey Town Hall is a mixed-use redevelopment project entailing the transformation of an existing town hall into a hotel/serviced apartment tower with communal areas, alongside a residential segment. It comprises 135 residential units and 11 social/affordable units with a total saleable floor area of approximately 114,000 sq. ft.. Construction of the development was completed and handover process was initiated in FY2023. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$122 million. Of this amount, approximately HK\$25 million have been secured as contracted sales. The handover process is slated to continue in 2H FY2025.

The Group has persisted in expanding its business presence and bolstering its development portfolio in the UK. In February 2020, an agreement was reached for the acquisition of Ensign House in Canary Wharf, London, positioned adjacent to Aspen at Consort Place. Ensign House is intended to evolve into a residential tower comprising over 400 residential units and approximately 100 affordable and social housing units. It features a total saleable floor area of approximately 296,000 sq. ft. for residential units, with a total expected GDV of approximately HK\$3.5 billion. The project has successfully secured planning approval.

#### **Manchester**

Victoria North is a mega-scale regeneration development project in Manchester and one of the largest regeneration projects in the UK. The project is a JV between the Group and MCC spanning an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria Station and covering the neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. This project has the potential to deliver approximately 20,000 new homes over the next decade, providing an optimal mix of high-quality housing and social infrastructure, 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 Victoria North strategic regeneration framework was approved by the MCC in February 2019 providing an illustrative masterplan in order to outline how development proposals within Victoria North will come forward. The Victoria North project is expected to provide the Group with a significant, stable and long-term pipeline within the UK.

## 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. This includes the acquisition of 20 acres of land from Network Rail in July 2019. The Group has already begun completing the initial phases of Victoria North and are progressing with the development pipeline strategy to commence the next.

The Group completed New Cross Central, the first development under Victoria North within the New Cross neighbourhood in February 2023, comprising of 80 residential units with a total saleable area of approximately 62,000 sq. ft. and a total expected GDV of approximately HK\$270 million. Construction of the development is completed, with handovers initiated in FY2023. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$7 million. Handover process is expected to continue in FY2025.

The Group are currently on site with Victoria Riverside, situated within Red Bank neighbourhood, which, it will be a predominantly residential development, incorporating a high-quality public realm with commercial and leisure use at ground floor and will become a set of new landmark buildings for the area. The development features three towers comprising approximately 596 units and 38 townhouses, with a total saleable floor area of approximately 495,000 sq. ft. and a total expected GDV of approximately HK\$2.1 billion. The first phases of the development are expected to be completed in 2H FY2025.

Crown View (Tower A) features 275 residential units with a total saleable floor area of approximately 223,000 sq. ft. and a total expected GDV of approximately HK\$1,046 million. It was launched in late September 2022 and total presold value of HK\$1,020 million was recorded as at 30 September 2024 and is expected to be completed in 1H FY2026. City View (Tower B) comprises 128 affordable housing units and was presold to Trafford Housing Trust, which is part of L&Q, one of the largest housing associations in England for a consideration of approximately GBP26 million. Park View (Tower C) features 193 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a total expected GDV of approximately HK\$600 million with a total presold value of approximately HK\$593 million was recorded as at 30 September 2024. It is expected to be completed in 2H FY2025. Bromley Street consists of 38 townhouses with a total saleable floor area of approximately 39,000 sq. ft. and a total expected GDV of approximately HK\$176 million. Total presold value of approximately HK\$94 million was recorded as at 30 September 2024.

Collyhurst Village is another development in the initial phases of the Victoria North masterplan. This development consists of 144 private residential units with approximately 153,000 sq. ft. in total saleable floor area and a total expected GDV of HK\$442 million. It also includes 130 affordable housing units with approximately 104,000 sq. ft. in total saleable floor area and a total expected GDV of approximately HK\$361 million. The development was launched in FY2023 and is expected to be completed over a series of phased handovers between FY2025 to FY2027. Total presold value of approximately HK\$211 million was recorded as at 30 September 2024.

In August 2023, the Group secured planning permission for two significant planning applications within the Red Bank neighbourhood covering the next phase of its Victoria North JV with MCC. The approval unlocks the Group's ambitions to deliver approximately 4,800 new homes in the emerging Red Bank neighbourhood. Red Bank is one of the first of seven neighbourhoods being regenerated as part of the GBP5 billion Victoria North project.

## Management Discussion and Analysis

The Group has acquired over 30 acres of land in Red Bank to date and alongside the two secured planning consents, consolidates the Group's development pipeline in the neighbourhood for the next 10 years. The first, an outline planning approval, is for the delivery of up to 3,250 homes and more than 160,000 sq. ft. of non-residential floor space to be earmarked for commercial uses, a health centre, primary school, residential amenities and community spaces. The outline approval has a total expected GDV of approximately HK\$9.8 billion and a total saleable floor area of approximately 2.1 million sq. ft.

The second approval is for a full planning application for the Group's next phase of delivery on Red Bank Riverside adjacent to the 634-home Victoria Riverside scheme. This will see the delivery of 7 buildings varying in height between 6 and 34 storeys and comprising 1,551 homes covering approximately 1,208,000 sq. ft. and with an expected GDV of approximately HK\$6.3 billion, as well as a new high street that will include approximately 20,000 sq. ft. of commercial and retail space. Remediation ground works have begun on Red Bank Riverside, with phased completions of the plots from FY2028 through to FY2030.

Falcon, one of the residential towers within the Red Bank Riverside, was launched in late March 2024 which features 189 residential units with a total saleable floor area of approximately 131,000 sq. ft. and a total expected GDV of HK\$689 million. As at 30 September 2024, with a total presold GDV of approximately HK\$520 million. Remaining 50 units will be launched upon completion of Falcon.

Kingfisher, another residential tower within Red Bank Riverside, was launched in mid-August 2024. It features 322 residential units with a total saleable floor area of approximately 230,000 sq. ft. and a total expected GDV of approximately HK\$1,221 million. Sales momentums are strong, total presold GDV of approximately HK\$131 million was recorded as at 30 September 2024.

Elsewhere within the Manchester regional business, the Group has continued to see completions at MeadowSide which is the Group's first major residential development in Manchester. The project is located adjacent to NOMA which is one of the major Grade A commercial office and employment areas of the city and sits on the doorstep of the Group's Victoria North development. The development features 4 Plots (Plots 2, 3, 4 and 5) comprising approximately 756 apartments with approximately 564,000 sq. ft. of total saleable floor area and residential amenities, arranged around the historic Angel Meadow Park near Victoria Station, one of the major transportation hubs of the city.

Plot 2 – The Gate and Plot 3 – The Stile have a total saleable floor area of approximately 220,000 sq. ft. and a total expected GDV of approximately HK\$962 million. Handover was initiated smoothly in March 2022. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$14 million.

Plot 5 – Mount Yard has a total saleable area of approximately 99,000 sq. ft. and a total expected GDV of approximately HK\$425 million. All units of the development were completed and settled.

Plot 4 has been granted planning permission to build a 40-storey residential building. The Group is currently assessing and exploring opportunities to increase gross floor area and enhance GDV given the location's ever evolving nature.

## Management Discussion and Analysis

In August 2024, a 50/50 public-private partnership was formalised to deliver the former Greater Manchester Police Headquarters site on Chester Road in Old Trafford. The Group as a private sector partner retains 50% of the partnership while Trafford Metropolitan Borough Council (25%) and Greater Manchester Combined Authority (25%) are public sector partners.

Situated in a high-profile location, the nine-acre site is close to the home of Manchester United Football Club and other regional sports stadiums including Old Trafford Cricket Ground. With an estimated GDV of approximately HK\$2.5 billion, the site has the potential to deliver approximately 750 new homes including affordable housing units, a 250-room hotel, a multi storey car park and around 30,000 sq. ft. of ground floor commercial space, along with new public open space to support the new community. The site is close to key existing public transport nodes including the Trafford Bar Metrolink stop and is less than ten minutes from Manchester City Centre and the employment and media hub of Salford Quays, which are both less than ten minutes away by tram. The development is currently in the planning stage.

### Mainland China

The Group has been developing California Garden, a premier township development in Shanghai, over the years. The development is comprised of a diversified portfolio of residences, including low-rise and high-rise apartments as well as townhouses. The development consists of two phases, namely King's Manor and Royal Crest II. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$112 million. These units are expected to continue to contribute to the Group's revenue and profit.

Situated on the riverside, Royal Riverside in Guangzhou is a 5-tower residential development. The entire development has been completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$50 million. These units are expected to continue to contribute to the Group's revenue and profit.

### Hong Kong

The Group built its development pipeline in Hong Kong over the years through the acquisition of redevelopment sites, participating in government tenders and participating in Urban Renewal Authority ("URA") tenders.

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. The development was completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$527 million.

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. The development was completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$282 million. Of this amount, approximately HK\$89 million was secured as contracted sales.

Mount Arcadia is a residential development site situated on Tai Po Road featuring 62 apartments and 4 houses and has a total saleable floor area of approximately 84,000 sq. ft.. The total expected GDV of the 62 apartments is approximately HK\$1.4 billion. Construction of the project was completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK\$793 million. Of this amount, approximately HK\$243 million was secured as contracted sales.

In November 2021, the Group formed a JV which is held as to 50% by the Group to acquire a Kai Tak site for residential development – The Pavilia Forest. The residential development features 1,305 residential apartments, with a total saleable floor area of approximately 508,000 sq. ft.. The development was launched in July 2024. As at 30 September 2024, the Group presold HK\$2,292 million (attributable GDV of HK\$1,146 million) worth of units. The development is slated to complete in FY2026.

## Management Discussion and Analysis

The Group acquired a site in Lam Tei, Tuen Mun in June 2021. The project is currently under planning phase, and overall strategies and timeline are under review. The development, with a total expected GDV estimated at approximately HK\$6.3 billion and total saleable floor area of approximately 383,000 sq. ft., is subject to planning approval.

The Group formed a JV, in which the Group holds a 33.3% stake, to acquire another residential site in Ho Chung, Sai Kung, in September 2021. This residential development will feature 26 high-end houses with a total saleable floor area of approximately 58,000 sq. ft. and a total expected GDV of approximately HK\$1.4 billion (attributable GDV of HK\$472 million). Construction of this development has begun and is slated to complete in FY2027.

In September 2022, the Group acquired the development right, through a tender conducted by URA, for a land that covers a site area of about 1,077.3 sq. m. at Sai Ying Pun, Hong Kong. The Group intends to develop the land into a mixed residential and commercial development with expected saleable floor area of approximately 75,000 sq. ft. and 2,800 sq. ft. respectively. The development obtained its building plan approval and started foundation works. The project is slated to launch in 2H FY2026.

### Malaysia

Dorsett Place Waterfront Subang, adjacent to the esteemed 5-star hotel Dorsett Grand Subang, is a development which the Group holds a 50% interest. The development consists of three blocks and will offer 1,989 fully-serviced suites. The revenue of this project has been recognised according to the progress of development. As at 30 September 2024, the attributable unbooked presale amounted to approximately HK\$267 million. Completion of the development is expected in FY2025-FY2026.

### 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 in the development with an attributable saleable floor area of approximately 194,000 sq. ft.. The sales of this project have been recognised according to the progress of development. Handover process commenced in June 2024, and all 319 residential units were sold out and handed over as at 30 September 2024.

Cuscaden Reserve is a residential development site in the prime area of District 9 in Singapore. The Group has a 10% interest in the project. It is expected to provide approximately 17,000 sq. ft. in attributable saleable floor area. The development was completed and the remaining units are sold on a completed basis.

### Property investment

The Group's property investments comprise of investments in retail and office buildings primarily situated in Hong Kong, Mainland China, Singapore, the UK and Australia. In 1H FY2025, a fair value loss on investment properties of approximately HK\$133 million was recorded. As at 30 September 2024, the valuation of investment properties was approximately HK\$6.1 billion (as at 31 March 2024: approximately HK\$6.1 billion).

Previously, the Group acquired two sites in Baoshan, Shanghai slated for the development of residential blocks for leasing purposes. Construction work was initiated on one of the sites in December 2021, boasting a lettable floor area of approximately 573,000 sq. ft., set to offer approximately 1,700 units. Completion of this development is anticipated to be in 2H FY2025. The other site is awaiting construction commencement and is expected to offer approximately 2,600 accommodation units. The Group is considering to divest the residential blocks as part of its non-core assets disposal strategy.

## Management Discussion and Analysis

### 2. Hotel operations and management

The Group owns and operates its hotel portfolio through four distinct brands under Dorsett Hotels and Resorts, which focus on the three to four-star hotel segment. These include the “Dorsett” brand; the “Dao by Dorsett” brand, which offers a collection of creative and harmonious aparthotels; the “d.Collection” brand, which features boutique hotels with unique identities; and the “Silka” brand, which offers hotels for streamlined, cost-efficient stays.

As at 30 September 2024, the Group owned 35 hotels in operation, including wholly-owned and partially-owned hotel assets, with over 9,400 rooms across Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As at 30 September 2024, the Group also managed four hotels in Malaysia with 944 rooms.

On 3 September 2024, a subsidiary of the Group formed a partnership, in which the Group holds a 10% stake, to acquire a 313-room hotel near Singapore Changi Airport and rebranded it to Dorsett Changi City Singapore. The Group will provide management service to the hotel. The Group is confident in the Singapore tourism sector which has benefitted from a post-COVID boom. This new partnership also marks the beginning of Dorsett’s new investment strategy, which leverages on an asset-light model. The Group will be a minority equity partner and contribute its extensive experience and strong track record, providing partners with an alternative for hotel investment.

On 26 September 2024, the Group soft-launched Dorsett Kai Tak, Hong Kong in Hong Kong, its latest luxury flagship and the tenth hotel in the city. The hotel has 373 rooms and is adjacent to the Sports Park and the largest stadium in Hong Kong that can seat approximately 50,000 people. Prior to the hotel’s opening, the Group hosted a recruitment day aimed at residents of Kowloon City, Hong Kong to recruit staff for the hotel. People from all walks of life and backgrounds were encouraged to apply. The Group offered them the opportunity to upskill, develop and grow with Dorsett Group. The event drew extensive interest from the local community.

## Management Discussion and Analysis

The operating performance of the Group's owned hotels for 1H FY2025 is summarised by region as follows. The results of hotels by region are expressed in the respective local currency ("LC") and Hong Kong dollars ("HK\$").

	Occupancy Rate ("OCC")		Average room rate ("ARR")			Revenue per available room ("RevPAR")			Revenue	
	1H FY2025	1H FY2024	1H FY2025 (LC)	1H FY2024 (LC)	% Change	1H FY2025 (LC)	1H FY2024 (LC)	% Change	1H FY2025 (LC million)	1H FY2024 (LC million)
Hong Kong (HK\$)	80.8%	86.8%	645	702	(8.1%)	521	610	(14.6%)	290	338
Malaysia (MYR)	62.9%	55.3%	224	233	(3.9%)	141	129	9.3%	50	48
Mainland China (RMB)	64.9%	69.7%	354	376	(5.9%)	230	262	(12.2%)	100	105
Singapore (SGD) <sup>(i)</sup>	84.7%	85.9%	198	211	(6.2%)	168	182	(7.7%)	10	11
UK (GBP)	86.1%	82.1%	130	134	(3.0%)	112	110	1.8%	9	8
Australia (AUD) <sup>(ii)</sup>	62.9%	54.8%	351	348	0.9%	221	191	15.7%	50	40
			(HK\$)	(HK\$)		(HK\$)	(HK\$)		(HK\$ million)	(HK\$ million)
<b>Dorsett Group Total<sup>(iii)</sup></b>	<b>72.7%</b>	<b>73.6%</b>	<b>745</b>	<b>747</b>	<b>(0.3%)</b>	<b>542</b>	<b>550</b>	<b>(1.5%)</b>	<b>891</b>	<b>882</b>
<b>Palasino Group<sup>(iv)</sup></b>	<b>58.4%</b>	<b>58.0%</b>	<b>731</b>	<b>703</b>	<b>4.0%</b>	<b>420</b>	<b>409</b>	<b>2.7%</b>	<b>86</b>	<b>84</b>

Notes:

- (i) Excludes Dao by Dorsett AMTD Singapore and Dorsett Changi City Singapore which are equity accounted.
- (ii) Excludes Dorsett Gold Coast and The Star Grand which are equity accounted.
- (iii) Excludes Palasino Group but includes Ritz-Carlton Perth and Ritz-Carlton Melbourne.
- (iv) Restated the statistic to include Palasino Savannah Resort for 1H FY2024.

With tourism recovering across many parts of the world, the Group's hotels have witnessed positive growth trends in most regions. However, since a significant portion of the Group's hotel business is still derived from Hong Kong operations, the slower-than-anticipated rebound in Hong Kong's tourism and hospitality sectors has dampened performance. While the Group's hotel revenues in Hong Kong and Mainland China have decreased moderately year-on-year, they have witnessed good growth in Malaysia, the UK and Australia and have stabilised in Singapore. As a result of good geographic diversification, the Group's revenue from hotel operations and management business for 1H FY2025 remained relatively stable, at a similar level to 1H FY2024.

In 1H FY2025, hotels under Dorsett Group achieved revenue of approximately HK\$891 million, marking a slight increase from HK\$882 million as recorded in 1H FY2024. The OCC decreased modestly by 0.9 percentage points to 72.7% from 73.6% in 1H FY2024. The ARR slightly decreased by 0.3% to HK\$745 from HK\$747 in 1H FY2024. Overall, the RevPAR decreased by 1.5% to HK\$542 per night during 1H FY2025 from HK\$550 per night during 1H FY2024. Growth in rental, food and beverage and other income offset the slight decline in room revenue in 1H FY2025.

## Management Discussion and Analysis

### Hong Kong

The Group's hotel operations in Hong Kong experienced a notable decline in 1H FY2025, with an overall OCC decrease to 80.8% from 86.8% in 1H FY2024. In the post-pandemic landscape, the decrease in occupancy reflected the broader challenges that the hospitality sector was experiencing, including fluctuations in visitor numbers and changing travel patterns.

In 1H FY2025, the ARR decreased by 8.1% to HK\$645 from HK\$702 in the same period last year. This reduction in ARR indicates a competitive market environment, where hotels may adjust pricing strategies to attract guests amid rising operational costs and heightened competition from alternative accommodations.

As a result of the dual impact of OCC and ARR decline, the revenue for the Group's hotels in Hong Kong in 1H FY2025 was recorded at HK\$290 million, marking a 14.2% decrease from the same period last year. Several factors contributed to this downturn, including the high exchange rate of the Hong Kong dollar, which has significantly impacted the inbound tourism industry, increasing costs for travellers visiting Hong Kong and the decline in proportion of travellers coming for shopping. Additionally, ongoing competition from nearby destinations and the growing trend of domestic travellers opting for short trips within Mainland China has further strained the hotel market in Hong Kong. The lingering effects of the pandemic, including hesitancy among travellers and a slower-than-expected recovery in international flight capacity, have also contributed to the reduced number of visitors.

Looking forward, the Group will implement strategic initiatives to boost OCC and enhance revenue through targeted marketing campaigns, partnerships with local attractions, and innovative service offerings that cater to the shifting expectations of both leisure and business travellers. Moreover, the upcoming opening of the Sports Park is expected to bolster Hong Kong's tourism landscape. The Sports Park is scheduled to launch in early 2025. This major development will host a variety of large-scale sporting events, concerts and cultural activities, drawing both local and international audiences, enhancing the vibrancy of the regional economy and positioning Hong Kong as a premier destination for major events. As the only hotel located in close proximity to the venue, Dorsett Kai Tak, Hong Kong is well-positioned to attract event attendees by offering tailored packages. The Group believes the launch of the Sports Park will bring significant benefits to all of its hotels in Hong Kong.

### Malaysia

In 1H FY2025, Malaysia's tourism and hotel industries demonstrated a robust recovery, marked by a steady influx of both domestic and international visitors. Thanks to the visa-free policy with Mainland China, Malaysia welcomed approximately 2.5 million tourists from China between January and September 2024, surpassing the same period in 2019, the pre-COVID period. During 1H FY2025, revenue from the Group's hotels in Malaysia increased 4.2% to approximately MYR50 million. The OCC reached 62.9%, reflecting a notable increase of 7.6 percentage points from 55.3% in the same period last year. This rise in occupancy indicates a strengthening demand for accommodations as more tourists choose Malaysia as their preferred destination. However, the ARR experienced a slight decline of 3.9% to MYR224 as compared with MYR233 in 1H FY2024. Despite this, the RevPAR saw a positive trend, increasing 9.3% from MYR129 to MYR141.

The outlook for Malaysia's tourism and hotel sectors remains optimistic. Continued investment in infrastructure, enhanced travel connectivity and the promotion of unique cultural experiences are expected to further attract visitors. The Group's commitment to delivering outstanding service and innovative hospitality solutions will ensure that its hotels thrive in this revitalised market, positioning it for continued success in the years to come.

## Management Discussion and Analysis

### Mainland China

In 1H FY2024, the lifting of pandemic control measures resulted in a significant rebound in the domestic tourism industry, with many Chinese travellers embarking on what has been termed “revenge travel”. This surge in domestic tourism resulted in a considerable increase in travel volume across the country. However, as the year progressed, particularly with the introduction of visa-free policies, more travellers chose international destinations for their vacations which posed a negative impact on the Group’s hotels in China. In 1H FY2025, OCC decreased 4.8 percentage points to 64.9% as compared with 69.7% in 1H FY2024. The ARR also saw a decrease of 5.9% to RMB354 from RMB376 in the same period last year. As a result, RevPAR decreased 12.2% to RMB230 per night in 1H FY2025 from RMB262 per night. Overall, the revenue for the Group’s hotels in Mainland China decreased 4.8% to approximately RMB100 million as compared with RMB105 million in 1H FY2024, due to food and beverage, rental and other income growth offsetting partially the room revenue decline.

Despite the sluggish performance of the hotel business in 1H FY2025, the Group remains optimistic about the future. With the implementation of unilateral visa-free policies for foreign visitors from 12 countries, the Group believes that Mainland China could attract more foreign tourists and it anticipates that its hotels will also benefit from more foreign and domestic travel in the coming year as the economy recovers due to more government stimulus.

### Singapore

Due to Singapore’s earlier reopening of its borders compared to other countries, the hotel industry experienced a period of calm and slow growth. While the initial surge in travel and tourism post-reopening generated excitement, the market has since stabilised as demand levels off. In 1H FY2025, Dorsett Singapore reported an OCC of 84.7%, maintaining similar levels to the previous period. However, the ARR experienced a slight decline of 6.2% to SGD198 from SGD211. This contributed to a 7.7% reduction in RevPAR to SGD168 per night. Overall, revenue from the Group’s Singapore hotel remained steady at approximately SGD10 million.

Looking ahead, we are optimistic that ongoing investments in tourism and the potential for increased international travel for leisure and business will further enhance our operational performance in Singapore in the future.

### UK

In 1H FY2025, the UK hotel industry demonstrated a positive trajectory, driven by the resurgence of both domestic and international travellers. In addition, there were also positive impacts on London’s tourism industry from concerts and entertainment activities in the UK and the Paris Olympics. Despite challenges such as rising operating costs and ongoing competition from other European cities, the OCC of the Group’s hotels in London increased to 86.1% as compared with 82.1% in 1H FY2024. ARR experienced a slight decrease of 3.0% to GBP130 from GBP134. RevPAR has nevertheless seen an increase to GBP112 per night from GBP110 per night. Overall, the total revenue generated from the Group’s UK hotels reached approximately GBP9 million, which marked a substantial increase of 12.5% as compared with the same period last year.

The Group will be opening two hotels in the next 12 months — Dao by Dorsett North London, a serviced aparthotel with 68 rooms, and Dorsett Canary Wharf with 237 rooms in London. These additions are strategically planned to enhance its presence in key locations, catering to the growing demand for quality accommodations in London’s vibrant urban centre.

## Management Discussion and Analysis

### Australia

The Group currently owns five hotels in Australia. Ritz-Carlton Perth, Ritz-Carlton Melbourne and Dorsett Melbourne are wholly-owned while Dorsett Gold Coast and The Star Grand hotel are owned through a JV.

During 1H FY2025, overall OCC in Australia improved by 8.1 percentage points to 62.9% from 54.8% and ARR surged by 0.9% to AUD351 from AUD348, resulting in an increase in RevPAR by 15.7% to AUD221 per night, as compared with the same period last year. Demand recovery drove growth in general. Occupancy at the Ritz-Carlton Perth remained stable, whilst hotel ARR improved by 12%, due to the hotel's successful corporate pricing strategy.

Both Ritz-Carlton Melbourne and Dorsett Melbourne witnessed impressive growth as they entered the second year of operation. Both hotels achieved a 10-20% increment in occupancy. Overall, the Group's hotels in Australia recorded an increase of 25.0% in revenue to approximately AUD50 million in 1H FY2025 as compared with the same period last year.

In the coming year, the Group is set to launch several hotels in Perth and Brisbane, further expanding its footprint in Australia. This expansion not only strengthens the Dorsett brand in Australia but also positions the Group for continued growth and success in the competitive hospitality landscape.

### Continental Europe – Palasino Group

Benefitting from an enlarged pool of resources and streamlined operations post-pandemic, hotels under Palasino Group have seen positive growth in 1H FY2025 as compared with the same period last year. Overall OCC increased 0.4 percentage points to 58.4% and ARR increased 4.0% to HK\$731, resulting in a 2.7% growth in RevPAR to HK\$420. As a result, total revenue from hotels under Palasino Group increased to approximately HK\$86 million in 1H FY2025 as compared to HK\$84 million in 1H FY2024.

### 3. Car park operations and facilities management

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 owned or under management amounting to approximately 117,000 bays as at 30 September 2024. Among the 389 car parks managed by the Group, 20 were self-owned car parks with 4,137 car park bays. The remaining car park bays in Australia, New Zealand, the UK, Hungary and Malaysia are under management contracts with third-party car park owners.

In 1H FY2025, the Group's revenue from car park operations and facilities management amounted to approximately HK\$380 million, marking a 6.7% increase as compared with the same period last year. This was mainly driven by the Group's strategic measures to phase out those underperforming car parks. The core business witnessed a steady improvement in revenue. With the Group's continuous commitment to improving operational efficiencies and implementing cost-saving measures, the Group is now poised to grow the underlying business across the globe.

In addition, the Group will continue the Group's monetisation strategy to monetise mature car parks, enabling us to reallocate capital into opportunities with superior internal rates of return. In September 2024, the Group completed the disposal of a car park in the UK with consideration of approximately GBP17.24 million.

## Management Discussion and Analysis

### 4. Gaming operations and facilities management

#### Palasino Group

The Group operates its portfolio of one integrated land-based casino and two full-service land-based casinos in the Czech Republic under Palasino Group which features slot machines and gaming tables. In March 2024, Palasino Group, which holds the Group's gaming operations and facilities management business has been successfully spun-off for separate listing on the main board of Stock Exchange.

Revenue from the gaming operations and facilities management was primarily generated from slot machines whilst the remaining revenue were generated from table games. Revenue from the Group's gaming business for 1H FY2025 and 1H FY2024 has been restated as gross revenue, outlining figures before gaming tax and the revenue and results from Palasino Savannah Resort have been reclassified from gaming business to hotel business, with revenue at approximately HK\$196 million and HK\$194 million for 1H FY2025 and 1H FY2024 respectively, a slight increase of 0.9% as compared with same period last year. This is primarily driven by the increase in revenue from slot machine operations to meet the demand for entertainment and social experiences, at peak times especially.

Palasino Group is proactively seeking new opportunities to expand the Group's gaming business in the Czech Republic, Central Europe and other markets through acquisition of business or asset and/or bidding for new gaming licences. Looking ahead, the Group remains optimistic about its gaming business and ability to capitalise on growth opportunities in the region.

The following tables set forth certain operating data of Palasino's casinos for the period ended 30 September 2024:

	<b>As at 30 September 2024</b>	As at 31 March 2024
Number of slot machines	<b>630</b>	568
Number of tables	<b>62</b>	62
	<b>1H FY2025</b>	1H FY2024
Slots revenue (HK\$ million)	<b>158</b>	156
Table game revenue (HK\$ million)	<b>38</b>	38
Average slot win per machine per day (HK\$) <sup>(i)</sup>	<b>1,524</b>	1,611
Average daily gross win per table <sup>(iii)</sup>	<b>3,801</b>	3,987
Slot machine hold percentage <sup>(iii)</sup>	<b>5.3%</b>	5.2%
Table games hold percentage <sup>(iv)</sup>	<b>23.6%</b>	22.2%

Notes:

- (i) Average slot win per machine per day is defined as dividing the total slot machine gross win by the average number of slot machines on opening and closing and subsequently divided by the number of days the machines were operational.
- (ii) Average daily gross win per table is defined as dividing the total table games gross win by the average number of tables on opening and closing, and subsequently divided by the number of days the machines were operational.
- (iii) Slot machine hold percentage is defined as total gross win in slot machine divided by the slot machine drop.
- (iv) Table hold percentage is defined as total gross win in table game divided by the table games drop.

## Management Discussion and Analysis

### Investment in QWB Project

The Group has partnered with The Star (as to 50%) and CTF (as to 25%) to form Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd (“DBC”) for QWB Integrated Resort with the development of the entertainment and leisure destination featuring three world-class hotels, a high-end casino with private gaming areas, food and beverage outlets and more than 6,000 sq. m. of retail and dining space in Brisbane.

The initial stage of the high-end casino, namely The Star Brisbane, where The Star serves as the casino operator under the casino management agreement, opened to the public on 29 August 2024 and includes the main gaming floor and premium gaming rooms which housed approximately 1,600 slot machines (gaming licence limit up to 2,500) and approximately 180 gaming tables, The Star Grand hotel comprises of 340 rooms, an Event Centre, Sky Deck, carparks, public realm and certain food and beverage outlets, and is connected to the Neville Bonner pedestrian bridge. Further food and beverage venues and the leisure deck will open progressively throughout FY2026. The Dorsett and Rosewood hotels (comprising an additional 522 rooms) are expected to open in the next phase.

During 1H FY2025, the Group recognised an impairment loss of approximately HK\$204 million on its equity interest in DBC, due to the uncertainties surrounding the proposed change of gaming legislation in Queensland.

### 5. 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. 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.

BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio. BC Invest managed a total AUM of approximately AUD6.1 billion as at 30 September 2024. Net interest margin had slightly increased to 1.26% in 1H FY2025.

Though most of BC Invest’s capital is provided by third parties, the Group has committed approximately AUD75 million and approximately GBP21 million as at 30 September 2024, which was classified as investment securities. Including interest income from funding, BC Invest contributed approximately HK\$19 million to the Group’s profit in 1H FY2025.

On the funding side, BC Invest continued to diversify its funding sources by tapping into the RMBS market. In June 2024, BC Invest issued its tenth RMBS offering, raising AUD530 million which was supported by a range of international and Australian institutions and credit funds. This RMBS is backed by first mortgage loans to Australian resident and non-resident prime borrowers, secured by Australian residential properties.

The Group is reviewing strategic options for BC Invest.

## Management Discussion and Analysis

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

The Group continues to recognise the importance of taking action towards a sustainable future and turning climate change initiatives into sustainable business opportunities. To achieve this, the Group is developing a net zero strategy roadmap in line with the latest science around climate change. The Group will ensure the strategy aligns with internationally recognised standards and best practices and develops business as usual emissions projections for the purpose of short, medium and long-term goal setting.

Furthermore, to strengthen its efforts in climate-related financial disclosures, the Group has engaged a professional party with expertise in the Task Force on Climate-Related Financial Disclosures framework. This partnership will help ensure robust reporting and disclosure of climate-related risks and opportunities, enabling the Group to make informed decisions and transparently communicate its actions to stakeholders. At the same time, the Group is enhancing its monitoring processes and improving data capture by utilising a carbon reporting tool. This development will significantly enhance the Group’s ability to analyse data more frequently, improve data collection efficiency and enhance data granularity. Through these collective efforts, the Group strives to create a lasting impact and inspire others to join the journey towards a more sustainable and resilient future.

In September 2024, the Group successfully arranged its third sustainability-linked loan (“SLL”) facility, raising HK\$540 million. The SLL was secured by one of the Group’s hotels in Hong Kong and the proceeds are being utilised to meet the Group’s general working capital requirements. Together with existing two SLLs, the Group had three SLLs in an aggregate of HK\$1,540 million. These facilities are tied to several key sustainability performance indicators (“KPIs”). Upon achieving the sustainability KPIs outlined in the SLL agreement, the Group will be eligible for interest savings, which can be reinvested into the Group’s ESG initiatives and projects, further advancing the Group’s sustainability agenda. Furthermore, the Group had a development-related green loan for a residential development located in Sai Ying Pun, Hong Kong. The Group anticipates the possibility of more upcoming SLL facilities in the future.

### OUTLOOK

The last six months have proven to be challenging. Despite the Group achieving satisfactory revenue, the sustained peak interest rates have continued to impact the Group’s financial performance. The Group eagerly anticipates a decrease in interest rates coinciding with the announcement from the US Federal Reserve.

Given the volatility of the global economic landscape, the Group is adopting a cautious approach. To address rising operating expenses and finance costs, the Group is actively implementing measures to mitigate these challenges. Prioritising cost control and debt reduction in conjunction with executing the monetisation strategy are key objectives.

In property development, the expected attributable GDV of the Group’s active residential property development projects in various stages of development across the region was around HK\$65.9 billion as at 30 September 2024. The Group believes this amount is adequate to support its revenue growth for the next 6-8 years and thus does not feel compelled to replenish land resources urgently.

As at 30 September 2024, the cumulative attributable presales value and unbooked contracted sales stood at approximately HK\$11.8 billion, providing considerable visibility and capital for the future.

Several projects are nearing completion and are slated to begin the handover process within the next 12 months, marking a significant transition for the Group. Leveraging the momentum from these milestone projects, the Group aims to venture into new initiatives, anticipating a robust revenue stream with strong cash flows that will further reduce the debt level.

## Management Discussion and Analysis

The Group's flagship hotel in Hong Kong, Dorsett Kai Tak, Hong Kong, soft opened on 26 September 2024, is situated alongside the Sports Park. With a series of events slated for the Sports Park, the Group foresees substantial advantages accruing to Dorsett Kai Tak, Hong Kong from these activities. In addition to the unveiling of Dorsett Kai Tak, Hong Kong, the Group has 6 hotels progressing through the development pipeline, scheduled to launch within the next 24 months. These forthcoming additions are anticipated to have a positive impact on the Group's overall hotel performance. Looking forward, the Group holds an optimistic stance regarding continuous growth, envisioning an upsurge in demand from both corporate and leisure travellers.

On the car park operations, the Group will continue its approach to divesting or discontinuing underperforming or mature assets. Simultaneously, it aims to secure new management contracts as part of its transition towards an asset-light model, with the overarching goal of reducing leverage.

The gaming business within the Palasino Group presents a range of growth opportunities. Palasino Group entered a MOU with a strategic partner in May 2024 to delve into further operational prospect. The reinstatement of the online gaming license in Malta sets the stage for the imminent soft launch of online gaming services in FY2025, geared towards broadening the customer base. The soft opening of the integrated resort as part of the Queen's Wharf Brisbane development in August 2024 received positive feedback and is anticipated cash flow will be generated from the project.

BC Invest continues a stable growth trajectory. BC Invest continues to demonstrate strong potential. As a consistent RMBS issuer, BC Invest has strong support from institutional investors, allowing BC Invest access to the bond market and favourable financing terms, even during market fluctuations. The Group is reviewing strategic options for BC Invest.

To preserve a robust financial standing, the Group is committed to optimising its balance sheet, refining its portfolio, and executing monetisation strategies for non-core assets to repay existing debt and mitigate debt levels amidst market volatility. With several landmark projects nearing completion and handover, visible cash flows are expected, which will contribute to the improvement of the Group's gearing and leverage ratios. Despite economic uncertainties, the Group remains vigilant and prudent in its approach.

The Group maintains a healthy liquidity position of approximately HK\$4.5 billion as at 30 September 2024, with available undrawn credit facilities of approximately HK\$4.3 billion. Furthermore, the Group had HK\$5.4 billion in unencumbered hotel assets and unsold residential inventory as at 30 September 2024. To ensure a reasonable gearing level, the Group will continue its strategy to monetise non-core assets and allocate the proceeds towards existing debt repayment and lower the debts level.

In conclusion, the Group anticipates an impressive array of significant projects reaching completion within the upcoming 24 months across property development and hospitality sectors. The recurring income businesses are poised to sustain steady growth during this timeframe. Despite the uncertainties and challenges presented by the economic landscape, the Group maintains confidence in its capacity to drive sustainable profits, placing a high priority on stakeholder welfare and the execution of its ESG strategy.

## Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with HKFRS, non-GAAP financial measures of adjusted cash profit, adjusted cash profit margin, adjusted gross profit, adjusted gross profit margin, adjusted net asset value attributable to shareholders, adjusted net asset value per share, adjusted total assets, adjusted total equity and adjusted net gearing ratio have been presented in this report. The Company's management believes that the non-GAAP financial measures provide investors with clearer view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding certain non-cash items and certain impact from non-recurring activities and minority interests. Nevertheless, the use of these non-GAAP financial measures has limitations as an analytical tool. These unaudited non-GAAP financial measures should be considered in addition to, and not as a substitute for, analysis of the Group's financial performance prepared in accordance with HKFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

**Adjusted cash profit** represents the (loss)/profit for the period before (i) change in fair value of investment properties (after tax); (ii) change in fair value of financial assets at fair value through profit or loss ("FVTPL"); (iii) loss on disposal of debt instruments at fair value through other comprehensive income ("FVTOCI"); (iv) change in fair value of derivative financial instruments; (v) impairment loss under expected credit loss ("ECL") model recognised on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; (vii) impairment loss on interest in an associate for QWB Project; (viii) share of impairment loss recognised by a JV's residential property under development; and (ix) depreciation and impairment; and adjusted for minority interests. We do not believe said items are reflective of our core cash profit from our operating performance during the periods presented.

**Adjusted cash profit margin** represents the adjusted cash profit (as defined above) which represents the (loss)/profit for the period before (i) change in fair value of investment properties (after tax); (ii) change in fair value of financial assets at FVTPL; (iii) loss on disposal of debt instruments at FVTOCI; (iv) change in fair value of derivative financial instruments; (v) impairment loss under ECL model recognised on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; (vii) impairment loss on interest in an associate for QWB Project; (viii) share of impairment loss recognised by a JV's residential property under development; and (ix) depreciation and impairment; and adjusted for minority interests divided by the revenue. We do not believe said items are reflective of our core cash profit margin from our operating performance during the periods presented.

**Adjusted gross profit** represents gross profit before depreciation and excludes depreciation of leased properties under HKFRS 16. We do not believe said items are reflective of our core cash profit from our operating performance during the periods presented.

**Adjusted gross profit margin** represents the adjusted gross profit which represents the gross profit before depreciation and excludes depreciation of leased properties under HKFRS 16 divided by the revenue. We do not believe said items are reflective of the Group's core cash profit margin from the Group's operating performance during the periods presented.

**Adjusted net asset value attributable to shareholders** represents the equity attributable to shareholders of the Company after accounting the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024 and was not recognised in the Group's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

**Adjusted net asset value per share** represents the adjusted net asset value attributable to shareholders after adjusting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024 and was not recognised in the Group's consolidated financial statements divided by the number of shares issued as at 30 September 2024 and 31 March 2024. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

## Non-GAAP Financial Measures

**Adjusted total assets** represent the total assets after accounting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024 and was not recognised in the Company's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

**Adjusted total equity** represents the total equity includes the 2019 Perpetual Capital Notes and after accounting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024 and was not recognised in the Group's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

**Adjusted net gearing ratio** represents the net debts (total bank loans and notes less investment securities, restricted bank deposits, deposits in financial institutions, bank balances and cash) to adjusted total equity which includes the 2019 Perpetual Capital Notes and after accounting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried out its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024, and was not recognised in the Group's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

The following tables set forth the reconciliations of the Group's non-GAAP financial measures for the six months ended 30 September 2024 and comparative figures to the nearest measures prepared in accordance with HKFRS:

	1H FY2025 HK\$'000	1H FY2024 HK\$'000
(Loss)/profit for the period	(664,099)	343,019
Less: Change in fair value of investment properties (after tax)	115,953	(38,672)
Change in fair value of derivative financial instruments	(44)	(1,589)
Add: Change in fair value of financial assets at FVTPL	(2,013)	48,753
Loss on disposal of debt instruments at FVTOCI	21,122	25,619
Impairment loss under ECL model recognised on trade debtors	5,468	8,679
Impairment loss under ECL model recognised on debt instruments at FVTOCI	9,372	–
Impairment loss on interest in an associate	204,385	–
Share of impairment loss recognised by a JV	217,125	–
Depreciation and impairment <sup>(i)</sup>	231,881	231,571
<b>Adjusted cash profit (Non-GAAP)</b>	<b>139,150</b>	<b>617,380</b>
<b>Adjusted cash profit margin (Non-GAAP)</b>	<b>2.7%</b>	<b>9.7%</b>

	1H FY2025 HK\$'000	1H FY2024 HK\$'000
Gross profit	1,433,675	1,974,724
Depreciation <sup>(iii)</sup>	181,009	182,360
<b>Adjusted gross profit (Non-GAAP)</b>	<b>1,614,684</b>	<b>2,157,084</b>
<b>Adjusted gross profit margin (Non-GAAP)</b>	<b>31.2%</b>	<b>33.9%</b>

## Non-GAAP Financial Measures

	<b>As at 30 September 2024 HK\$'million</b>	As at 31 March 2024 HK\$'million
Equity attributable to shareholders of the Company	<b>11,479</b>	11,680
Hotel revaluation surplus <sup>(iii)</sup>	<b>18,983</b>	18,682
<b>Adjusted net asset value attributable to shareholders (Non-GAAP)</b>	<b>30,462</b>	30,362
Number of shares issued (million)	<b>2,818</b>	2,818
<b>Adjusted net asset value per share (Non-GAAP)</b>	<b>HK\$10.81</b>	HK\$10.77

	<b>As at 30 September 2024 HK\$'million</b>	As at 31 March 2024 HK\$'million
Total assets	<b>46,938</b>	47,261
Hotel revaluation surplus <sup>(iii)</sup>	<b>18,983</b>	18,682
<b>Adjusted total assets (Non-GAAP)</b>	<b>65,921</b>	65,943

	<b>As at 30 September 2024 HK\$'million</b>	As at 31 March 2024 HK\$'million
Total equity	<b>14,688</b>	14,871
Hotel revaluation surplus <sup>(iii)</sup>	<b>18,983</b>	18,682
<b>Adjusted total equity (Non-GAAP)</b>	<b>33,671</b>	33,553
<b>Net debts</b>	<b>23,174</b>	22,842
<b>Adjusted net gearing ratio (net debts to adjusted total equity) (Non-GAAP)</b>	<b>68.8%</b>	68.1%

## Notes:

- (i) Represents the aggregate amount of depreciation expense recognised in cost of sales and administrative expenses for the period but excludes any minority interests.
- (ii) Represents the depreciation expense recognised in cost of sales but excludes the depreciation expenses of leased properties under HKFRS 16.
- (iii) Based on the independent valuations carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024.

## Other Information

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group had approximately 4,500 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external trainings appropriate for various level of staff roles and functions.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange, were as follows:

#### A. THE COMPANY

##### A.1 Long position in the ordinary shares

Name of directors	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital <sup>(vi)</sup>
David CHIU	Beneficial owner	27,563,478	0.98%
	Interest of spouse	20,789,895 <sup>(i)</sup>	0.74%
	Interest of controlled corporations	1,492,216,937 <sup>(i)</sup>	52.96%
Cheong Thard HOONG	Beneficial owner	13,283,692	0.47%
	Joint interest	802 <sup>(ii)</sup>	0.00%
Dennis CHIU	Beneficial owner	6,517	0.00%
	Interest of controlled corporation	4,282,932 <sup>(iii)</sup>	0.15%
	Joint interest	2,564,502 <sup>(iv)</sup>	0.09%
Wing Kwan Winnie CHIU	Beneficial owner	895,129	0.03%
Jennifer Wendy CHIU	Beneficial owner	2,218,965	0.08%
	Interest of spouse	1,231,189 <sup>(v)</sup>	0.04%

Notes:

- (i) 1,492,198,213 shares were held by Sumptuous Assets Limited and 18,724 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 20,789,895 shares were held by Mrs. Nancy CHIU NG, spouse of Tan Sri Dato' David CHIU.
- (ii) 802 shares were held by Mr. Cheong Thard HOONG jointly with his spouse, Ms. Pei Chun TENG.
- (iii) 4,282,932 shares were held by Max Chain Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.
- (iv) 2,564,502 shares were held by Mr. Dennis CHIU jointly with his spouse, Ms. Lee Keng LEOW.
- (v) 1,231,189 shares were held by Mr. Ching Chi HUI, spouse of Ms. Jennifer Wendy CHIU.
- (vi) The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 30 September 2024.

## Other Information

## A.2 Debentures

As at 30 September 2024, Tan Sri Dato' David CHIU was deemed to have an interest in the initial 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD9,000,000 of which USD5,000,000 was held by Tan Sri Dato' David CHIU and USD4,000,000 was held by his spouse, Mrs. Nancy CHIU NG.

## B. ASSOCIATED CORPORATIONS

## B.1 Long position in the ordinary shares

Name of directors	Name of associated corporation	Capacity	Number of ordinary share(s) interested	Approximate % of the relevant issued share capital
David CHIU	Palasino	Interest of controlled corporations	582,462,662 <sup>(i)</sup>	72.21% <sup>(ii)</sup>
	Sumptuous Assets Limited	Interest of controlled corporations	1 <sup>(iii)</sup>	100% <sup>(iv)</sup>
Cheong Thard HOONG	Palasino	Beneficial owner	579	0.00% <sup>(ii)</sup>
	BC Invest	Beneficial owner	792,383	3.47% <sup>(v)</sup>
Craig Grenfell WILLIAMS	BC Invest	Beneficial owner	254,112	1.11% <sup>(v)</sup>
	Care Park Group Pty. Ltd. ("Care Park")	Beneficiary of a discretionary trust	959 <sup>(vi)</sup>	9.59% <sup>(vii)</sup>

## Notes:

- (i) 1,144,662 shares in Palasino were held by Sumptuous Assets Limited, a company controlled by Tan Sri Dato' David CHIU. 581,318,000 shares in Palasino were held by Ample Bonus Limited, a wholly-owned subsidiary of the Company in which Tan Sri Dato' David CHIU owned approximately 54.68% interest in the share capital of the Company and was therefore deemed to have an interest in the shares.
- (ii) The percentage represents the number of ordinary shares interested divided by Palasino's issued shares as at 30 September 2024.
- (iii) 1 share was held by Far East Organization (International) Limited, a company controlled by Tan Sri Dato' David CHIU.
- (iv) The percentage represents the number of ordinary shares interested divided by Sumptuous Assets Limited's issued shares as at 30 September 2024.
- (v) The percentage represents the number of ordinary shares interested divided by BC Invest's issued shares as at 30 September 2024.
- (vi) These shares in Care Park were held by Chartbridge Pty. Ltd. in its capacity as the trustee of the Craig Williams Family Trust, and Mr. Craig Grenfell WILLIAMS, as a beneficiary of the Craig Williams Family Trust, was deemed to be interested in these shares.
- (vii) The percentage represents the number of ordinary shares interested divided by Care Park's issued shares as at 30 September 2024.

## Other Information

### B.2 Long position in the underlying shares of BC Invest – physically settled unlisted derivatives

Name of directors	Capacity	Number of underlying shares in respect of the purchase rights granted	Approximate % of BC Invest's issued share capital <sup>(i)</sup>
Cheong Thard HOONG	Beneficial owner	457,502	2.00%
Wing Kwan Winnie CHIU	Beneficial owner	114,376	0.50%

Note:

- (i) The percentage represents the number of underlying shares interested divided by BC Invest's issued shares as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, none of the directors or chief executive of the Company had or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## SHARE OPTION SCHEMES

### FECIL Share Option Schemes

The Company's share option schemes ("FECIL Share Option Schemes") were adopted for the purpose of providing incentives and rewards to employees or executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors) and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under FECIL Share Option Schemes, the directors of the Company may grant options to eligible employees including directors of the Company and its subsidiaries, to subscribe for shares of the Company.

The Company's first and second share option schemes were expired on 28 August 2012 and 31 August 2022 respectively. In order to continue to provide incentives and rewards to the eligible employees and participants, the Company adopted its third share option scheme pursuant to a resolution passed by the Shareholders on 30 August 2022 for a period of 10 years commencing on the adoption date.

As at 30 September 2024, there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed during the six months ended 30 September 2024. The number of share options available for grant under the FECIL Share Option Schemes as at 1 April 2024 and 30 September 2024 were both 241,961,867.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 September 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Other Information

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, so far as was known to the directors and chief executive of the Company, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name of substantial shareholders	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital <sup>(iii)</sup>
Sumptuous Assets Limited	Beneficial owner	1,492,198,213 <sup>(ii)</sup> (long position)	52.96%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.46%
	Interest of controlled corporations	140,942,693 <sup>(iii)</sup> (long position)	5.00%
	Interest of spouse	1,624,301 <sup>(iii)</sup> (long position)	0.06%

## Notes:

- (i) The interests of Sumptuous Assets Limited were also disclosed as the interests of Tan Sri Dato' David CHIU in the above section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations". Tan Sri Dato' David CHIU is a director of Sumptuous Assets Limited.
- (ii) 140,942,693 shares were held by various companies controlled by Mr. Deacon Te Ken CHIU's estate and 1,624,301 shares were held by Mrs. Ching Lan JU CHIU, spouse of Mr. Deacon Te Ken CHIU. Mr. Deacon Te Ken CHIU passed away on 17 March 2015 and his interests in the ordinary shares of the Company forms part of his estate.
- (iii) The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, no other persons were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

## Other Information

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 September 2024, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules, except for the deviation from Code Provision C.2.1 described below.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently Tan Sri Dato' David CHIU assumes the roles of both the Chairman and Chief Executive Officer of the Company. The Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies. As such, it is beneficial to the business prospects of the Group.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions in the Company. Following specific enquiry made by the Company, all directors of the Company have confirmed they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2024.

The Company has also applied the principles of the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company and/or its securities. No incident of non-compliance of the principles of the Model Code by the Group's employees has been noted by the Company.

The Company has been notifying directors of the Company and relevant employees, if any, of the prohibitions on dealings in the securities of the Company according to the Model Code, whenever black-out periods arise. In addition, the Company requires directors of the Company and relevant employees to copy their notifications of intended dealings to the company secretary as well as one designated director of the Company for receiving such notifications.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2024, the Company, through its wholly-owned subsidiary, purchased on the Stock Exchange the initial 7.375% USD Senior Guaranteed Perpetual Capital Notes in the aggregate principal amount of USD4,000,000 (for an aggregate consideration of USD3,968,000) and subsequently sold on the Stock Exchange for an aggregate consideration of USD3,948,000.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the six months ended 30 September 2024.

As at 30 September 2024, there were no treasury shares held by the Company.

### AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Wai Hon Ambrose LAM, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK, has reviewed the accounting principles, standards and practices adopted by the Company, and discussed matters relating to auditing, risk management and internal control and financial reporting, including the review of the unaudited consolidated interim results of the Group for the six months ended 30 September 2024.

**Other Information****CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement of the Interim Dividend, the Register of Members of the Company will be closed from Monday, 30 December 2024 to Thursday, 2 January 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Interim Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 27 December 2024.

By order of the Board of  
**Far East Consortium International Limited**  
**Wai Hung Boswell CHEUNG**  
*Company Secretary*

Hong Kong, 28 November 2024

# Report on Review of Condensed Consolidated Financial Statements

# Deloitte.

# 德勤

TO THE BOARD OF DIRECTORS OF  
FAR EAST CONSORTIUM INTERNATIONAL LIMITED

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Far East Consortium International Limited (the "Company") and its subsidiaries set out on pages 57 to 88, which comprise the condensed consolidated statement of financial position as of 30 September 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

28 November 2024

# Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2024

	NOTES	Six months ended	
		30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Revenue	5	5,171,742	6,362,351
Cost of sales and services		(3,439,682)	(4,093,029)
Depreciation and impairment of hotel and car park assets		(226,658)	(227,247)
Gaming tax		(71,727)	(67,351)
Gross profit		1,433,675	1,974,724
Other income		48,156	90,544
Other gains and losses	6	(535,429)	25,477
Administrative expenses			
– Hotel operations and management		(241,297)	(240,907)
– Others		(343,643)	(335,451)
Pre-operating expenses			
– Hotel operations and management		(14,217)	(8,892)
Professional fees in relation to listing of a subsidiary		(1,949)	(14,452)
Selling and marketing expenses		(269,769)	(427,756)
Share of results of associates		(33,932)	618
Share of results of joint ventures		(207,067)	(11,915)
Finance costs	7	(496,598)	(514,568)
(Loss) profit before tax		(662,070)	537,422
Income tax expense	8	(2,029)	(194,403)
(Loss) profit for the period	9	(664,099)	343,019
Attributable to:			
Shareholders of the Company		(769,907)	232,238
Owners of perpetual capital notes		103,321	103,836
Other non-controlling interests		2,487	6,945
		105,808	110,781
		(664,099)	343,019
(Loss) earnings per share	10		
– Basic (HK cents)		(27.3)	8.6
– Diluted (HK cents)		(27.3)	8.6

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
(Loss) profit for the period	<b>(664,099)</b>	343,019
Other comprehensive income (expense) for the period		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<b>944,000</b>	(1,033,433)
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of a foreign operation	–	(8,485)
Fair value change on debt instruments at fair value through other comprehensive income ("FVTOCI")	<b>67</b>	(39,061)
Reclassification adjustment on disposal of debt instruments at FVTOCI	<b>21,122</b>	25,619
Impairment loss under expected credit loss ("ECL") model recognised on debt instruments at FVTOCI	<b>9,372</b>	–
Share of other comprehensive expense of an associate	<b>(12,248)</b>	(275)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value change on equity instruments at FVTOCI	<b>(120,895)</b>	(296,175)
Other comprehensive income (expense) for the period	<b>841,418</b>	(1,351,810)
Total comprehensive income (expense) for the period	<b>177,319</b>	(1,008,791)
Total comprehensive income (expense) attributable to:		
Shareholders of the Company	<b>68,964</b>	(1,100,484)
Owners of perpetual capital notes	<b>103,321</b>	103,836
Other non-controlling interests	<b>5,034</b>	(12,143)
	<b>108,355</b>	91,693
	<b>177,319</b>	(1,008,791)

# Condensed Consolidated Statement of Financial Position

At 30 September 2024

	NOTES	30.9.2024 HK\$'000 (unaudited)	31.3.2024 HK\$'000 (audited)
<b>Non-current Assets</b>			
Investment properties	12	6,080,382	6,100,783
Property, plant and equipment	12	12,937,663	12,248,060
Goodwill		68,400	68,400
Interests in associates		1,909,746	1,704,157
Interests in joint ventures		2,501,501	2,530,500
Investment securities	13	427,933	554,408
Deposits for acquisition of property, plant and equipment		91,981	90,451
Amounts due from joint ventures		2,184,933	2,029,315
Amounts due from associates		103,270	67,838
Amount due from an investee company		119,995	119,995
Loan receivables		645,607	178,591
Pledged deposits	20	5,043	4,832
Deferred tax assets		183,585	177,425
Other assets		26,050	26,255
Other receivables	14 (a)	41,515	73,365
Restricted bank deposits		17,911	–
		<b>27,345,515</b>	<b>25,974,375</b>
<b>Current Assets</b>			
Properties for sale			
Completed properties		4,704,954	4,874,765
Properties under development		8,248,178	9,277,662
Other inventories		15,697	13,971
Debtors, deposits and prepayments	14 (a)	925,411	779,583
Customers' deposits under escrow		442,807	335,978
Contract assets	14 (b)	583,550	927,500
Contract costs		175,051	189,621
Amounts due from joint ventures		130,528	247,384
Amounts due from associates		10,427	63,604
Amount due from a shareholder of non-wholly owned subsidiary		23,839	22,739
Amount due from a related company		44,565	39,914
Tax recoverable		125,501	92,166
Investment securities	13	1,075,945	1,187,529
Loan receivables		18,479	5,643
Derivative financial instruments		712	235
Restricted bank deposits		209,325	444,919
Pledged deposits	20	116,853	50,088
Cash and cash equivalents		2,740,707	2,733,621
		<b>19,592,529</b>	<b>21,286,922</b>

## Condensed Consolidated Statement of Financial Position

At 30 September 2024

	NOTES	30.9.2024 HK\$'000 (unaudited)	31.3.2024 HK\$'000 (audited)
<b>Current Liabilities</b>			
Creditors and accruals	15	1,951,789	1,952,999
Contract liabilities		676,391	779,426
Lease liabilities		50,910	49,194
Amount due to a related company		1,123	1,059
Amounts due to associates		7,352	6,357
Amounts due to joint ventures		185,508	158,391
Amounts due to shareholders of non-wholly owned subsidiaries		32,640	170,980
Tax payable		333,543	359,504
Dividend payable		281,760	–
Bank and other borrowings	17	12,573,314	12,673,820
		<b>16,094,330</b>	16,151,730
<b>Net Current Assets</b>		<b>3,498,199</b>	5,135,192
<b>Total Assets less Current Liabilities</b>		<b>30,843,714</b>	31,109,567
<b>Non-current Liabilities</b>			
Lease liabilities		313,684	317,143
Notes	16	476,130	475,771
Bank and other borrowings	17	14,597,129	14,612,250
Deferred tax liabilities		766,965	828,820
Other liabilities		1,551	4,239
		<b>16,155,459</b>	16,238,223
<b>Net Assets</b>		<b>14,688,255</b>	14,871,344
<b>Capital and Reserves</b>			
Share capital	18	281,760	281,760
Share premium		4,880,059	4,880,059
Reserves		6,316,908	6,518,146
Equity attributable to shareholders of the Company		<b>11,478,727</b>	11,679,965
Owners of perpetual capital notes	19	2,902,589	2,903,198
Other non-controlling interests		306,939	288,181
		<b>3,209,528</b>	3,191,379
<b>Total Equity</b>		<b>14,688,255</b>	14,871,344

The condensed consolidated financial statements on pages 57 to 88 were approved and authorised for issue by the Board of Directors on 28 November 2024 and are signed on its behalf by:

**DAVID CHIU**  
DIRECTOR

**WING KWAN WINNIE CHIU**  
DIRECTOR

**JENNIFER WENDY CHIU**  
DIRECTOR

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to shareholders of the Company									Owners of			Sub-total	Total
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	FVTOCI reserve	Exchange reserve	Hedging reserve	Other reserve	Retained profits	Total	perpetual capital notes	Other non-controlling interests		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023	270,591	4,712,161	35,964	54,727	(999,049)	(2,118,154)	103,016	727,549	9,568,360	12,355,165	2,903,563	389,484	3,293,047	15,648,212
Profit for the period	-	-	-	-	-	-	-	-	232,238	232,238	103,836	6,945	110,781	343,019
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(1,014,345)	-	-	-	(1,014,345)	-	(19,088)	(19,088)	(1,033,433)
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of foreign operation	-	-	-	-	-	(8,485)	-	-	-	(8,485)	-	-	-	(8,485)
Fair value change on debt instruments at FVTOCI	-	-	-	-	(39,061)	-	-	-	-	(39,061)	-	-	-	(39,061)
Reclassification adjustment on disposal of debt instruments at FVTOCI	-	-	-	-	25,619	-	-	-	-	25,619	-	-	-	25,619
Fair value change on equity Instruments at FVTOCI	-	-	-	-	(296,175)	-	-	-	-	(296,175)	-	-	-	(296,175)
Share of other comprehensive expense of an associate	-	-	-	-	-	-	(275)	-	-	(275)	-	-	-	(275)
Other comprehensive expense for the period	-	-	-	-	(309,617)	(1,022,830)	(275)	-	-	(1,332,722)	-	(19,088)	(19,088)	(1,351,810)
Total comprehensive (expense) income for the period	-	-	-	-	(309,617)	(1,022,830)	(275)	-	232,238	(1,100,484)	103,836	(12,143)	91,693	(1,008,791)
Distribution to owners of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(104,080)	-	(104,080)	(104,080)
Dividend to non-controlling interest (Note i)	-	-	-	-	-	-	-	-	-	-	-	(226,980)	(226,980)	(226,980)
Dividends recognised as distribution (note 11)	-	-	-	-	-	-	-	-	(270,591)	(270,591)	-	-	-	(270,591)
Acquisition of additional interest in a non-controlling interest (Note ii)	-	-	-	-	-	(427)	-	23,399	(2,569)	20,403	-	(20,403)	(20,403)	-
At 30 September 2023 (unaudited)	270,591	4,712,161	35,964	54,727	(1,308,666)	(3,141,411)	102,741	750,948	9,527,438	11,004,493	2,903,319	129,958	3,033,277	14,037,770

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to shareholders of the Company										Owners of		Sub-total	Total
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	FVTOCI reserve	Exchange reserve	Hedging reserve	Other reserve	Retained profits	Total	perpetual capital notes	Other non-controlling interests		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	281,760	4,880,059	35,964	54,727	(1,251,777)	(2,765,993)	70,908	964,380	9,409,937	11,679,965	2,903,198	288,181	3,191,379	14,871,344
(Loss) profit for the period	-	-	-	-	-	-	-	-	(769,907)	(769,907)	103,321	2,487	105,808	(664,099)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	941,453	-	-	-	941,453	-	2,547	2,547	944,000
Fair value change on debt instruments at FVTOCI	-	-	-	-	67	-	-	-	-	67	-	-	-	67
Reclassification adjustment on disposal of debt instruments at FVTOCI	-	-	-	-	21,122	-	-	-	-	21,122	-	-	-	21,122
Impairment loss recognised on debt instruments at FVTOCI	-	-	-	-	9,372	-	-	-	-	9,372	-	-	-	9,372
Fair value change on equity instruments at FVTOCI	-	-	-	-	(120,895)	-	-	-	-	(120,895)	-	-	-	(120,895)
Share of other comprehensive expense of an associate	-	-	-	-	-	-	(12,248)	-	-	(12,248)	-	-	-	(12,248)
Other comprehensive (expense) income for the period	-	-	-	-	(90,334)	941,453	(12,248)	-	-	838,871	-	2,547	2,547	841,418
Total comprehensive (expense) income for the period	-	-	-	-	(90,334)	941,453	(12,248)	-	(769,907)	68,964	103,321	5,034	108,355	177,319
Distribution to owners of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(103,930)	-	(103,930)	(103,930)
Dividends recognised as distribution (note 11)	-	-	-	-	-	-	-	-	(281,760)	(281,760)	-	-	-	(281,760)
Partial disposal of equity interest in subsidiaries without loss of control (Note iii)	-	-	-	-	-	-	-	11,558	-	11,558	-	13,724	13,724	25,282
At 30 September 2024 (unaudited)	281,760	4,880,059	35,964	54,727	(1,342,111)	(1,824,540)	58,660	975,938	8,358,270	11,478,727	2,902,589	306,939	3,209,528	14,688,255

### Notes:

- (i) For the six months ended 30 September 2023, a non-wholly owned subsidiary of the Company settled dividend payable amounting approximately SGD39 million (equivalent to approximately HK\$227 million) through current account with its non-controlling shareholder.
- (ii) On 26 June 2023, FEC Care Park Holdings (Australia) Pty Ltd ("FEC Care Park"), an indirect wholly-owned subsidiary of the Group entered into the settlement deeds with various parties to dismiss the claims under legal proceedings, pursuant to which effective interest in Care Park Group Pty Ltd was increased from 77.75% to 90.41%. Details are set out in the Company's announcement dated 26 June 2023.
- (iii) Upon the exercise of over-allotment option in relation to the global offerings of Palasino Holdings Limited ("Palasino"), a non-wholly owned subsidiary of the Group, on 23 April 2024, that resulted in a disposal of additional 1.1% equity interests of Palasino, and a credit balance of HK\$11,558,000 has been recognised in other reserves representing net proceeds from the exercise of over-allotment option over the net asset value of Palasino attributable to non-controlling shareholders as at 23 April 2024.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	NOTE	Six months ended	
		30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
<b>Operating activities</b>			
(Loss) profit before tax		<b>(662,070)</b>	537,422
Adjustments for:			
Share of results of joint ventures		<b>207,067</b>	11,915
Share of results of associates		<b>33,932</b>	(618)
Depreciation of property, plant and equipment		<b>234,967</b>	234,824
Change in fair value of investment properties		<b>132,649</b>	(40,207)
Loss on disposal of debt instruments at FVTOCI		<b>21,122</b>	25,619
Gain on disposal of subsidiaries	6	<b>-</b>	(41,344)
Impairment loss under ECL model recognised on debt instruments at FVTOCI		<b>9,372</b>	-
Impairment loss on interest in an associate		<b>204,385</b>	-
Finance costs		<b>496,598</b>	514,568
Others		<b>1,243</b>	26,380
Operating cash flows before movement from working capital		<b>679,265</b>	1,268,559
Decrease in properties for sale		<b>2,124,785</b>	2,522,944
(Increase) decrease in debtors, deposits and prepayments		<b>(139,612)</b>	122,053
(Increase) decrease in loan receivables		<b>(448,001)</b>	31,724
Decrease (increase) in contract assets		<b>388,803</b>	(711,640)
Decrease in contract costs		<b>23,428</b>	107,421
Increase in creditors and accruals		<b>106,045</b>	159,396
(Increase) decrease in customers' deposits under escrow		<b>(89,108)</b>	19,842
(Decrease) increase in contract liabilities		<b>(135,190)</b>	73,211
Cash from operations		<b>2,510,415</b>	3,593,510
Income tax paid		<b>(155,128)</b>	(419,054)
<b>Net cash from operating activities</b>		<b>2,355,287</b>	3,174,456

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	NOTE	Six months ended	
		30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
<b>Investing activities</b>			
Acquisition and development expenditure of property, plant and equipment		(602,502)	(489,133)
Proceeds from disposal of property, plant and equipment		195,004	95,618
Acquisition and development expenditure of investment properties		(148,566)	(548,680)
Proceeds from disposal of investment properties		10,022	553
Capital investment in joint ventures		(75,927)	(142,465)
Capital investment in an associate		(367,519)	–
Dividend income received from joint ventures		–	9,224
Advance to joint ventures		(149,485)	(92,408)
Repayment from joint ventures		99,377	47,765
Return of capital from a joint venture		–	18,504
Purchase of equity investments at fair value through profit or loss ("FVTPL")		(298,682)	(2,545)
Proceeds from disposal of equity investments at FVTPL		305,631	723
Purchase of equity investments at FVTOCI		–	(207,592)
Purchase of debt instruments at FVTOCI		(50,282)	(491,714)
Proceeds from sale/redemption of debt instruments at FVTOCI		225,406	495,062
Proceeds from sale of debt instruments at FVTPL		–	46,255
Purchase of investment funds		(109,045)	(155,982)
Proceeds from sale of investment funds		79,760	94,497
Net cash inflow on disposal of subsidiaries	14 (a)	–	88,651
Placement of pledged bank deposits		(64,788)	(47,342)
Release of pledged bank deposits		464	680,363
Placement of restricted bank deposits		(17,753)	–
Release of restricted bank deposits		247,990	–
Other investing activities		20,321	(50,979)
<b>Net cash used in investing activities</b>		<b>(700,574)</b>	<b>(651,625)</b>

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
<b>Financing activities</b>		
New bank and other borrowings raised	5,896,937	4,813,710
Repayment of bank and other borrowings	(6,536,201)	(6,810,423)
Repurchase of notes	-	(41,030)
Repayment of notes	-	(1,018,955)
Interest paid	(911,313)	(987,330)
Repayment of lease liabilities	(48,773)	(26,973)
Distribution to owners of perpetual capital notes	(103,930)	(104,080)
Proceeds from disposal of partial interest in Palasino	25,282	-
Repayment to shareholders of non-wholly owned subsidiaries	(143,592)	(159)
Other financing activities	18,410	25,303
<b>Net cash used in financing activities</b>	<b>(1,803,180)</b>	<b>(4,149,937)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(148,467)</b>	<b>(1,627,106)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>2,733,621</b>	<b>4,431,485</b>
Effect of foreign exchange rate changes	155,553	(105,491)
<b>Cash and cash equivalents at end of the period</b>	<b>2,740,707</b>	<b>2,698,888</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	2,740,707	2,698,888

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The shares of the company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

## 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 3. PRINCIPAL ACCOUNTING POLICIES (continued)

#### Application of amendments to HKFRSs (continued)

*Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")*

The Group has applied the amendments retrospectively and the application of these amendments in the current period has the following impacts on borrowings which are subject to meeting certain covenants within 12 months from reporting date.

The Group's right to defer settlement for certain borrowings are subject to compliance with certain financial ratios only after the reporting period. Upon the application of the 2022 Amendments, such borrowings are still classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date.

The application of the 2020 and 2022 Amendments has no other material impact on the classification of the Group's other liabilities.

### 4. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision makers. Information reported to the Group's chief operating decision makers, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the different management teams of the related business operations by various geographical locations stated as below:

- Property development (including investment properties developed and managed by the same management team)
- Property investment
- Hotel operations and management (including the investment properties which are an integral part of the hotel buildings and which are managed by the hotel management team as well as securities investments made and monitored by the same team)
- Car park operations and facilities management
- Gaming operations (including investment in The Star Entertainment Group which is engaged in the gaming business in Australia and is classified as equity instruments at FVTOCI)
- Securities and financial product investments
- Provision of mortgage services (including securities investment made and monitored by the same team)

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 4. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Segment revenue		Segment profit (loss)	
	Six months ended 30.9.2024 HK\$'000 (unaudited)	Six months ended 30.9.2023 HK\$'000 (unaudited)	Six months ended 30.9.2024 HK\$'000 (unaudited)	Six months ended 30.9.2023 HK\$'000 (unaudited)
Property development				
– Australia	846,428	3,043,190	42,117	665,864
– Hong Kong (“HK”) (note 1)	897,672	12,409	39,199	(4,101)
– Malaysia	–	8,185	33,676	2,878
– Other regions in the People’s Republic of China excluding HK (“PRC”)	4,847	41,219	(7,703)	24,348
– Singapore	574,479	1,208,943	51,520	69,051
– United Kingdom (“UK”)	1,196,011	432,101	180,124	97,128
	<b>3,519,437</b>	4,746,047	<b>338,933</b>	855,168
Property investment				
– Australia	13,835	9,823	11,923	21,235
– HK	21,910	19,556	(48,352)	50,583
– PRC	19,971	21,006	(64,135)	2,212
– UK	3,751	3,893	4,156	4,219
	<b>59,467</b>	54,278	<b>(96,408)</b>	78,249
Hotel operations and management				
– Australia	257,308	207,784	(34,683)	(63,473)
– HK	292,242	338,098	(63,640)	50,982
– Malaysia	87,788	74,092	18,223	12,934
– PRC	109,007	115,933	11,892	13,356
– Singapore	58,239	66,484	15,793	32,361
– UK	86,050	79,804	10,710	(12,030)
– Europe (other than UK)	85,974	84,008	8,755	(1,566)
	<b>976,608</b>	966,203	<b>(32,950)</b>	32,564
Car park operations and facilities management				
– Australia and New Zealand	288,879	273,134	38,374	51,523
– UK	59,502	56,617	(13,578)	2,538
– Europe	17,449	16,851	(1,523)	357
– Malaysia	14,182	9,498	524	(866)
	<b>380,012</b>	356,100	<b>23,797</b>	53,552
Gaming operations				
– Australia (note 2)	–	–	(237,860)	(8)
– Czech Republic	196,118	194,279	41,632	34,138
	<b>196,118</b>	194,279	<b>(196,228)</b>	34,130
Securities and financial product investments in HK	13,595	16,690	6,178	(35,749)
Provision of mortgage services				
– Australia	17,267	24,325	19,978	23,037
– HK	9,238	4,429	9,133	3,952
	<b>26,505</b>	28,754	<b>29,111</b>	26,989
Segment revenue/segment profit (loss)	<b>5,171,742</b>	6,362,351	<b>72,433</b>	1,044,903
Unallocated corporate income and expenses and other gains and losses			(71,247)	11,188
Net foreign exchange loss			(166,658)	(4,101)
Finance costs			(496,598)	(514,568)
(Loss) profit before tax			<b>(662,070)</b>	537,422

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 4. SEGMENT INFORMATION (continued)

notes:

1. Included in the segment profit of HK is a write-down of properties for sale of approximately HK\$217,125,000 (2023: Nil) recorded by a joint venture, which is engaged in property development in HK, and shared by the Group.
2. Included in the segment loss of Australia is an impairment loss of approximately HK\$204,385,000 (2023: Nil) recognised in respect of an interest in associate, which is engaged in gaming operations in Australia due to the proposed change of gaming regulations during the current interim period. Further details are stated in Note 6.

None of the segments derived any revenue from transactions with other segments.

No revenue from any single customer contributed over 10% of the total revenue of the Group.

Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, certain bank interest income, other interest income, other gains and losses, net foreign exchange loss, professional fees in relation to listing of a subsidiary, directors' emoluments and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Certain comparative information in respect of revenue and gaming tax under gaming operations has been re-presented to conform with current period presentation.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 4. SEGMENT INFORMATION (continued)

#### Segment assets

The following is an analysis of the Group's assets by reportable segment as at the end of the reporting period. Segment assets represent assets held by each segment without allocation of certain assets, which are mainly cash and cash equivalents.

	As at 30.9.2024 HK\$'000 (unaudited)	As at 31.3.2024 HK\$'000 (audited)
Property development		
– Australia	5,548,802	5,695,432
– HK	5,511,775	6,081,607
– Malaysia	332,169	274,991
– PRC	2,567,777	2,550,819
– Singapore	744,040	1,476,379
– UK	6,470,568	6,361,188
	<b>21,175,131</b>	22,440,416
Property investment		
– Australia	404,600	399,034
– HK	3,194,146	3,228,751
– PRC	5,482	7,492
– UK	37,503	35,158
	<b>3,641,731</b>	3,670,435
Hotel operations and management		
– Australia	5,013,942	4,717,376
– HK	5,150,681	5,179,408
– Malaysia	766,376	675,413
– PRC	2,029,290	2,095,070
– Singapore	600,431	542,263
– UK	1,543,841	1,116,254
– Europe (other than UK)	319,423	306,774
	<b>15,423,984</b>	14,632,558
Car park operations and facilities management		
– Australia and New Zealand	895,596	885,344
– Europe	147,422	306,886
– Malaysia	130,465	128,240
	<b>1,173,483</b>	1,320,470
Gaming operations		
– Australia	127,372	235,298
– Czech Republic	171,825	139,086
	<b>299,197</b>	374,384
Securities and financial product investments in HK	<b>941,820</b>	1,071,505
Provision of mortgage services		
– Australia	629,594	602,601
– HK	666,262	186,142
	<b>1,295,856</b>	788,743
Segment assets	<b>43,951,202</b>	44,298,511
Unallocated corporate assets	<b>2,986,842</b>	2,962,786
Total assets	<b>46,938,044</b>	47,261,297

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 4. SEGMENT INFORMATION (continued)

#### Segment assets (continued)

Certain comparative information in respect of property development in Malaysia, property investment in HK and hotel operations and management in Malaysia and Hong Kong has been re-presented to conform with current period presentation.

Information about segment liabilities are not regularly reviewed by the chief operating decision makers. Accordingly, segment liabilities information is not presented.

### 5. REVENUE

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Sales of properties	3,458,538	4,676,585
Construction revenue	47,910	54,875
Hotel revenue		
– room revenue	844,918	838,997
– food and beverage	66,940	82,944
Car park income		
– parking revenue	320,906	311,579
– management fee	60,082	45,506
Gaming revenue	196,118	194,279
Provision of property management services	23,650	12,636
Other operations	15,972	7,757
<b>Revenue from contracts with customers</b>	<b>5,035,034</b>	<b>6,225,158</b>
Leasing of properties – operating lease	94,529	91,749
Loan interest income	9,238	4,429
Interest income from financial instruments	29,442	40,222
Dividend income from financial instruments	3,499	793
	<b>5,171,742</b>	<b>6,362,351</b>
Timing of revenue recognition from contracts with customers		
– At a point in time	3,737,568	3,752,622
– Over time	1,297,466	2,472,536
	<b>5,035,034</b>	<b>6,225,158</b>

The disaggregation of revenue by geographical location is consistent with the segment disclosures under Note 4.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 5. REVENUE (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amount disclosed in the segment information.

	For the six months ended 30 September 2024				
	Segment revenue HK\$'000	Leasing of properties and car park income HK\$'000	Food and beverage HK\$'000	Interest and dividend income HK\$'000	Consolidation HK\$'000
Property development*	3,519,437	(12,989)	-	-	3,506,448
Hotel operations	976,608	(48,778)	(82,912)	-	844,918
Car park operations	380,012	976	-	-	380,988
Gaming operations	196,118	-	-	-	196,118
Provision of property management services	-	23,650	-	-	23,650
Food and beverage	-	-	66,940	-	66,940
Other operations	-	-	15,972	-	15,972
<b>Revenue from contracts with customers</b>	<b>5,072,175</b>	<b>(37,141)</b>	<b>-</b>	<b>-</b>	<b>5,035,034</b>
Leasing of properties	59,467	37,141	-	(2,079)	94,529
Provision of mortgage services	26,505	-	-	(17,267)	9,238
Interest income and dividend income from financial instruments	13,595	-	-	19,346	32,941
<b>Total revenue</b>	<b>5,171,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,171,742</b>

	For the six months ended 30 September 2023				
	Segment revenue HK\$'000	Leasing of properties and car park income HK\$'000	Food and beverage HK\$'000	Interest and dividend income HK\$'000	Consolidation HK\$'000
Property development*	4,746,047	(14,587)	-	-	4,731,460
Hotel operations	966,203	(36,505)	(90,701)	-	838,997
Car park operations	356,100	985	-	-	357,085
Gaming operations	194,279	-	-	-	194,279
Provision of property management services	-	12,636	-	-	12,636
Food and beverage	-	-	82,944	-	82,944
Other operations	-	-	7,757	-	7,757
<b>Revenue from contracts with customers</b>	<b>6,262,629</b>	<b>(37,471)</b>	<b>-</b>	<b>-</b>	<b>6,225,158</b>
Leasing of properties	54,278	37,471	-	-	91,749
Provision of mortgage services	28,754	-	-	(24,325)	4,429
Interest income and dividend income from financial instruments	16,690	-	-	24,325	41,015
<b>Total revenue</b>	<b>6,362,351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,362,351</b>

\* Revenue from property development includes sales of properties and construction revenue.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 6. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Change in fair value of investment properties	(132,649)	40,207
Loss on disposal of debt instruments at FVTOCI	(21,122)	(25,619)
Gain on disposal of subsidiaries	-	41,344
Change in fair value of financial assets at FVTPL	2,013	(48,753)
Change in fair value of derivative financial instruments	44	1,589
Gain on disposal of property, plant and equipment	2,168	29,463
Net foreign exchange loss	(166,658)	(4,101)
Reversal of impairment loss on property, plant and equipment	-	26
Impairment loss under ECL model recognised on debt instruments at FVTOCI	(9,372)	-
Impairment loss under ECL model recognised on trade debtors	(5,468)	(8,679)
Impairment loss on interest in an associate (Note)	(204,385)	-
	<b>(535,429)</b>	25,477

Note: The recoverable amount of interest in an associate, namely, Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd ("DBC") is derived by a valuation prepared by the management and based on financial budgets approved by the board of directors of DBC. As the recoverable amount of the interest is less than its carrying amount, impairment loss on interest in DBC of approximately HK\$204,385,000 has been recognised during the six months ended 30 September 2024 (2023: Nil).

## 7. FINANCE COSTS

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Interest on:		
Bank borrowings	856,988	871,360
Other loans	34	2,156
Interest on notes	12,826	93,296
Interest on lease liabilities	7,463	5,831
Amortisation of front-end fee	14,939	15,058
Others	4,689	11,161
Total interest costs	<b>896,939</b>	998,862
Less: amounts capitalised to:		
– properties for sale (properties under development)	(304,748)	(417,176)
– owners' occupation (properties, plant and equipment)	(95,593)	(67,118)
	<b>496,598</b>	514,568

Borrowing costs capitalised during the period which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 5.1% to 9.5% (six months ended 30.9.2023: 4.5% to 5.6%) per annum to expenditure on the qualifying assets.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 8. INCOME TAX EXPENSE

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
The income tax expense (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	62,580	36,601
PRC Enterprise Income Tax ("PRC EIT")	6,783	6,678
PRC Land Appreciation Tax ("PRC LAT")	41	3,582
Australia Income Tax	–	172,762
Malaysia Income Tax	2,029	1,404
Singapore Income Tax	–	3,411
UK income tax	–	33,554
Czech Republic Income Tax	6,173	9,269
	<b>77,606</b>	267,261
Dividend withholding tax and interest withholding tax	<b>7,656</b>	78,669
Under (over) provision in prior years:		
Hong Kong Profits Tax	4,256	3,707
Australia Income Tax	(2,141)	–
Malaysia Income Tax	(566)	–
	<b>86,811</b>	349,637
Deferred taxation	<b>(84,782)</b>	(155,234)
	<b>2,029</b>	194,403

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period of each individual company comprising the Group less tax losses brought forward where applicable.

PRC EIT is calculated in accordance with the EIT Law and Implementation Regulations of the EIT Law at the rate of 25%.

PRC LAT is levied at the deemed levying rates in accordance with the relevant PRC tax laws and regulations.

The domestic statutory tax rate of Australia, Malaysia, Singapore, UK and Czech Republic is 30%, 24%, 17%, 25% and 21% (31.3.2024: 30%, 24%, 17%, 25% and 19%) of the estimated assessable profit, respectively.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 9. (LOSS) PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
(Loss) profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment (including depreciation of leased properties of HK\$25,769,000 (six months ended 30.9.2023: HK\$26,645,000))	234,967	234,824
and after crediting (included in other income):		
Bank interest income	16,664	33,534
Government grants	59	120

## 10. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the shareholders of the Company is based on the consolidated loss for the period attributable to the shareholders of the Company of HK\$769,907,000 (six months ended 30.9.2023: profit for the period attributable to the shareholders of the Company of HK\$232,238,000) and the number of shares calculated as follows:

	Six months ended	
	30.9.2024 '000 (unaudited)	30.9.2023 '000 (unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share (Note)	2,817,604	2,705,905

Note: The impact on scrip dividend as detailed in Note 11 and over-allotment options granted by a subsidiary (2023: scrip dividend as detailed in Note 11) is immaterial to the Group's diluted loss per share (2023: diluted earnings per share) for the six months ended 30 September 2024.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 11. DIVIDENDS

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2024 of HK10 cents (six months ended 30 September 2023: final dividend for the year ended 31 March 2023 of HK10 cents) per share	281,760	270,591

The 2024 final dividend was declared and approved by shareholders, in the form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK\$1.0525 per share (six months ended 30.9.2023: HK\$1.7125 per share) which was the average of the closing prices per share for the four trading days up to and including 9 September 2024.

Subsequent to the end of the reporting period, the directors of the Company have determined that an interim dividend of HK1.0 cent (six months ended 30.9.2023: HK4.0 cents) per share, in an aggregate amount of approximately HK\$30,349,000 (2023: HK\$108,236,000) will be paid to the shareholders of the Company whose names appear in the Register of Members on 2 January 2025.

### 12. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 September 2024, the Group acquired certain property, plant and equipment amounting to HK\$113,570,000 (six months ended 30.9.2023: HK\$188,955,000), incurred development expenditure on certain hotel properties under development amounting to HK\$455,323,000 (six months ended 30.9.2023: HK\$245,272,000), reclassified from investment properties amounting to HK\$100,740,000 to property, plant and equipment (six months ended 30.9.2023: Nil) and disposed of certain property, plant and equipment amounting to HK\$192,836,000 (six months ended 30.9.2023: HK\$4,830,000) with proceed of HK\$195,004,000 (six months ended 30.9.2023: HK\$95,618,000) received.

During the period ended 30 September 2024, the Group has acquired investment properties amounted to HK\$3,871,000 (six months ended 30.9.2023: HK\$81,667,000) and incurred development expenditure of investment properties amounting to HK\$112,582,000 (six months ended 30.9.2023: HK\$516,592,000).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 12. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT *(continued)*

The fair value of the investment properties at 30 September 2024 and 31 March 2024 have been arrived at on the basis of valuations carried out on these date by the following independent firms of qualified professional valuers not connected to the Group:

Location of the investment properties	Independent qualified professional valuers	Qualification
Australia	CBRE Valuations Pty Limited Colliers International (WA) Pty Ltd.	Member of the Australian Property Institute
Czech Republic	Grant Thornton Appraisal Services a.s.	Qualified valuer registered based on the decision of the Minister of Justice of the Czech Republic
HK/PRC	Cushman & Wakefield Limited Knight Frank Petty Ltd.	Member of the Hong Kong Institute of Surveyors
Singapore	Savills Valuation and Professional Services (S) Pte. Ltd. Knight Frank Pte. Ltd.	Member of the Singapore Institute of Surveyors and Valuers
UK	Hallams Property Consultants LLP Thwaites Real Estate Ltd.	Royal Institution of Chartered Surveyors

The valuations of the completed investment properties, which falls under level 3 of the fair value hierarchy, was arrived at by reference to market unit rates which represent market evidence of transaction prices for similar properties at similar locations or by capitalisation of future rental which is estimated by reference to comparable rental as available in the relevant markets. In the valuation, the market rentals of all lettable units of the properties are made reference to the rentals achieved by the Group in the lettable units as well as those of similar properties in the neighbourhood. The capitalisation rate adopted is by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted for the valuer's knowledge of factors specific to the respective properties.

For investment properties under construction or development, which falls under level 3 of the fair value hierarchy, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for differences in locations and other factors specific to the respective properties based on the valuers' judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuers based on its analyses of recent land transactions and market value of similar completed properties in the respective locations.

The Group considers valuations of the Group's investment properties are the best estimate. Changes to the assumptions, including the potential risk of any market valuation, policy, geopolitical and social changes or other unexpected incident as a result of change in macroeconomic environment, increased complexity in international trade tensions, geopolitics changes in policy direction and/or mortgage requirement, or other unexpected incidents would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the condensed consolidated statement of profit or loss.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 13. INVESTMENT SECURITIES

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
(i) Financial assets at FVTPL		
(a) Investments held for trading		
Listed equity securities	<b>123,876</b>	134,007
(b) Equity instruments at FVTPL		
Unlisted equity securities	<b>61,701</b>	68,563
(c) Investment funds	<b>611,773</b>	573,582
	<b>797,350</b>	776,152
(ii) Financial assets at FVTOCI		
(a) Debt instruments at FVTOCI		
Listed debt securities	<b>247,191</b>	406,443
Unlisted debt securities	<b>331,965</b>	324,044
	<b>579,156</b>	730,487
(b) Equity instruments at FVTOCI		
Equity securities listed overseas	<b>127,372</b>	235,298
Total	<b>1,503,878</b>	1,741,937
	<b>30.9.2024</b> <b>HK\$'000</b>	31.3.2024 HK\$'000
Analysed for reporting purposes as:		
Non-current assets	<b>427,933</b>	554,408
Current assets	<b>1,075,945</b>	1,187,529
	<b>1,503,878</b>	1,741,937

Other than the investment held for trading, the classification of investment securities under current assets is based on the realisation plan of the investment securities estimated by the management to meet with the Group's cash outflow in coming next twelve months.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 14. DEBTORS, DEPOSITS AND PREPAYMENTS AND CONTRACT ASSETS

## (a) Debtors, deposits and prepayments

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
Trade debtors		
– Contracts with customers	<b>159,319</b>	149,690
– Lease receivables	<b>62,217</b>	68,252
Less: allowance for expected credit losses	<b>(84,468)</b>	(79,000)
	<b>137,068</b>	138,942
Utility and other deposits	<b>53,080</b>	30,672
Prepayment and other receivables	<b>283,029</b>	218,800
Other tax recoverable	<b>25,064</b>	15,529
Consideration receivables (note)	<b>468,685</b>	449,005
	<b>966,926</b>	852,948
Analysed for reporting purpose as:		
Non-current assets	<b>41,515</b>	73,365
Current assets	<b>925,411</b>	779,583
	<b>966,926</b>	852,948

## Notes:

- (i) On 15 May 2023, the Company has entered into a sale and purchase agreement with Alvord Global Limited (the "Purchaser"), whereby the Group has agreed to sell and the Purchaser has agreed to purchase the entire issued shares and paid-up shares of Well Distinct Limited and its subsidiaries, wholly owned subsidiaries of the Group, for an aggregate consideration of approximately MYR120,303,000 (equivalent to HK\$200,146,000), of which HK\$89,141,000 has been settled as at 31 March 2024 and the remaining considerations amounting to HK\$130,685,000 (31.3.2024: HK\$111,005,000) bearing interest at 4% per annum will be settled within 3 years from the date of the agreement, with HK\$89,170,000 (31.3.2024: HK\$37,640,000) being classified as current asset and HK\$41,515,000 (31.3.2024: HK\$73,365,000) being classified as non-current asset. The disposal has been completed on 27 September 2023. Subsequent to the end of reporting period, HK\$57,637,000 has been settled.
- (ii) Included in consideration receivables is HK\$338,000,000 (31.3.2024: HK\$338,000,000) being the consideration receivables in relation to the disposal of Sanon Limited completed on 28 March 2024. The amount is expected to be settled within one year and is classified as current asset.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 14. DEBTORS, DEPOSITS AND PREPAYMENTS AND CONTRACT ASSETS (continued)

#### (a) Debtors, deposits and prepayments (continued)

The following is an aged analysis of trade debtors and lease receivables, net of allowance for expected credit losses, based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date except lease receivables and receivables from sales of properties recognised over time:

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
0–60 days	<b>116,587</b>	131,293
61–90 days	<b>2,610</b>	1,449
Over 90 days	<b>17,871</b>	6,200
	<b>137,068</b>	138,942

Trade debtors mainly represent receivables from renting of properties, use of hotel facilities and sales of properties. Rentals are payable on presentation of demand notes. Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of 14 to 60 days to its corporate customers and travel agents.

Proceeds from sales of properties are settled according to the payment terms of the sale and purchase agreements.

#### (b) Contract assets

Contract assets represent the unbilled amount resulting from sale of properties recognised over time.

The contract assets relate to the Group's right to consideration for work performance and not billed because the right is conditional on the Group's future performance. The contract assets are transferred to trade debtors when the right becomes unconditional.

The Group's sales contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits of certain percentage of total contract sum as part of its credit risk management policies.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 15. CREDITORS AND ACCRUALS

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
Trade creditors		
– Construction cost and retention payable	<b>228,261</b>	296,914
– Others	<b>102,302</b>	111,735
	<b>330,563</b>	408,649
Construction cost and retention payable for capital assets	<b>661,096</b>	716,275
Rental deposits and rental receipts in advance	<b>95,136</b>	55,059
Other tax payables	<b>160,060</b>	110,757
Other payables and accrued charges	<b>704,934</b>	662,259
	<b>1,951,789</b>	1,952,999

The following is an aged analysis of the trade creditors, based on the invoice date:

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
0–60 days	<b>311,430</b>	400,133
61–90 days	<b>3,558</b>	363
Over 90 days	<b>15,575</b>	8,153
	<b>330,563</b>	408,649

## 16. NOTES

No issuance or settlement noted during the six months ended 30 September 2024.

During the prior interim period, notes with aggregate principal amount of USD150,000,000 with maturity date on 13 May 2023 to independent third party has been settled.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 17. BANK AND OTHER BORROWINGS

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
Bank loans	<b>27,138,141</b>	27,242,616
Other loans	<b>105,382</b>	100,551
	<b>27,243,523</b>	27,343,167
Less: front-end fee	<b>(73,080)</b>	(57,097)
	<b>27,170,443</b>	27,286,070
Analysed for reporting purpose as:		
Secured	<b>21,999,634</b>	20,885,883
Unsecured	<b>5,243,889</b>	6,457,284
	<b>27,243,523</b>	27,343,167
Current liabilities	<b>12,573,314</b>	12,673,820
Non-current liabilities	<b>14,597,129</b>	14,612,250
	<b>27,170,443</b>	27,286,070

	<b>Bank loans</b>		<b>Other loans</b>	
	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:				
Revolving loans without specified repayment terms and loans repayable within one year	<b>5,808,590</b>	5,010,805	<b>22,342</b>	21,831
More than one year, but not exceeding two years	<b>2,375,639</b>	3,419,441	-	-
More than two years, but not exceeding five years	<b>11,427,440</b>	10,563,496	<b>83,040</b>	-
More than five years	<b>711,010</b>	550,593	-	78,720
	<b>20,322,679</b>	19,544,335	<b>105,382</b>	100,551

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 17. BANK AND OTHER BORROWINGS (continued)

	Bank loans		Other loans	
	30.9.2024 HK\$'000 (unaudited)	31.3.2024 HK\$'000 (audited)	30.9.2024 HK\$'000 (unaudited)	31.3.2024 HK\$'000 (audited)
The carrying amounts of the borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:				
Within one year	4,830,147	5,726,722	–	–
More than one year, but not exceeding two years	1,787,401	261,294	–	–
More than two years, but not exceeding five years	71,239	1,594,723	–	–
More than five years	53,595	58,445	–	–
	6,742,382	7,641,184	–	–
	27,065,061	27,185,519	105,382	100,551

## 18. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Nominal value HK\$'000
Authorised	4,000,000,000	400,000
Issued and fully paid:		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	2,705,905,182	270,591
Issue of shares in lieu of cash dividend (note)	111,699,024	11,169
At 31 March 2024 (audited) and 30 September 2024 (unaudited)	2,817,604,206	281,760

Note: On 16 February 2024 and 24 October 2023, the Company issued and allotted 33,529,258 and 78,169,766 new fully paid shares of HK\$0.10 each at HK\$1.3480 and HK\$1.7125, respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2024 interim dividend and 2023 final dividend pursuant to the scrip dividend scheme announced by the Company on 3 January 2024 and 11 September 2023, respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 19. PERPETUAL CAPITAL NOTES

On 12 September 2019, 16 September 2019 and 24 February 2020, FEC Finance Limited ("FEC Finance"), an indirect wholly owned subsidiary of the Group, issued USD250,000,000, USD50,000,000 and USD60,000,000 7.375% guaranteed perpetual capital notes ("2019 Perpetual Capital Notes") at an issue price of 100 per cent of the aggregate nominal amount of the 2019 Perpetual Capital Notes. Any amount payable arising from distribution or redemption were unconditionally and irrevocably guaranteed by the Company under the USD1,000,000,000 guaranteed medium term note programme. Distribution on 2019 Perpetual Capital Notes are payable semi-annually in arrears on April and October each year ("Distributions Payment Date") and can be deferred at the discretion of FEC Finance and is not subject to any limit as to the number of times distributions. The 2019 Perpetual Capital Notes have no fixed maturity and are redeemable at FEC Finance's option on 18 October 2024 or any Distributions Payment Date at their principal amounts. While any distributions are unpaid or deferred, the Company cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Company.

During the current interim period, holders endorsed modifications to the provisions of the 2019 Perpetual Capital Notes. These changes allow FEC Finance to opt for redemption of a minimum cumulative principal of USD20,000,000 of the 2019 Perpetual Capital Notes. The redemption can be executed by providing the holders with an advance notification that is both non-revocable and falls within a timeframe of no fewer than 15 days and no more than 30 days prior to the redemption date, which is set on a specific date of each month at the discretion of FEC Finance. There is no redemption of 2019 Perpetual Capital Notes during the current interim period.

The 2019 Perpetual Capital Notes are classified as equity instrument. Any distributions made by FEC Finance to the holders are recognised in equity in the condensed consolidated financial statements of the Group.

### 20. CHARGE ON ASSETS

Bank borrowing of HK\$21,999,634,000 (31.3.2024: HK\$20,885,883,000) and lease liabilities of HK\$528,000 (31.3.2024: HK\$760,000) outstanding at the end of the reporting period are secured by a fixed charge over the following assets of the Group and together with a floating charge over other assets of the property owners and benefits accrued to those properties:

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
Investment properties	<b>3,506,561</b>	3,506,087
Property, plant and equipment (excluding right-of-use assets)	<b>7,547,786</b>	6,325,103
Right-of-use assets	<b>1,074,282</b>	1,075,265
Contract assets	<b>583,550</b>	–
Properties for sale	<b>9,647,728</b>	10,214,285
Pledged deposits	<b>121,896</b>	54,920
<b>Total</b>	<b>22,481,803</b>	21,175,660

In addition, the shares of certain subsidiaries are pledged as securities to obtain certain banking facilities granted to the Group at the end of the reporting periods.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 20. CHARGE ON ASSETS *(continued)*

#### Restrictions or covenants on leases

In addition to lease liabilities disclosed above, lease liabilities of HK\$364,066,000 (31.3.2024: HK\$365,577,000) are recognised with related right-of-use assets of HK\$266,792,000 (31.3.2024: HK\$282,371,000) as at 30 September 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

### 21. CAPITAL COMMITMENTS

	<b>30.9.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.3.2024 HK\$'000 (audited)
Capital expenditure contracted for but not provided in respect of:		
Acquisition, development and refurbishment of properties		
– hotel and office properties	<b>73,832</b>	98,302
– investment properties	<b>81,013</b>	235,829
Capital injection to investment funds	<b>55,860</b>	69,580
	<b>210,705</b>	403,711
The Group's share of the capital commitment relating to its joint ventures and associates, but not recognised at the end of the reporting date is as follows:		
Commitment to contribute funds for the acquisition, development and refurbishment of hotel properties	<b>706,360</b>	401,316
Commitment to provide a credit facility to a joint venture	<b>288,015</b>	272,968
	<b>994,375</b>	674,284

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 22. SIGNIFICANT RELATED PARTIES TRANSACTIONS

(a) During the period, the Group entered into the following transactions with related parties:

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Provision for sales and marketing services by a joint venture	672	623
Interest income from unlisted debt securities issued by a joint venture	17,267	24,325
Interest received from a joint venture	3,885	548
Hotel management service income from a joint venture	5,682	–
Hotel management service income from related companies	2,578	–

(b) The remuneration of directors and other members of key management during the period are as follows:

	Six months ended	
	30.9.2024 HK\$'000 (unaudited)	30.9.2023 HK\$'000 (unaudited)
Short-term benefits	6,489	8,254
Post-employment benefits	93	80
	<b>6,582</b>	<b>8,334</b>

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Certain financial instruments of the Group are measured at fair values at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that included inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

Financial assets (liabilities) included in the condensed consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30.9.2024 HK\$'000 (unaudited)	31.3.2024 HK\$'000 (audited)		
1a) Listed equity securities classified as financial assets at FVTPL	123,876	134,007	Level 1	Quoted bid prices in an active market.
1b) Listed equity securities classified as equity instruments at FVTOCI	127,372	235,298	Level 1	Quoted bid prices in an active market.
1c) Unlisted equity securities classified as financial assets at FVTPL	38,609	32,632	Level 2	Reference to market value provided by brokers/ financial institution.
1d) Unlisted equity securities classified as financial assets at FVTPL	23,092	35,931	Level 3	Market approach; price to earning ratio of market comparable companies ranging from 12 to 28 (31.3.2024: ranging from 11 to 23) and discount rate of lack of marketability 15.7% (31.3.2024:15.7%).
2a) Unlisted debt securities classified as financial assets at FVTOCI	331,965	324,044	Level 2	Reference to market value provided by brokers/ financial institution.
2b) Listed debt securities classified as financial assets at FVTOCI	247,191	406,443	Level 1	Quoted bid prices in an active market.
3a) Investment funds classified as financial assets at FVTPL	309,431	269,690	Level 1	Quoted bid prices in an active market.
3b) Investment funds classified as financial assets at FVTPL	24,657	19,605	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities) of the funds.
3c) Investment funds classified as financial assets at FVTPL	277,685	284,287	Level 3	Asset-based approach; net assets value HK\$254,162,000 (31.3.2024: HK\$253,763,000) and premium discount ratio ranging from -2.17% to 31.74% (31.3.2024: ranging from -5.55% to 31.31%).
4a) Interest rate swap contracts classified as derivative financial instruments	Assets - 712	Assets - 235	Level 2	Discounted cash flow.  Future cash flows are estimated based on interest rates (from observable interest rates at the end of the reporting period) and contracted forward interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between levels 1, 2 and 3 during the period ended 30 September 2024 and 30 September 2023.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

### 23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(continued)*

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis *(continued)*

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate to their fair value.

#### *Reconciliation of Level 3 fair value measurements of financial assets*

	Unlisted equity securities classified as financial assets at FVTPL HK\$'000	Investment funds classified as financial assets at FVTPL HK\$'000
As 1 April 2023	–	303,760
Addition	–	26,074
Disposal	–	(4,310)
Fair value movement	–	(27,520)
Exchange loss	–	(205)
As 30 September 2023	–	297,799
As 1 April 2024	35,931	284,287
Addition	–	4,247
Disposal	–	(7,819)
Fair value movement	(12,420)	(794)
Exchange loss	(419)	(2,236)
As 30 September 2024	23,092	277,685

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable input for any of the level 3 financial instruments of the Group, as the management considers that the exposure is insignificant to the Group.

### 24. EVENT AFTER THE REPORTING PERIOD

On 24 October 2024, the Company issued and allotted 217,261,550 new fully paid shares of HK\$0.10 each at HK\$1.0525 per share, to the shareholders who elected to receive shares in the Company in lieu of cash for the 2024 final dividend pursuant to the scrip dividend scheme announced by the Company on 17 September 2024. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.





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