FAR EAST CONSORTIUM INTERNATIONAL LIMITED
遠 東 發 展 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock Code: 35)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

BUSINESS UPDATE

- The global economy is currently experiencing an increase in interest rates and tightening monetary policy. The central banks of all major economies are taking decisive measures, raising interest rates aggressively and reducing liquidity in the financial system as a result. Although these measures are intended to reduce inflationary pressures, they have resulted in a slowdown of global economic growth and higher borrowing costs.

- Closer to Hong Kong, Mainland China's economy continues to face a number of challenges that are impeding its rebound past the COVID-19 pandemic. Whilst stimulative policies are being implemented, the full positive effects are yet to be felt.

- Despite the challenging backdrops, the Group has maintained its focus on executing its strategic goals of reducing debt levels and minimising finance costs. By adhering to a prudent financial approach, the Group has managed effectively its resources and mitigated potential risks. Once again, the Group's diversification and vigilance have been instrumental in successfully navigating through the six months ended 30 September 2023 ("1H FY2024"). These efforts have allowed the Group to adapt amidst volatile economic conditions.

- During 1H FY2024, revenue increased by 108% to approximately HK$6.3 billion as compared with that of the six months ended 30 September 2022 ("1H FY2023") and the Group's property, hotel and gaming divisions reported an increase in revenue.

* *For identification purposes only*

- The Group's revenue from property development recorded an increase of 217.1% to approximately HK$4.7 billion as compared to 1H FY2023 as West Side Place (Towers 3 and 4) in Melbourne was completed and started the handover since early April 2023 with strong settlement and revenue recorded. The Group continued the handover of MeadowSide (Plots 2 and 3) and New Cross Central in Manchester, and Hornsey Town Hall in London. Hyll on Holland in Singapore also contributed to revenue in 1H FY2024 which was recognised over time. These handovers are expected to continue by phases in the second half of the financial year ended 31 March 2024 ("2H FY2024").

- The Group remains prudent in replenishing its land bank in 1H FY2024. In August 2023, the Group was selected as preferred bidder by Greater Manchester Combined Authority and Trafford Metropolitan Borough Council to act as development partner to deliver a GBP300 million mixed-use development on the site of the former Greater Manchester Police Headquarters in Trafford, Greater Manchester. In August 2023, the Group also secured planning approval for 4,800 new homes as part of the next phase of the Victoria North development, together with Manchester City Council ("MCC").

- Cumulative attributable presales value of properties under development and unbooked contracted sales stood at approximately HK$14.1 billion as at 30 September 2023. The Group is actively selling its existing projects and expects to launch Kai Tak Residential in Hong Kong with a total expected attributable gross development value ("GDV") of approximately HK$6.6 billion in FY2025. The development schedule of the Group's projects remains largely intact. Several milestone projects are reaching the completion stage, such as Kai Tak Office in Hong Kong, Aspen at Consort Place in London, Victoria Riverside in Manchester, Queen's Wharf Residences (Tower 4) in Brisbane and Hyll on Holland in Singapore. They are expected to complete and handover in FY2025, which will provide significant revenue and cashflows.

- The Group continued its ongoing strategy of actively recycling non-core assets to reinvest in projects with higher internal rates of return and repay bank borrowings. In May 2023, the Group signed a contract to dispose of all the remaining 130 units of Dorsett Bukit Bintang via a block deal for approximately MYR120 million. Additionally, the Group appointed sales agents to sell the two Ritz-Carlton hotels in Australia in June 2023. The Group is also earmarked to dispose of the long-lease residential blocks in Baoshan, Shanghai. It is also in discussions to sell some other non-core assets.

- In June 2023, the Group, through its 25% owned joint venture, signed an agreement to sell the Sheraton Grand Mirage Resort on the Gold Coast, Australia for AUD192 million and the transaction was closed in November 2023 and it is expected to realise a pre-tax gain of HK$58 million. In August 2023, the Group executed a contract to sell an office building in London for approximately GBP8.2 million, which was acquired in April 2023 at GBP5.75 million. The disposal transaction is expected to be completed in 2H FY2024. The Group will lease back part of the office building as its London office after the transaction.

- For the Group's hotel operations, revenues increased by 3.4% to approximately HK$942 million as compared to 1H FY2023, which was primarily due to two new hotels openings during the period and Dao by Dorsett West London in London with full period contribution during the 1H FY2024. The hotel business in Mainland China has improved as travel restrictions were gradually lifted which increased the demand for hotel rooms. With Hong Kong's COVID-19 related quarantine policies being fully lifted in January 2023, Hong Kong hotel properties switched from serving quarantine guests during the 1H FY2023 to serving business and leisure travellers in 1H FY2024. The hotel business in Singapore, Malaysia and the United Kingdom ("UK") experienced growth momentum during the period and the two new hotels in Melbourne were in the ramp up phase.

- Ritz-Carlton Melbourne consisting of 257 rooms was opened on 23 March 2023 and Dorsett Melbourne consisting of 316 rooms was opened on 18 April 2023. These two newly launched hotels have marked contribution to the Group's hotel revenue growth during 1H FY2024. In the next 36 months, it is expected that the Group's hotel operations are set to achieve several significant milestones with the opening of upcoming hotel properties, such as Dorsett Kai Tak, Hong Kong, as well as Dao by Dorsett Hornsey, London and Dorsett Canary Wharf, London, that will be added to the Group's portfolio. As the global travel industry rebounded, these upcoming hotel properties are expected to make substantial contributions to the growth and profitability of the Group's recurring income businesses. With the increasing demand for travel and hospitality services, the Group is well-positioned to capitalise on these opportunities and further strengthen its presence in key markets.

- Revenue from car park operations and facilities management amounted to approximately HK$356 million, a decrease of 5.2% as compared with 1H FY2023. The decrease primarily attributed to our strategic initiative to phase out underperforming car parks from our portfolio and the sale of a New Zealand car park. Simultaneously, the Group embarked on portfolio enhancement efforts by introducing new, promising car parks. The Group's strategic focus remains firmly on reducing leverage, optimising operations, and enhancing operational efficiency while maintaining high levels of customer service. The Group has also actively pursued and secured additional car park and facilities management contracts, effectively expanding its portfolio. In line with our capital recycling strategy, the Group will divest some mature car parks to unlock capital for future investments and debt reductions.

- The revenue from the Group's gaming business rose by 14.0% in 1H FY2024 year-on-year to approximately HK$151 million (net of gaming tax). The Group's gaming business was branded under "Palasino" and has experienced recovery and continuous growth since the COVID-19 pandemic. The Group reactivated its online gaming licence in Malta recently and plans to soft launch its service in coming few months. In September 2023, Palasino Holdings Limited ("Palasino") submitted the listing application form (Form A1) to the Stock Exchange of Hong Kong Limited ("Stock Exchange") to apply for the listing of and permission to deal in the share(s) in the share capital of Palasino on the Main Board of the Stock Exchange. Upon the intended reorganisation for the intended listing, Palasino will become the holding company of the Group's gaming business in the Czech Republic and hotel business in the Czech Republic, Germany and Austria (including hotels under the Trans World Corporation brand) ("Palasino Group"). The Group currently has a 90% shareholding in Palasino Group and a pre-IPO investor holds a 10% stake. For details, please refer to the announcements of the Company dated 2 June 2023 and 27 September 2023. Upon completion of the spin-off and listing of Palasino (assuming the preferential offering are fully taken up by qualifying shareholders and the over-allotment option is not exercised), the Group will hold approximately 73.21% stake in Palasino.

- BC Investment Group Holdings Limited ("BC Invest") is a company in which the Group has a stake of approximately 53%, continued to grow in 1H FY2024. BC Invest successfully issued two residential mortgage-backed security ("RMBS") bonds that raised approximately AUD963 million in aggregate in 1H FY2024. As at 30 September 2023, loans and advances maintained at approximately AUD4.2 billion (as at 31 March 2023: AUD4.3 billion). Due to a rise in interest rates and a time-lagged effect on the increase of customers' borrowing rates, the net interest margin dropped to 1.23% (1H FY2023: 1.28%). However, this is expected to improve as new customers' borrowing rates come into effect. As at 30 September 2023, BC Invest managed a total assets under management ("AUM") of approximately AUD5.3 billion (as at 31 March 2023: AUD5.3 billion).

FINANCIAL HIGHLIGHTS

- During this period, the net profit attributable to shareholders decreased by 59.3% to approximately HK$232 million, the adjusted cash profit[i], a non-GAAP financial measure, decreased by 43.5% to approximately HK$507 million.

- The decrease in net profit attributable to shareholders was primarily due to (i) the rise in finance costs for 1H FY2024 to approximately HK$515 million; (ii) increase in selling and marketing expenses, largely due to recognition of sales commission upon the completion of West Side Place (Towers 3 and 4) in Melbourne and more aggressive marketing initiatives on various projects, to approximately HK$428 million; and (iii) non-recurring compensation income of approximately HK$475 million on the settlement agreement in 1H FY2023 which was not repeated in 1H FY2024, offset by higher operating income from property sales.

- Adjusting for the non-recurring compensation of approximately HK$475 million in 1H FY2023 and the listing expenses of Palasino of approximately HK$14 million in 1H FY2024, the Group's net profit attributable to shareholders increased by 159.1% and the adjusted cash profit[i], a non-GAAP financial measure, increased by 23.6%.

- Earnings per share in 1H FY2024 decreased by 59.8% to approximately HK8.6 cents. The declared interim dividend for 1H FY2024 was maintained at HK4.0 cents per share (1H FY2023: HK4.0 cents per share).

- The value of the Group's adjusted total equity[i], a non-GAAP financial measure, decreased by 4.9% to approximately HK$33,178 million as at 30 September 2023. This was mainly driven by the drop in the foreign exchange rates against the Hong Kong dollar.

- The Group has continued to closely manage its capital structure by refinancing some shorter-term debts via the bank market and actively monetising our non-core assets to lower the debt level. Adjusted net gearing ratio[i], a non-GAAP financial measure, stood at 73.2% and net debt to adjusted total assets[i], a non-GAAP financial measure, stood almost unchanged at 35.8% as at 30 September 2023. The Group will benefit from the net proceeds of settlements from completed projects and a number of non-core assets disposals.

- The Group's net debt dropped by HK$1.4 billion to approximately HK$24.3 billion as at 30 September 2023 compared with HK$25.7 billion as at 31 March 2023. The Group's liquidity position stood at approximately HK$4.6 billion, with a comfortable level of cash and marketable securities available as at 30 September 2023. Furthermore, the Group had 6 hotel properties unencumbered as at 30 September 2023 which are valued at approximately HK$1.7 billion based on independent valuation assessed as at 31 March 2023, as well as approximately HK$7.2 billion in unsold residential inventory as at 30 September 2023.

- Adjusted net asset value per share(i), a non-GAAP financial measure, decreased by 4.5% to HK$11.14 as at 30 September 2023 as compared to HK$11.67 as at 31 March 2023. The Group did not repurchase any shares of the Company in 1H FY2024.

POST PERIOD END EVENTS

- On 17 October 2023, BC Invest issued its ninth RMBS, raising AUD507 million which was backed by first mortgage loans to prime Australian resident borrowers, secured by mortgages over Australian residential properties.

- On 3 November 2023, the Group, through its 25% owned joint venture, completed the disposal of the Sheraton Grand Mirage Resort on the Gold Coast, Australia for AUD192 million and expected a pre-tax gain of approximately HK$58 million to be recognised in 2H FY2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") HIGHLIGHTS

- In line with the Group's sustainability governance, the ESG steering committee, reporting directly to the board of directors, has continued to guide the Group with clearly defined strategic goals. Additionally, it has established an ESG financing framework aimed at promoting the Group's green borrowings.

- In July 2023, the Group obtained its second sustainability-linked loan ("SLL") facility for a tenor of 3 years, raising HK$300 million in Hong Kong. The facility is 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 our ESG initiatives and projects, further advancing our sustainability agenda. The Group anticipates the possibility of more upcoming SLL facilities in the future.

- The Group recognises 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 develop projections for business as usual emissions for the purpose of short and long-term goal setting. These projections will be used to identify and assess the most effective interventions for reducing the Group's environmental impact. Through this net zero strategy roadmap, the Group aims to reduce its carbon footprint and contribute to the global effort to combat climate change.

OUTLOOK

- The world has entered an unprecedented phase characterised by increased geopolitical and economic volatility and other uncertainties. In response to this challenging environment, the Group will maintain a vigilant and prudent approach. The focus will be on completing ongoing projects, optimising capital utilisation, and exercising careful control over expenses and costs. Additionally, the Group will take proactive steps to further enhance its financial position. Despite the unpredictability of the economic landscape, the Group remains committed to assessing new prospects with the same disciplined approach, leveraging the potential opportunities that may arise. By navigating uncertain times with caution and adaptability, the Group aims to position itself for sustained growth and success.

- The Group is poised to enter an exciting new phase in the next two years. Notably, several flagship projects are nearing completion. This is expected to drive contribution in the mid-term target horizon.

- Cumulative attributable presales and unbooked contracted sales of approximately HK$14.1 billion as at 30 September 2023 provide a good visibility on sizeable revenue streams in the short to mid-term. Hyll on Holland in Singapore, which is fully presold, is expected to commence handover in early FY2025.

- The recent openings of the Ritz-Carlton and Dorsett hotel in Melbourne have been met with a positive reception and are currently ramping up with noticeable progress. We anticipate these hotels to enhance the Group's hotel performance. In the short-term, more new hotels are expected to open in the UK (Dao by Dorsett Hornsey, London and Dorsett Canary Wharf, London) and in Australia (three hotels under the Queen's Wharf Brisbane development and The Star Residences – Epsilon).

- Whilst our pipeline of hotels under construction currently stands at 8 hotels, the Group continues to review existing portfolio of wholly-owned and partially-owned hotels and will not exclude the possibility that certain hotels could be disposed of.

- The Group's car park operations is projected to achieve a positive trend in 2H FY2024 based on our strategic initiatives in place. These encompass the monetisation of non-core car parks that we own along with the streamlining of processes to drive operational efficiencies and realise cost-saving. The proceeds from these monetisations may be allocated towards debt repayment or reinvestment in more promising car park acquisitions. Simultaneously, the Group has been actively pursuing new car park management contracts in Australia, Hungary, Malaysia, the UK and New Zealand to further expand its portfolio.

- The Group's gaming business continues to experience continuous growth, and we anticipate multiple expansion opportunities within the gaming business operated under Palasino Group. As part of our strategic plans, the Group is proceeding with the spinning-off and separate listing of the gaming business, along with its hotel business, under Palasino Group. In line with this, the Group has already submitted the application for the separate listing of Palasino to the Stock Exchange in September 2023.

- Despite challenges posed by the interest rate environment and property price fluctuations, BC Invest has demonstrated remarkable resilience. The Group secured new credit providers and strengthened existing funders. BC Invest's launch of new credit funds has further enabled it to raise additional capital through diversified distribution channels.

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.

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 2023. 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 announcement.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend for the six months ended 30 September 2023 of HK4.0 cents (six months ended 30 September 2022: 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 3 January 2024. 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 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 consecutive trading days prior to and including 3 January 2024. 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 11 January 2024. Dividend warrants and/or new share certificates will be posted on or around 16 February 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Interim Dividend, the Register of Members of the Company will be closed from Friday, 29 December 2023 to Wednesday, 3 January 2024, 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 Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 28 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

		Six months ended	
		30.9.2023	30.9.2022
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue		**6,295,000**	3,025,979
Cost of sales and services		**(4,093,029)**	(1,734,470)
Depreciation and amortisation of hotel and car park assets		**(227,247)**	(219,625)
Gross profit		**1,974,724**	1,071,884
Other income		**90,544**	587,835
Other gains and losses	*5*	**25,477**	(130,529)
Administrative expenses			
– Hotel operations and management		**(240,907)**	(208,102)
– Others		**(335,451)**	(309,756)
Pre-operating expenses			
– Hotel operations and management		**(8,892)**	(413)
Professional fees in relation to proposed listing of a subsidiary		**(14,452)**	–
Selling and marketing expenses		**(427,756)**	(94,393)
Share of results of associates		**618**	(1,955)
Share of results of joint ventures		**(11,915)**	188,859
Finance costs	*6*	**(514,568)**	(243,057)
Profit before tax		**537,422**	860,373
Income tax expense	*7*	**(194,403)**	(192,579)
Profit for the period	*8*	**343,019**	667,794
Attributable to:			
Shareholders of the Company		**232,238**	570,533
Owners of perpetual capital notes		**103,836**	104,078
Other non-controlling interests		**6,945**	(6,817)
		110,781	97,261
		343,019	667,794
Earnings per share	*9*		
– Basic *(HK cents)*		**8.6**	21.4
– Diluted *(HK cents)*		**8.6**	21.4

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended	
	30.9.2023	30.9.2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**343,019**	667,794
Other comprehensive (expense) income for the period		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(1,033,433)**	(2,705,156)
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")	**(39,061)**	(138,691)
Reclassification adjustment on disposal of debt instruments at FVTOCI	**25,619**	41,888
Impairment loss under expected credit loss ("ECL") model recognised on debt instruments at FVTOCI	**–**	15,435
Share of other comprehensive (expense) income of an associate	**(275)**	20,558
Item that will not be reclassified to profit or loss:		
Fair value change on equity instruments at FVTOCI	**(296,175)**	(161,570)
Other comprehensive expense for the period	**(1,351,810)**	(2,927,536)
Total comprehensive expense for the period	**(1,008,791)**	(2,259,742)
Total comprehensive (expense) income attributable to:		
Shareholders of the Company	**(1,100,484)**	(2,338,553)
Owners of perpetual capital notes	**103,836**	104,078
Other non-controlling interests	**(12,143)**	(25,267)
	91,693	78,811
	(1,008,791)	(2,259,742)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2023

	NOTE	**30.9.2023** *HK$'000* **(unaudited)**	31.3.2023 *HK$'000* (audited)
Non-current Assets			
Investment properties		**8,529,905**	8,113,310
Property, plant and equipment		**12,111,025**	12,312,279
Goodwill		**68,400**	68,400
Interests in associates		**1,664,417**	1,731,289
Interests in joint ventures		**2,490,531**	2,435,355
Investment securities		**533,812**	634,452
Deposits for acquisition of property, plant and equipment		**86,676**	94,972
Amounts due from joint ventures		**1,666,640**	1,574,905
Amounts due from associates		**62,864**	62,864
Amount due from an investee company		**119,995**	119,995
Loan receivables		**193,490**	222,078
Pledged deposits		**4,774**	4,661
Deferred tax assets		**285,930**	215,793
Other assets		**26,872**	28,346
Other receivables	*11*	**73,365**	–
		27,918,696	27,618,699
Current Assets			
Properties for sale			
Completed properties		**6,001,768**	4,146,644
Properties under development		**8,246,815**	12,806,635
Other inventories		**13,174**	13,548
Debtors, deposits and prepayments	*11*	**593,638**	706,147
Customers' deposits under escrow		**363,830**	389,175
Contract assets		**937,941**	233,410
Contract costs		**178,109**	295,903
Amounts due from joint ventures		**162,344**	210,870
Amounts due from associates		**61,295**	11,406
Amount due from a shareholder of non-wholly owned subsidiary		**22,504**	253,701
Amount due from a related company		**826**	826
Tax recoverable		**88,497**	61,978
Investment securities		**1,373,584**	1,479,816
Loan receivables		**2,751**	5,889
Derivative financial instruments		**32**	3,643
Pledged deposits		**63,663**	708,739
Cash and cash equivalents		**2,698,888**	4,431,485
		20,809,659	25,759,815
Property held for sale		**62,177**	44,266
		20,871,836	25,804,081

	NOTE	30.9.2023 HK$'000 (unaudited)	31.3.2023 HK$'000 (audited)
Current Liabilities			
Creditors and accruals	*12*	**2,126,722**	2,047,897
Contract liabilities		**656,250**	592,871
Lease liabilities		**63,722**	57,693
Amount due to a related company		**1,012**	953
Amounts due to associates		**7,742**	7,848
Amount due to a joint venture		**23,620**	–
Amounts due to shareholders of non-wholly owned subsidiaries		**163,039**	168,084
Derivative financial instruments		**–**	7,964
Tax payable		**556,649**	642,132
Dividend payable		**270,591**	–
Notes		**2,908,817**	3,987,584
Bank and other borrowings		**12,166,095**	17,401,147
		18,944,259	24,914,173
Net Current Assets		**1,927,577**	889,908
Total Assets less Current Liabilities		**29,846,273**	28,508,607
Non-current Liabilities			
Lease liabilities		**283,151**	322,461
Notes		**475,417**	475,061
Bank and other borrowings		**13,346,958**	10,410,161
Deferred tax liabilities		**1,021,079**	971,752
Other liabilities		**681,898**	680,960
		15,808,503	12,860,395
Net Assets		**14,037,770**	15,648,212

	NOTE	30.9.2023 HK$'000 (unaudited)	31.3.2023 HK$'000 (audited)
Capital and Reserves			
Share capital		**270,591**	270,591
Share premium		**4,712,161**	4,712,161
Reserves		**6,021,741**	7,372,413
Equity attributable to shareholders of the Company		**11,004,493**	12,355,165
Owners of perpetual capital notes	*13*	**2,903,319**	2,903,563
Other non-controlling interests		**129,958**	389,484
		3,033,277	3,293,047
Total Equity		**14,037,770**	15,648,212

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

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").

During the six months ended 30 September 2023, political tensions, together with the risk of a global economic slowdown and high inflationary pressures, have resulted in an increasingly fragmented macroeconomic, trade and regulatory environment. The Group continues to be subject to foreign exchange volatility, and in particular with regard to the Hong Kong dollar "HK$" which is pegged to United States dollar "US$", which has strengthened relative to many major currencies. This will affect the translation of foreign operations and intra-group balances, that are in substance, form part of the Group's net investments in respective foreign operations, particularly in the Renminbi, United Kingdom and Australia to HK$, leading to a significant exchange differences arising on translation of foreign operations amounting to HK$1,033,433,000.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("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 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

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 new and 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 2023 are the same as those presented in the preparation of the Group's annual financial statements for the year ended 31 March 2023.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and 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 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (Including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendment to HKAS 1 and HKFRS Practices Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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)

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 30.9.2023	Six months ended 30.9.2022	**Six months ended 30.9.2023**	Six months ended 30.9.2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Property development				
– Australia	**3,043,190**	233,145	**665,864**	103,123
– Hong Kong ("HK")	**12,409**	240,053	**(4,101)**	83,859
– Malaysia	**8,185**	7,011	**2,878**	1,990
– Other regions in the People's Republic of China excluding HK ("PRC")	**41,219**	113,316	**24,348**	603,419
– Singapore	**1,208,943**	280,296	**69,051**	21,869
– United Kingdom ("UK")	**432,101**	623,108	**97,128**	230,624
	4,746,047	1,496,929	**855,168**	1,044,884
Property investment				
– Australia	**9,823**	6,119	**21,235**	2,579
– HK	**19,556**	17,097	**50,583**	1,486
– PRC	**21,006**	30,227	**2,212**	6,716
– UK	**3,893**	3,466	**4,219**	3,468
	54,278	56,909	**78,249**	14,249
Hotel operations and management				
– Australia	**207,784**	102,758	**(63,473)**	25,788
– HK	**338,098**	518,541	**50,982**	200,346
– Malaysia	**74,092**	57,579	**12,934**	9,105
– PRC	**115,933**	64,451	**13,356**	(13,926)
– Singapore	**66,484**	41,356	**32,361**	27,994
– UK	**79,804**	69,153	**(12,030)**	15,629
– Europe (other than UK)	**60,294**	57,664	**(1,566)**	(1,489)
	942,489	911,502	**32,564**	263,447

4. SEGMENT INFORMATION – CONTINUED

	Segment revenue		Segment profit (loss)	
	Six months ended 30.9.2023	Six months ended 30.9.2022	**Six months ended 30.9.2023**	Six months ended 30.9.2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Car park operations and facilities management				
– Australia and New Zealand	**273,134**	303,207	**51,523**	(16,555)
– Europe	**73,468**	61,090	**2,895**	1,499
– Malaysia	**9,498**	11,142	**(866)**	(1,983)
	356,100	375,439	**53,552**	(17,039)
Gaming operations				
– Australia	**–**	–	**(8)**	(13)
– Czech Republic	**150,642**	132,110	**34,138**	35,074
	150,642	132,110	**34,130**	35,061
Securities and financial product investments in HK	**16,690**	35,790	**(35,749)**	(85,791)
Provision of mortgage services				
– Australia	**24,325**	13,763	**23,037**	22,534
– HK	**4,429**	3,537	**3,952**	3,317
	28,754	17,300	**26,989**	25,851
Segment revenue/segment profit	**6,295,000**	3,025,979	**1,044,903**	1,280,662
Unallocated corporate income and expenses and other gains and losses			**11,188**	(52,610)
Net foreign exchange loss			**(4,101)**	(124,622)
Finance costs			**(514,568)**	(243,057)
Profit before tax			**537,422**	860,373

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, gain on disposal of subsidiaries, net foreign exchange loss, other gains and losses, professional fees in relation to proposed 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.

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 30.9.2023 *HK$'000* **(unaudited)**	As at 31.3.2023 *HK$'000* (audited)
Property development		
– Australia	**6,095,051**	8,246,033
– HK	**5,884,615**	5,691,556
– Malaysia	**171,089**	368,436
– PRC	**2,453,269**	2,885,768
– Singapore	**1,905,342**	2,409,442
– UK	**5,301,865**	4,735,242
	21,811,231	24,336,477
Property investment		
– Australia	**388,950**	311,129
– HK	**5,477,752**	5,019,107
– PRC	**3,634**	5,620
– UK	**33,631**	33,465
	5,903,967	5,369,321
Hotel operations and management		
– Australia	**4,583,886**	4,675,309
– HK	**5,206,706**	5,022,024
– Malaysia	**816,117**	847,602
– PRC	**1,904,016**	2,055,649
– Singapore	**544,148**	571,463
– UK	**1,010,850**	1,024,777
– Europe (other than UK)	**299,435**	320,435
	14,365,158	14,517,259
Car park operations and facilities management		
– Australia and New Zealand	**884,249**	1,044,931
– Europe	**335,848**	377,143
– Malaysia	**130,780**	132,745
	1,350,877	1,554,819
Gaming operations		
– Australia	**246,672**	356,361
– Czech Republic	**264,252**	286,373
	510,924	642,734
Securities and financial product investments in HK	**1,219,867**	1,563,492
Provision of mortgage services		
– Australia	**616,754**	776,805
– HK	**197,684**	228,593
	814,438	1,005,398
Segment assets	**45,976,462**	48,989,500
Unallocated corporate assets	**2,814,070**	4,433,280
Total assets	**48,790,532**	53,422,780

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

5. OTHER GAINS AND LOSSES

	Six months ended 30.9.2023 HK$'000 (unaudited)	Six months ended 30.9.2022 HK$'000 (unaudited)
Change in fair value of investment properties	**40,207**	(12,390)
Loss on disposal of debt instruments at FVTOCI	**(25,619)**	(41,888)
Gain on disposal of subsidiaries	**41,344**	–
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	**(48,753)**	(61,794)
Change in fair value of derivative financial instruments	**1,589**	16,465
Gain on disposal of property, plant and equipment	**29,463**	3,224
Net foreign exchange loss	**(4,101)**	(124,622)
Reversal of impairment loss on property, plant and equipment	**26**	1,390
Impairment loss under ECL model recognised on debt instruments at FVTOCI	**–**	(15,435)
(Impairment loss) reversal of impairment loss under ECL model recognised on trade debtors	**(8,679)**	3,618
Gain arising from structured financing arrangement	**–**	100,903
	25,477	(130,529)

6. FINANCE COSTS

	Six months ended 30.9.2023 HK$'000 (unaudited)	Six months ended 30.9.2022 HK$'000 (unaudited)
Interest on:		
Bank borrowings	**871,360**	356,214
Other loans	**2,156**	4,704
Interest on notes	**93,296**	120,853
Interest on lease liabilities	**5,831**	5,666
Amortisation of front-end fee	**15,058**	5,568
Others	**11,161**	16,601
Total interest costs	**998,862**	509,606
Less: amounts capitalised to:		
– properties for sale (properties under development)	**(417,176)**	(239,557)
– owners' occupation (properties, plant and equipment)	**(67,118)**	(26,992)
	514,568	243,057

7. INCOME TAX EXPENSE

	Six months ended 30.9.2023 HK$'000 (unaudited)	Six months ended 30.9.2022 HK$'000 (unaudited)
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**36,601**	75,331
PRC Enterprise Income Tax ("PRC EIT")	**6,678**	18,511
PRC Land Appreciation Tax ("PRC LAT")	**3,582**	19,343
Australia Income Tax	**172,762**	10,543
Malaysia Income Tax	**1,404**	1,125
Singapore Income Tax	**3,411**	4,885
UK Income Tax	**33,554**	–
Czech Republic Income Tax	**9,269**	8,395
	267,261	138,133
Dividend withholding tax and interest withholding tax	**78,669**	–
Under provision in prior years:		
Hong Kong Profits Tax	**3,707**	6,021
	349,637	144,154
Deferred taxation	**(155,234)**	48,425
	194,403	192,579

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 19% (31 March 2023: 30%, 24%, 17%, 19% and 19%) of the estimated assessable profit, respectively.

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2023	30.9.2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment (including depreciation of leased properties of HK$26,645,000 (six months ended 30 September 2022: HK$42,673,000))	**234,824**	227,682
and after crediting (included in other income):		
Bank interest income	**33,534**	26,210
Government grants	**120**	17,578
Compensation income included in other income (Note)	**–**	475,320

Note: Amount represents the compensation in relation to settlement agreement entered between the Group and relevant parties as mentioned in the Company's announcements published on 27 July 2021 and 16 August 2021 ("Settlement Agreement") on 27 July 2021 at a total consideration of RMB408,000,000 (equivalent to approximately HK$475,320,000). Pursuant to the Settlement Agreement, the Group was obliged to fulfil all of the stipulated obligations in order to entitle the consideration of RMB408,000,000. Based on the external legal counsel opinion, the Group had fulfilled all the obligations as stipulated in the settlement agreement and recognised the full compensation amount as other income during six months ended 30 September 2022.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the consolidated profit for the period attributable to the shareholders of the Company of HK$232,238,000 (six months ended 30 September 2022: HK$570,533,000) and the number of shares calculated as follows:

	Six months ended	
	30.9.2023	30.9.2022
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,705,905**	2,661,581

10. DIVIDENDS

	Six months ended	
	30.9.2023	30.9.2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2023 of HK10 cents (six months ended 30 September 2022: final dividend for the year ended 31 March 2022 of HK16 cents) per share	**270,591**	387,139

10. DIVIDENDS – CONTINUED

The 2023 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$1.7125 per share (six months ended 30 September 2022: HK$1.888 per share) which was the average of the closing prices per share for the four consecutive trading days up to and including 11 September 2023.

Subsequent to the end of the reporting period, the directors of the Company have determined that an interim dividend of HK4.0 cents (six months ended 30 September 2022: HK4.0 cents) per share, in an aggregate amount of approximately HK$108,236,000 (six months ended 30 September 2022: HK$107,545,000) will be paid to the shareholders of the Company whose names appear in the Register of Members on 3 January 2024. The aggregate amount of HK$108,236,000 has been calculated on the basis of approximately 2,705,905,000 ordinary shares in issue as at 30 September 2023.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30.9.2023 ***HK$'000*** **(unaudited)**	31.3.2023 *HK$'000* (audited)
Trade debtors		
– Contracts with customers	**287,679**	295,607
– Lease receivables	**62,305**	64,854
Less: allowance for expected credit losses	**(80,337)**	(71,658)
	269,647	288,803
Utility and other deposits	**48,419**	44,469
Prepayment and other receivables	**199,824**	217,928
Other tax recoverable	**38,108**	154,947
Consideration receivables	**111,005**	–
	667,003	706,147
Analysed for reporting purpose as:		
Non-current assets	**73,365**	–
Current assets	**593,638**	706,147
	667,003	706,147

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.

11. 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:

	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**222,652**	192,824
61-90 days	**3,878**	5,784
Over 90 days	**43,117**	90,195
	269,647	288,803

12. CREDITORS AND ACCRUALS

	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade creditors		
– Construction cost and retention payable	**940,508**	872,698
– Others	**108,379**	194,169
	1,048,887	1,066,867
Construction cost and retention payable for capital assets	**271,581**	276,908
Rental deposits and rental receipts in advance	**32,207**	21,144
Other tax payables	**111,771**	128,321
Other payables and accrued charges	**662,276**	554,657
	2,126,722	2,047,897

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

	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**972,322**	970,251
61-90 days	**1,010**	1,064
Over 90 days	**75,555**	95,552
	1,048,887	1,066,867

13. 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.

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.

14. CONTINGENT LIABILITIES

In relation to the contingent liabilities of Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd ("DBC"), an associate of the Group, as disclosed in note 51 to the Group's annual financial statements for the year ended 31 March 2023, Multiplex Construction Qld Pty Ltd further lodged an adjudication application during the six months ended 30 September 2023. The adjudication was applied with the Queensland Building and Construction Commission under the Building Industry Fairness (Security of Payment) Act 2017 (Qld) for payment claim for extensions of time, entitlements to liquidated damages and damages. DBC is currently reviewing the adjudication application and will respond in accordance with the process in the relevant legislation. Up to the date of approval for issuance of the condensed consolidated financial statements, the adjudication is still in progress. However, the directors of the Company expect that the case will not have significant financial impact to the Group.

15. EVENTS AFTER THE REPORTING PERIOD

In June 2023, Destination Gold Coast Investments Pty Ltd ("DGCI"), a joint venture of the Group, signed an agreement to sell Sheraton Grand Mirage Resort on the Gold Coast, Australia for A$192 million. The transaction was completed in November 2023, the Company is in the process of assessing the financial impact of the transaction and the expected gain to be recorded by DGCI during the year ending 31 March 2024, of which 25% would be shared by the Group.

On 24 October 2023, the Company issued and allotted 78,169,766 new fully paid shares of HK$0.10 each at HK$1.7125 per share, to the shareholders who elected to receive shares in the Company in lieu of cash for the 2023 final dividend pursuant to the scrip dividend scheme announced by the Company on 11 September 2023. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Reviews

Financial Review

1. *Profit and loss analysis*

The Company's consolidated revenue for 1H FY2024 was approximately HK$6.3 billion, an increase of 108% as compared with 1H FY2023, with improvement in property development business. Adjusted gross profit[(i)], a non-GAAP financial measure, came in at approximately HK$2.2 billion, as compared with HK$1.2 billion for 1H FY2023. A breakdown of the Group's revenue and gross profit is set out below:

	Property development *HK$'000*	Hotel operations and management *HK$'000*	Car park operations and facilities management *HK$'000*	Gaming operations *HK$'000*	Others *HK$'000*	Total *HK$'000*
1H FY2024						
Revenue	**4,746,047**	**942,489**	**356,100**	**150,642**[(ii)(iii)]	**99,722**	**6,295,000**
Gross profit	**1,439,119**	**306,251**	**69,202**	**77,485**	**82,667**	**1,974,724**
Depreciation	**–**	**164,816**[(iv)]	**11,974**[(iv)]	**5,570**	**–**	**182,360**
Adjusted gross profit[(i)]	**1,439,119**	**471,067**	**81,176**	**83,055**	**82,667**	**2,157,084**
Adjusted gross profit margin[(i)]	**30.3%**	**50.0%**	**22.8%**	**55.1%**	**82.9%**	**34.3%**
1H FY2023						
Revenue	**1,496,929**	**911,502**	**375,439**	**132,110**[(ii)(iii)]	**109,999**	**3,025,979**
Gross profit	**433,395**	**398,622**	**83,662**	**69,101**	**87,104**	**1,071,884**
Depreciation	**–**	**134,661**[(iv)]	**18,452**[(iv)]	**4,645**	**–**	**157,758**
Adjusted gross profit[(i)]	**433,395**	**533,283**	**102,114**	**73,746**	**87,104**	**1,229,642**
Adjusted gross profit margin[(i)]	**29.0%**	**58.5%**	**27.2%**	**55.8%**	**79.2%**	**40.6%**

Notes:

(i) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section below.

(ii) After deduction of gaming tax amounting to HK$67 million (1H FY2023: HK$58 million).

(iii) Includes revenue from one of the hotels in the Czech Republic as a facility integral to the casino.

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

Revenue from sales of properties amounted to approximately HK$4.7 billion in 1H FY2024, an increase of 217.1% as compared with 1H FY2023. Major contributors to the revenues were West Side Place (Towers 3 and 4) in Melbourne, Hornsey Town Hall in London and New Cross Central and MeadowSide (Plots 2 and 3) in Manchester as well as revenue recognition over time of Hyll on Holland in Singapore. Gross profit of approximately HK$1.4 billion was recorded during 1H FY2024, representing a 30.3% gross profit margin, an increase compared to 1H FY2023 due to higher gross profit margin recorded from properties sales in Australia and the UK during 1H FY2024.

Revenue from hotel operations and management continued its growth increasing by 3.4% as compared with the same period last year to approximately HK$942 million in 1H FY2024. Adjusted gross profit margin(i), a non-GAAP financial measure, for the Group's hotel operations decreased to 50.0% in 1H FY2024 from 58.5% in 1H FY2023 as a result of the launch of our new hotels in London and Australia and the removal of quarantine stay requirements in Hong Kong by the government.

Car park operations and facilities management revenue amounted to HK$356 million during 1H FY2024, a decrease of 5.2% as compared with 1H FY2023 as a result of our strategic focus to eliminate those underperforming car parks. Adjusted gross profit(i), a non-GAAP financial measure, of approximately HK$81 million was recorded for 1H FY2024. Adjusted gross profit margin(i), a non-GAAP financial measure, decreased to 22.8% in 1H FY2024 from 27.2% in 1H FY2023, due to our commitment in ramping up new and promising car parks.

Revenue from gaming operations increased by 14.0% year-on-year to approximately HK$151 million (net of gaming tax) in 1H FY2024. The steady growth in revenue was primarily driven by the increase in gaming appetite and spending of our patrons. Adjusted gross profit(i), a non-GAAP financial measure, of approximately HK$83 million was recorded for 1H FY2024. Adjusted gross profit margin(i), a non-GAAP financial measure was at 55.1%, similar level comparing to 1H FY2023.

The Group's overall performance in 1H FY2024 was impacted by several factors, including the drop in foreign exchange rates against the Hong Kong dollar, the rise of interest expenses, increase in selling and marketing expenses due to recognition of sales commission upon the completion of West Side Place (Towers 3 and 4) in Melbourne and more aggressive marketing initiatives on various projects, and compensation income of HK$475 million in relation to a settlement agreement in 1H FY2023 which was not repeated in 1H FY2024. Despite this, our major businesses have reported a growth in revenue and satisfactory performance during the 1H FY2024.

Profit attributable to shareholders of the Company recorded at HK$232 million for 1H FY2024, a decrease of 59.3% as compared with HK$571 million for 1H FY2023. Adjusted cash profit(i), a non-GAAP financial measure, was approximately HK$507 million for 1H FY2024, a decrease of 43.5% from HK$897 million recorded for 1H FY2023. Adjusting for the compensation income of HK$475 million in 1H FY2023 and the listing expenses of Palasino of approximately HK$14 million in 1H FY2024, the Group's net profit attributable to shareholders and cash profit(i) increased by 159.1% and 23.6% respectively.

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.

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 2023.

Consolidated statement of financial position	**As at 30 September 2023** ***HK$'million***	As at 31 March 2023 *HK$'million*
Bank loans, notes and bonds		
Due within 1 year[(i)]	**15,075**	21,389
Due 1–2 years	**5,236**	3,728
Due 2–5 years	**7,648**	6,177
Due more than 5 years	**938**	980
Total bank loans, notes and bonds	**28,897**	32,274
Investment securities	**1,907**	2,114
Bank and cash balances[(ii)]	**2,699**	4,431
Liquidity position	**4,606**	6,545
Net debts[(iii)]	**24,291**	25,729
Carrying amount of the total equity[(iv)]	**14,038**	15,648
Add: hotel revaluation surplus[(v)]	**19,140**	19,236
Adjusted total equity[(vi)]	**33,178**	34,884
Adjusted net gearing ratio[(vi)] (net debts to adjusted total equity[(vi)])	**73.2%**	73.8%
Net debt to adjusted total assets[(vi)]	**35.8%**	35.4%

Notes:

(i) Includes an amount of approximately HK$1,877 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, notes and bonds less investment securities and bank and cash balances.

(iv) Includes 2019 Perpetual Capital Notes.

(v) Based on the independent valuations carried out as at 31 March 2023 including the Dorsett Melbourne which was completed before 31 March 2023 and opened in April 2023, and excluding Dorsett Bukit Bintang which was disposed before 30 September 2023.

(vi) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section below.

To better manage the Group's liquidity position, the Group allocates a portion of its cash position in marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed-income securities and investments in fixed-income funds; investments in the listed shares of The Star Entertainment Group Limited ("The Star"), which the Group intends to hold for the long-term; and investments in notes issued by the trusts which hold the mortgage portfolio managed by BC Invest, an entity in which the Group has a stake of over 50%.

The liquidity position of the Group as at 30 September 2023 was approximately HK$4.6 billion. The Group's adjusted total equity[i], a non-GAAP financial measure, as at 30 September 2023 was approximately HK$33,178 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$19,140 million, which is based on independent valuations reviewed as at 31 March 2023 and includes the 2019 Perpetual Capital Notes. The adjusted net gearing ratio[i], a non-GAAP financial measure, of the Group stood at a healthy level of 73.2% as at 30 September 2023 compared with 73.8% as at 31 March 2023.

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:

- Focusing on monetising existing completed inventory and executing its existing sale campaign across Australia, the UK and Hong Kong. The Group signed a contract to dispose of the remaining inventory at the Dorsett Bukit Bintang development via a block deal for approximately MYR120 million in May 2023. The block deal was completed in September 2023.

- Recognition of major contracted presales. Total attributable presale value amounted to approximately HK$14.1 billion. Hyll on Holland in Singapore, Kai Tak office project in Hong Kong, Queen's Wharf Residences (Tower 4) in Brisbane, Aspen at Consort Place in London and Victoria Riverside in Manchester are anticipated to be completed by FY2025.

- Actively selling its non-core assets. The Group has appointed sales agents to sell the two Ritz-Carlton hotels in Australia in June 2023. Additionally, the Group's 25% owned joint venture completed the sale of Sheraton Grand Mirage Resort on the Gold Coast in November 2023 with an estimated pre-tax gain of approximately HK$58 million. In August 2023, the Group executed a contract to sell an office building in London for approximately GBP8.2 million and the transaction is expected to be completed in 2H FY2024. The building was acquired by the Group in April 2023 for approximately GBP5.75 million. The Group is also earmarked to dispose of the long-lease residential blocks in Baoshan, Shanghai. Other non-core hotels where the Group holds a minority stake, smaller hotels operated by the Group and some mature car park assets are also earmarked to be disposed of.

- Proposed spin-off and separate listing of Palasino. This will unlock value and enable Palasino Group to raise funds. The Group has submitted the listing application to the Stock Exchange in September 2023. In addition, in March 2023, a pre-IPO investor had invested USD20 million for a 10% stake in Turbo Century Limited, the current holding company of Palasino Group.

- Capital raising for BC Invest. The Group is currently evaluating options for this business given that BC Invest continues to grow and will need new capital to execute on its plan. An adviser is being appointed and discussions are ongoing.

	As at 30 September 2023 *HK$ million*	As at 31 March 2023 *HK$ million*
The Company's notes	**3,384**	4,463
Unsecured bank loans	**5,527**	5,849
Secured bank loans		
– Property development and investment	**7,875**	10,894
– Hotel operations and management	**11,551**	10,189
– Car park operations and facilities management	**369**	417
– Gaming operations	**65**	70
– Others	**126**	392
Total bank loans, notes and bonds	**28,897**	32,274

As at 30 September 2023, total bank loans, notes and bonds amounting to approximately HK$28.9 billion, a decrease of HK$3,377 million or 10.5% compared with 31 March 2023.

Bank loans, notes and bonds, denominated in:	**As at 30 September 2023**	As at 31 March 2023
HKD	**61.0%**	60.8%
AUD	**8.1%**	13.7%
SGD	**5.4%**	5.7%
GBP	**9.4%**	3.2%
USD	**10.1%**	13.8%
Others	**6.0%**	2.8%
	100%	100%

Most of the countries or cities the Group has operations in have entered into their interest rate hike period. For the bank loans, notes and bonds of the Group as at 30 September 2023, Hong Kong dollar was the major currency of the indebtedness representing about 61.0%. The other major currencies of indebtedness were Australian dollar, Singapore dollar and Great British pound which were approximately 8.1%, 5.4% and 9.4%, respectively. Indebtedness in US dollar were mainly notes and bonds. During 1H FY2024, the average interest rate for bank loans increased to 6.74% from 2.74% as compared with 1H FY2023. As at 30 September 2023, the Group had 85.7% bank loans, notes and bonds with floating rates (as at 31 March 2023: 85.4%) while the remaining had fixed rates.

During 1H FY2024, the Group continued with its prudent approach to financial management in order to maintain a robust liquidity position. These primarily involved (i) repayment of approximately HK$1,019 million of its 4.5% USD Medium Term Notes 2023; (ii) settlement of development loans of approximately HK$2,981 million upon the completion of West Side Place (Towers 3 and 4) in Melbourne and Hyll on Holland in Singapore; and (iii) repurchase and cancellation of a principal amount of approximately HK$41 million of 5.1% USD Medium Term Notes 2024 to be repaid in January 2024. Subsequent to the end of the reporting period, the Group further repurchased approximately HK$30 million of 5.1% USD Medium Term Notes 2024. In the meantime, to optimise the Group's existing portfolio, additional financing of approximately HK$1,078 million has been procured for ongoing development projects in Australia, Hong Kong and the UK.

As at 30 September 2023, the Group's bank loans, notes and bonds which were due within 1 year was approximately HK$15,075 million. Of this amount, approximately (i) HK$2,909 million represents the 5.1% USD Medium Term Notes 2024 to be repaid in January 2024; (ii) HK$3,610 million were secured corporate, hospitality and car park loans which are expected to be rolled over or refinanced to a longer maturity; (iii) HK$2,237 million were secured development loans, of which approximately HK$1,516 million will be repaid from the presales proceed upon settlement and approximately HK$721 million has been or is expected to be refinanced to a longer maturity; (iv) HK$3,553 million were unsecured corporate loans which are being rolled over; (v) HK$889 million will be repaid in accordance with the repayment schedule; and (vi) HK$1,877 million were in relation to long-term bank loans with a repayment on demand clause and therefore being classified as current liabilities.

As at 30 September 2023, the Group's undrawn banking facilities stood at approximately HK$6.4 billion. Of this amount, approximately HK$2.4 billion is allotted to development/construction facilities while the balance of approximately HK$4.0 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, a total of 6 hotel assets were unencumbered as at 30 September 2023, carrying a capital value of approximately HK$1.7 billion based on independent valuation assessed as at 31 March 2023. In addition, the Group has other assets unencumbered such as unsold residential inventory amounting to HK$7.2 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.

Going forward, 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.

3. *Foreign exchange management*

In 1H FY2024, 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 2023	As at 31 March 2023	Change
HK$/AUD	5.02	5.26	(4.6)%
HK$/RMB	1.07	1.14	(6.1)%
HK$/MYR	1.66	1.77	(6.2)%
HK$/GBP	9.53	9.70	(1.8)%
HK$/CZK	0.34	0.36	(5.6)%
HK$/SGD	5.73	5.91	(3.0)%

Average rate for	1H FY2024	1H FY2023	Change
HK$/AUD	5.14	5.48	(6.2)%
HK$/RMB	1.11	1.17	(5.1)%
HK$/MYR	1.72	1.78	(3.4)%
HK$/GBP	9.62	9.50	1.3%
HK$/CZK	0.35	0.34	2.9%
HK$/SGD	5.82	5.48	6.2%

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 FY2024 is analysed below:

Increase to the Group's profit attributable to shareholders for 1H FY2024 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the period:

	HK$ million
AUD	36.3
RMB	1.3
MYR	0.6
GBP	1.2
CZK	0.2
SGD	0.2
Total impact	**39.8**

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 HK$810 million higher as at 30 September 2023 assuming exchange rates remained constant during 1H FY2024.

4. *Net asset value per share*

	As at 30 September 2023 *HK$ million*	As at 31 March 2023 *HK$ million*
Equity attributable to shareholders of the Company	**11,004**	12,355
Add: Hotel revaluation surplus[ii]	**19,140**	19,236
Adjusted net asset value attributable to shareholders[i]	**30,144**	31,591
Number of shares issued (million)	**2,706**	2,706
Adjusted net asset value per share[i]	**HK$11.14**	HK$11.67

After adjusting for the revaluation surplus on hotel assets of approximately HK$19,140 million based on independent valuations assessed as at 31 March 2023, the adjusted net asset value attributable to shareholders[i], a non-GAAP financial measure, was approximately HK$30,144 million. Adjusted net asset value per share[i], a non-GAAP financial measure, for the Company as at 30 September 2023 was approximately HK$11.14.

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) Based on the independent valuations carried out as at 31 March 2023 including the Dorsett Melbourne which was completed before 31 March 2023 and opened in April 2023, and excluding Dorsett Bukit Bintang which was disposed before 30 September 2023.

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 FY2024, the Group's capital expenditures amounted to approximately HK$825 million, primarily attributable to (i) Dorsett Kai Tak, Hong Kong; and (ii) Dorsett Canary Wharf, London and Dao by Dorsett Hornsey, London. The capital expenditures were funded through a combination of borrowings and internal resources.

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:

	As at 30 September 2023 *HK$ million*	As at 31 March 2023 *HK$ million*
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of		
– hotel properties and office	**651**	971
– investment properties	**451**	573
Commitment to provide credit facility to BC Invest	**172**	75
Others	**70**	99
	1,344	1,718

As at 30 September 2023, the Group's capital commitments amounted to approximately HK$1,344 million, primarily attributable to the following hotel developments: (i) Dorsett Kai Tak, Hong Kong; (ii) The Star Residences – Epsilon in Australia; and (iii) Dorsett Canary Wharf, London and Dao by Dorsett Hornsey, London. The capital commitments will be financed through a combination of borrowings and internal resources. All of these hotel developments are in the final stage of construction. It is expected that their capital expenditure are substantially reduced in the next financial year.

BUSINESS REVIEW

1. *Property division*

The Group's property division includes property development and property investment.

Property development

The Group has a diversified portfolio of residential property developments in Australia, Mainland China, Hong Kong, Singapore, Malaysia and the UK, which are largely focused on the mass residential market. Our 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 and the partnership with MCC. In August 2023, the Group has been selected as preferred bidder by Greater Manchester Combined Authority and Trafford Metropolitan Borough Council to act as development partner to deliver a GBP300 million mixed-use development on the site of the former Greater Manchester Police Headquarters in Trafford, Greater Manchester. Additionally, in August 2023, the Group has been granted permission for two planning applications covering the next phase of its Victoria North joint venture with 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 attributable cumulative presales value of the Group's residential properties under development and unbooked contracted sales amounted to approximately HK$14.1 billion as at 30 September 2023. Most of the proceeds from contracted presales and unbooked contracted sales are not reflected in the Group's consolidated income statement until the relevant projects are completed. The following table sets out a breakdown of the Group's total cumulative attributable presales value of residential properties under development and the cumulative attributable unbooked contracted sales of completed projects as at 30 September 2023.

Developments	Location	Attributable presales *HK$ million*	Expected financial year of completion
Projects under presales			
Queen's Wharf Residences (Tower 4)(ii)	Brisbane	1,476	FY2025
Queen's Wharf Residences (Tower 5)(ii)	Brisbane	2,111	FY2029
Perth Hub	Perth	533	FY2025
The Star Residences – Epsilon (Tower 2)(iii)	Gold Coast	531	FY2025
Aspen at Consort Place	London	1,555	FY2025
Consort Place Social/Affordable Housing	London	90	FY2025
Victoria Riverside (Tower A)	Manchester	634	FY2025
Victoria Riverside (Tower B) Social/Affordable Housing	Manchester	250	FY2025
Victoria Riverside (Tower C)	Manchester	550	FY2025
Collyhurst Village	Manchester	84	FY2025 – FY2027
Hyll on Holland(i)(iv)	Singapore	924	FY2025
Dorsett Place Waterfront Subang(i)(ii)	Subang Jaya	270	FY2025
Kai Tak Development – Office	Hong Kong	3,380	FY2025
Sub-total		**12,388**	

Developments	Location	Attributable contracted sales *HK$ million*
Contracted sales of completed projects		
West Side Place (Towers 1 and 2)	Melbourne	5
West Side Place (Tower 3)	Melbourne	215
West Side Place (Tower 4)	Melbourne	237
Elizabeth Quay	Perth	4
Hornsey Town Hall	London	27
MeadowSide (Plots 2 and 3)	Manchester	32
New Cross Central	Manchester	18
Royal Riverside	Guangzhou	7
Marin Point	Hong Kong	6
Manor Parc(v)	Hong Kong	535
Mount Arcadia(v)	Hong Kong	614
Sub-total		**1,700**
Total		**14,088**

Notes:

(i) Excludes contract presales already recognised as revenue up to 30 September 2023.

(ii) The Group has 50% interest in the development.

(iii) The Group has 33.3% interest in the development.

(iv) The Group has 80% interest in the development.

(v) The settlement of the contracted sales is expected in FY2025.

As at 30 September 2023, the expected attributable GDV of the Group's active residential property development projects under various stages of development across the regions was approximately HK$60.4 billion.

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

Developments	**Attributable saleable floor area**[i] *Sq. ft.*	**Expected attributable GDV**[ii] *HK$ million*	**Launched/ expected launch**	**Expected financial year of completion**
Pipeline developments				
Melbourne				
Monument	595,000	2,350	Planning	Planning
Perth				
Perth Hub	230,000	794	Launched	FY2025
Brisbane				
Queen's Wharf Residences[iii]				
– Tower 4	253,000	1,476	Launched	FY2025
– Tower 5	353,000	2,304	Launched	FY2029
– Tower 6	161,000	1,204	FY2025	FY2028
Gold Coast				
The Star Residences[iv]				
– Tower 2 – Epsilon	109,000	531	Launched	FY2025
– Towers 3 to 5	374,000	1,818	Planning	Planning
Hong Kong				
Kai Tak Development – Office	174,000	3,380	Launched	FY2025
Kai Tak Residential[v]	254,000	6,606	FY2025	FY2026/FY2027
Lam Tei, Tuen Mun	180,000	2,966	Planning	Planning
Ho Chung, Sai Kung[vi]	19,000	567	Planning	FY2027
Sai Ying Pun[vii]	75,000	1,808	FY2026	FY2028

Developments	Attributable saleable floor area[(i)] *Sq. ft.*	Expected attributable GDV[(ii)] *HK$ million*	Launched/ expected launch	Expected financial year of completion
London				
Aspen at Consort Place	380,000	4,092	Launched	FY2025
Consort Place Social/ Affordable Housing	101,000	90	Launched	FY2025
Ensign House	290,000	3,180	Planning	Planning
Manchester				
MeadowSide (Plot 4)	244,000	953	Planning	Planning
Victoria North[(viii)]				
– Victoria Riverside (Tower A)	227,000	1,022	Launched	FY2025
– Victoria Riverside (Tower B) Social/Affordable Housing	85,000	250	Launched	FY2025
– Victoria Riverside (Tower C)	149,000	629	Launched	FY2025
– Collyhurst Village	153,000	402	Launched	FY2025 – FY2027
– Collyhurst Village Social/ Affordable Housing	104,000	332	Planning	FY2025 – FY2027
– NT02–04	1,077,000	4,622	Planning	Planning
– Network Rail (Red Bank)	1,532,000	5,986	Planning	Planning
– Others (Red Bank)	967,000	3,780	Planning	Planning
Singapore				
Hyll on Holland[(ix)]	194,000	924	Launched	FY2025
Cuscaden Reserve[(x)]	16,000	350	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang[(xi)]	395,000	800	Launched	FY2025
Total developments pipeline as at 30 September 2023	**8,691,000**	**53,216**		
Completed developments available for sale				
Melbourne				
West Side Place				
– Towers 1 and 2	255,000	1,026		
– Tower 3	260,000	1,128		
– Tower 4	337,000	1,475		
Perth				
The Towers at Elizabeth Quay	86,000	604		

Developments	Attributable saleable floor area(i) *Sq. ft.*	Expected attributable GDV(ii) *HK$ million*	Launched/ expected launch	Expected financial year of completion
London				
Hornsey Town Hall	25,000	210		
Manchester				
MeadowSide (Plots 2 and 3)	26,000	129		
New Cross Central	11,000	45		
Shanghai				
King's Manor	10,000	69		
The Royal Crest II	2,000	14		
District 17A	5,000	26		
Guangzhou				
Royal Riverside	16,000	70		
Hong Kong				
Marin Point	46,000	541		
Manor Parc	46,000	648		
Mount Arcadia	61,000	1,236		
Total completed developments available for sale as at 30 September 2023	**1,186,000**	**7,221**		
Total pipeline and completed developments available for sale as at 30 September 2023	**9,877,000**	**60,437**		

Notes:

(i) The figures represent approximate saleable residential 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) This residential development consists of a total saleable floor area of approximately 1,500,000 sq. ft.. The Group has 50% interest in the development.

(iv) The Group has 33.3% interest in these developments.

(v) Total saleable floor area of this development is approximately 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 figures are estimated figures and subject to approval from Urban Renewal Authority ("URA").

(viii) The total saleable floor area and GDV figures are estimated based on land already acquired and expected number of units to be built. As the master developer of Victoria North, the Group is expecting further land acquisitions which will increase both saleable floor area and GDV for this development.

(ix) Total saleable floor area of this development is approximately 242,000 sq. ft.. The Group has 80% interest in the development.

(x) Total saleable floor area of this development is approximately 170,000 sq. ft.. The Group has 10% interest in the development.

(xi) Total saleable floor area of this development is approximately 1,058,000 sq. ft.. The Group has 50% 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 an expected GDV of approximately HK$9.8 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$4.8 billion. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$1.0 billion, and sales and settlements have continued post 1H FY2024.

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$2.3 billion. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$1.1 billion. Of this amount, approximately HK$215 million have been 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$2.7 billion. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$1.5 billion. Of this amount, approximately HK$237 million have been recorded as contracted sales. As the strong presales recorded, a significant cash flow was recorded from this development during the 1H FY2024, and sales and settlements have continued post 1H FY2024.

Monument is a residential development at 640 Bourke Street comprising of 1, 2 and 3-bedroom units in Melbourne's CBD, near the West Side Place development. The property has obtained approval to be redeveloped into a residential project; it has a total saleable floor area of approximately 595,000 sq. ft., a total expected GDV of approximately HK$2.4 billion and is expected to provide approximately 876 residential units. The Group is still reviewing the opportunity to convert the project into a build-to-rent option and discussions are ongoing.

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 2023, all retail components of development had been sold while the expected GDV of the completed stocks available for sale was approximately HK$604 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 total expected GDV of approximately HK$794 million and approximately 260 hotel rooms to be operated by Dorsett Hospitality International Limited ("Dorsett"). As at 30 September 2023, the Group has presold approximately HK$533 million worth of units. The project is expected to be completed in 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 Destination Brisbane Consortium, a joint venture between the Group, The Star and Chow Tai Fook Enterprises Limited ("CTF"), entered into development agreements with the Queensland State, Australia for the delivery of the Queen's Wharf Project ("QWB Project") located in Brisbane. The QWB Project comprises:

(i) an integrated resort component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are made progressively, commencing from signing of the QWB Project documents and up to completion of the QWB Project which is expected to be completed in FY2025; and

(ii) a residential component owned 50% by the Group and 50% by CTF.

Together with the Group's portion of the land premium for the residential component of the QWB Project, the Group's total capital commitment for the QWB Project is approximately AUD360 million, which the Group has funded a significant portion from its internal resources. The QWB Project will encompass a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane and envisages three residential towers, three world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development gross floor area of the QWB Project is expected to be approximately 387,000 sq. m., of which approximately 142,000 sq. m. will be residential component.

Tower 4 is the only residential tower directly connected to the integrated resort development and features 667 residential apartments, with a total saleable floor area of approximately 506,000 sq. ft. and a total expected GDV of approximately HK$3.0 billion. As at 30 September 2023, the Group has presold all the approximately HK$3.0 billion (attributable GDV of HK$1.5 billion) worth of units. Completion of the development is expected to be in FY2025.

The Group launched the Queen's Wharf Residences (Tower 5) in FY2022. Tower 5 is across the street from Tower 4 and will house 819 residential apartments, with a total saleable floor area of approximately 705,000 sq. ft. and with a total expected GDV of approximately HK$4.6 billion. After its launch in March 2022, the project received a strong response. As at 30 September 2023, the Group has presold HK$4.2 billion (attributable GDV of HK$2.1 billion) worth of units. Completion of the development is expected to be in FY2029. Tower 6 is considered to be another residential tower and features 314 residential apartments, with a total saleable floor are of approximately 323,000 sq. ft. and a total expected GDV of HK$2.4 billion. It is expected to be launched in FY2025 and completed in FY2028.

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 on the 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, will feature a 201-room five-star hotel and 440 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a total expected GDV of approximately HK$1.6 billion. All 440 residential apartments worth approximately HK$1.6 billion (attributable GDV of approximately HK$531 million) were presold as at 30 September 2023 and completion of the development is expected in FY2025.

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

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai, over 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 2023, the expected GDV of completed stocks available for sale was approximately HK$109 million. These units are expected to continue to make a contribution 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 2023, the expected GDV of completed stocks available for sale was approximately HK$70 million. These units are expected to continue to make a contribution 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 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 has been completed. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$541 million. Of this amount, approximately HK$6 million have been recorded as contracted sales. The remaining units will be sold on a completed basis.

Manor Parc is a residential development at Tan Kwai Tsuen consisting of 24 town houses with approximately 50,000 sq. ft. in total saleable floor area. The development has been completed. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$648 million. Of this amount, approximately HK$535 million has been recorded as contracted sales and is expected to be settled in FY2025. The remaining units will be sold on a completed basis.

Mount Arcadia is a residential development site at Tai Po Road. The project comprises 62 apartments and 4 houses and has a total saleable floor area of approximately 84,000 sq. ft.. The total expected GDV of the 62 apartments is approximately HK$1.4 billion. The project has been completed. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$1.2 billion. Of this amount, approximately HK$614 million have been recorded as contracted sales and is expected to be settled in FY2025. The remaining units will be sold on a completed basis.

The Group acquired a piece of land in Kai Tak for mixed-use development through a government tender in August 2019, adjacent to the Kai Tak Sports Park. It comprises an office portion, a hotel portion that will house a flagship Dorsett hotel with 373-room, namely Dorsett Kai Tak, Hong Kong, as well as some retail space. The office portion of the development was presold for HK$3.38 billion in FY2022 and is expected to complete in FY2025.

In November 2021, the Group formed a joint venture which is held as to 50% by the Group to acquire another Kai Tak site for residential development. The residential development will feature approximately 1,300 residential apartments, with a total saleable floor area of approximately 508,000 sq. ft. and a total expected GDV of approximately HK$13.2 billion. Subject to market conditions, the development is expected to launch for presales in the coming 12 months and is expected to complete in FY2026/FY2027.

The Group acquired a site at Lam Tei, Tuen Mun in June 2021 with an expected gross floor area of approximately 180,000 sq. ft. and a total expected GDV estimated at approximately HK$3.0 billion. The project is currently under planning, with overall plans and timetable under review.

The Group formed a joint venture which is held as to 33.3% by the Group to acquire another residential site located at Ho Chung, Sai Kung in September 2021. The residential development will feature 26 high-end houses with total saleable floor area of approximately 58,000 sq. ft. and a total expected GDV of approximately HK$1.7 billion (attributable GDV of approximately HK$567 million). The development is expected to complete in FY2027.

In September 2022, the Group acquired the development right, through a tender conducted by the 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 will start foundation works in late 2H FY2024.

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to the Dorsett Kuala Lumpur. The development consists of 252 high-rise apartments with approximately 215,000 sq. ft. in total saleable floor area. The Group signed a contract to sell the remaining stock of 130 units for approximately MYR$120 million in May 2023 and the sale was completed in September 2023.

Dorsett Place Waterfront Subang, located next to Dorsett Grand Subang, is a renowned 5-star hotel and the Group has a 50% interest in it. The development consists of three blocks and will offer 1,989 fully-serviced suites. The sales of this project have been recognised according to the progress of development. As at 30 September 2023, total presold value of approximately HK$540 million (attributable GDV of approximately HK$270 million) was recorded and the completion of the development is expected in FY2025.

United Kingdom

London

Aspen at Consort Place is a mixed-use development site at Marsh Wall, Canary Wharf in London, featuring private residences of approximately 481,000 sq. ft. in total saleable floor area consisting of approximately 502 residential units, 139 affordable housing units and a hotel of 231 rooms, as well as commercial spaces. Total presold value of approximately HK$1.6 billion was recorded for the residential units as at 30 September 2023 and the affordable housing units were presold for approximately GBP43 million in FY2022. Lower floor residential units are expected to start handover in early FY2025 and the handover will be completed by stages.

Located in North London, Hornsey Town Hall is a mixed-use redevelopment project which involves the conversion of an existing town hall into a hotel/serviced apartment tower with communal areas, as well as a residential component. It consists of 135 residential units with a total saleable floor area of approximately 108,000 sq. ft. and 11 social/affordable units. This development also has a commercial and office component covering approximately 45,500 sq. ft.. The development is completed and has commenced the handover process in FY2023. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$210 million. Of this amount, approximately HK$27 million have been recorded as contracted sales. The handover process is expected to continue in 2H FY2024.

The Group continued to grow its business footprint and strengthen its development presence in the UK. In February 2020, an agreement was executed for the acquisition of Ensign House in Canary Wharf, London, which is adjacent to Aspen at Consort Place. Ensign House is planned to be a residential tower consisting of 390 residential units. It will have a total saleable floor area of approximately 290,000 sq. ft. and a total expected GDV of approximately HK$3.2 billion. The project has received planning approval.

Manchester

Victoria North is a mega-scale regeneration development project in Manchester which spans an area of more than 390 acres (equivalent to approximately 17 million sq. ft.), sweeping north from Victoria Station and covering the neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. This project is expected to deliver approximately 20,000 new homes over the next decade, providing an optimal mix of high-quality housing, while allowing the city centre to expand. The vision of this project is to create a series of distinct yet clearly connected communities that make the most of the area's natural resources.

The strategic regeneration framework of the Victoria North development was approved by the MCC in February 2019 providing an illustrative masterplan in order to outline development proposals within Victoria North. It will be used to guide and coordinate developments brought forward by the joint venture formed between the Group and MCC and subsequently deliver a series of vibrant, sustainable and integrated residential neighbourhoods within the extended city centre of Manchester.

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 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 floor area of approximately 62,000 sq. ft. and a total expected GDV of approximately HK$247 million. The development is completed, with handovers commencing in FY2023. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$45 million. Of this amount, approximately HK$18 million has been recorded as contracted sales. The development is expected to continue the handover in 2H FY2024.

Victoria Riverside is situated within the Red Bank neighbourhood and is situated in close proximity to major transport links including Victoria Station and Manchester City Centre. It is a key gateway into the Victoria North masterplan area and expands the city centre northwards from MeadowSide. It will be a predominantly residential development, incorporating a high-quality public realm with commercial and leisure use and a landmark building. The development features three towers comprising approximately 634 units, with total saleable floor area of approximately 461,000 sq. ft. and a total expected GDV of approximately HK$1.9 billion.

Tower A features 293 residential units with a total saleable floor area of approximately 227,000 sq. ft. and a total expected GDV of approximately HK$1.0 billion. It was launched in late September 2022 and total presold value of approximately HK$634 million was recorded as at 30 September 2023. Tower B comprises 128 affordable housing units and has been presold to Trafford Housing Trust, which is part of L&Q, one of the largest housing associations in England for a consideration of approximately GBP26 million. Tower C features 213 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a total expected GDV of approximately HK$629 million. Total presold value of approximately HK$550 million was recorded as at 30 September 2023. The project is expected to be completed in FY2025.

Collyhurst Village is one of the first phases in the Collyhurst neighbourhood 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 approximately HK$402 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$332 million. The development was launched in FY2023 and is expected to be completed by phases between FY2025 to FY2027.

In August 2023, the Group secured planning permission for two planning applications covering the next phase of its Victoria North joint venture 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, which is one of the largest regeneration projects in the UK.

The vision for the Red Bank centres around a "Wild Urbanism" concept which promotes the benefits of high-density living within the nature of the River Irk Valley to create a unique city neighbourhood. Over 12 acres of new and improved river parkland, green space and public realm will be created to support an inclusive, sustainable urban neighbourhood. The buildings will be delivered to a high sustainability standard, with the proposals outlining plans for the installation of solar panels, heat pumps and green and brown roofs.

The Group has acquired over 30 acres of land in Red Bank and, alongside the 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 estimated GDV of approximately HK$9.8 billion.

The second approval is for a full planning application for the Group's next phase of delivery on NT02-04 adjacent to the 634-home Victoria Riverside scheme, which is currently under construction. This will see the delivery of seven buildings varying in height between 6 and 34 storeys and comprising over 1,500 homes covering approximately 1,077,000 sq. ft. and with an expected GDV of approximately HK$4.6 billion, as well as a new high street that will include approximately 20,000 sq. ft. of commercial and retail space. NT02-04 is expected to commence ground works in FY2025, with phased completions of the plots from FY2027 through to FY2030.

MeadowSide is a residential development site in Manchester at NOMA which is one of the major residential growth areas of the city and is sitting on the doorstep of the Group's Victoria North development. The development will feature 4 Plots (Plots 2, 3, 4 and 5) comprising approximately 756 apartments with approximately 560,000 sq. ft. of total saleable floor area around the historic Angel Meadow Park near Victoria Station, one of the major transportation hubs of the city.

Plots 2 and 3 have a total saleable floor area of approximately 217,000 sq. ft. and a total expected GDV of approximately HK$892 million. Handover commenced in March 2022 smoothly. As at 30 September 2023, the expected GDV of completed stocks available for sale was approximately HK$129 million. Of this amount, approximately HK$32 million has been recorded as contracted sales.

Plot 5 has a total saleable area of approximately 99,000 sq. ft. and a total expected GDV of approximately HK$390 million. The development is completed with all units presold and delivered as at 30 September 2023.

Plot 4 has been granted a permit to build a 40-storey residential building. The Group is currently assessing and exploring opportunities to increase gross floor area and enhance GDV accordingly.

In August 2023, the Group was selected by public sector partners, the Greater Manchester Combined Authority and Trafford Metropolitan Borough Council, as their development partner for the former Greater Manchester Headquarters Station site on Chester Road in Old Trafford.

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 GBP322 million, the site will deliver approximately 750 new homes including affordable housing units, 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 and match day spikes in visitor footfall to the area.

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 Group is currently in the process of completing the legal formalities which should conclude in 2H FY2024.

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 and the development has 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. As at 30 September 2023, all 319 residential units were sold out with the attributable unbooked presale amounting to approximately HK$924 million. The development is expected to be completed in early FY2025.

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 16,000 sq. ft. in attributable saleable floor area and completion of the development is expected in FY2025.

Property investment

The Group's property investments comprise of investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore, the UK and Australia. In 1H FY2024, a fair value gain on investment properties of approximately HK$40 million was recorded. This was attributable primarily to the revaluation gain from the office portion of the Kai Tak Development. As at 30 September 2023, the valuation of investment properties was approximately HK$8.5 billion (31 March 2023: approximately HK$8.1 billion).

Previously, the Group acquired two sites in Shanghai's Baoshan District and both sites will be developed into residential blocks for leasing purpose. Construction commenced on one of the sites in December 2021 with a lettable floor area of approximately 573,000 sq. ft. which is expected to offer approximately 1,200 units. The completion of the development is expected to be in FY2025. The other site has yet to commence construction and is expected to offer approximately 2,300 units. The Group is also earmarked to dispose of the residential blocks as part of its non-core assets disposal strategy.

2. *Hotel operations and management*

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

As at 30 September 2023, the Group owned a total of 33 hotels' including the wholly-owned Dorsett Group, Trans World Corporation under Palasino Group and the Ritz-Carlton hotels in Perth and Melbourne, as well as the partially-owned Dorsett Gold Coast in Australia and Dao by Dorsett AMTD in Singapore, with a total of approximately 8,700 rooms, spreading across Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As of 30 September 2023, the Group also manages 3 other hotels in Malaysia with approximately 879 rooms.

On 23 March 2023, the Group opened Ritz-Carlton Melbourne, a 257-room luxury hotel represents the second Ritz-Carlton developed and opened by the Group in Australia. Later on, Dorsett Melbourne, the second Dorsett branded hotel in Australia consisting of 316 guest rooms was opened on 18 April 2023 during 1H FY2024. Both hotels are located within the West Side Place mixed-use development in the CBD of Melbourne.

As part of the Group's ongoing commitment to reduce debt level and gearing, and in line with the Group's strategy to divest non-core assets, the Group, through its 25% owned joint venture, completed the sale of Sheraton Grand Mirage Resort on the Gold Coast, Australia for approximately AUD192 million.

In order to unlock the full potential of Palasino Group, the Group has submitted the Form A1 (Listing Application Form) for the separate listing of Palasino. Palasino Group owns (i) one integrated land-based casino and resort and two full-service land-based casinos operating in the Czech Republic, offering primarily slot machines and table games, and (ii) three hotels in Germany and one hotel in Austria that offer accommodation, catering, conference, and leisure services. For details of Palasino Group's gaming operations, please refer to the section headed "4. Gaming operations and management". The operating performance of the Group's owned hotels for 1H FY2024 is summarised by region as follows. The results of hotels by region are expressed in the respective local currency ("LC") and Hong Kong dollar ("HK$"). Due to the economic climate where the Hong Kong dollar remained strong against most major foreign currencies, our total numbers for the Dorsett Group, being converted from different foreign currencies into Hong Kong dollars, was impacted in a negative way.

	Occupancy Rate ("OCC")		**Average room rate ("ARR")**			**Revenue per available room ("RevPAR")**			**Revenue**	
	1H FY2024	1H FY2023	**1H FY2024**	1H FY2023	% Change	**1H FY2024**	1H FY2023	% Change	**1H FY2024**	1H FY2023
			(LC)	*(LC)*		***(LC)***	*(LC)*		***(LC'million)***	*(LC'million)*
Hong Kong (HK$)	**86.8%**	71.3%	**702**	1,238	(43.3%)	**610**	882	(30.8%)	**338**	519
Malaysia (MYR)	**55.3%**	46.5%	**233**	233	–	**129**	108	19.4%	**48**	36
Mainland China (RMB)	**69.7%**	48.4%	**376**	247	52.2%	**262**	120	118.3%	**105**	55
Singapore (SGD)[i]	**85.9%**	65.3%	**211**	188	12.2%	**182**	123	48.0%	**11**	7
United Kingdom (GBP)	**82.1%**	68.0%	**134**	122	9.8%	**110**	83	32.5%	**8**	7
Australia (AUD)[ii]	**54.8%**	72.0%	**348**	370	(5.9%)	**191**	266	(28.2%)	**40**	19
			(HK$)	*(HK$)*		***(HK$)***	*(HK$)*		***(HK$'million)***	*(HK$'million)*
Dorsett Group Total[iii]	**73.6%**	61.0%	**747**	968	(22.8%)	**550**	591	(6.9%)	**882**	854
Palasino Hotel Group[iv]	**56.8%**	53.2%	**715**	639	11.9%	**406**	340	19.4%	**60**	58

Notes:

(i) Excludes Dao by Dorsett AMTD which is equity accounted.

(ii) Excludes Dorsett Gold Coast which is equity accounted.

(iii) Excludes Palasino Hotel Group but includes Ritz-Carlton Perth and Ritz-Carlton Melbourne.

(iv) Excludes Hotel Savannah, which is considered as facility integral to Palasino Group's casino and included under section headed "4. Gaming operations and management".

With the gradual lifting of COVID-19 related travel restrictions globally in early 2023, there has been an increase in both occupancy and average room rates at varying levels in most of the countries we operate. However, financial results for our hotel segment has yet to recover to the level we had considered to be normal prior to the Hong Kong protests in 2019 and COVID-19 from 2020 to 2022. Despite the strong rebound in business in the rest of the world, the majority of our earnings come from Hong Kong, where business has not fully recovered. This factor, combined with general inflation and an increase in financing costs, is reflected in our financial results for 1H FY2024.

In 1H FY2024, Dorsett Group's total revenue for hotel operations and management was approximately HK$882 million, which remained stable when compared with approximately HK$854 million in 1H FY2023 as strong performances in all other regions offset the weaker performance in Hong Kong, demonstrating the positive effect of Dorsett's geographic diversity. The overall OCC showed continued strength and rose 12.6 percentage points to approximately 73.6%, while ARR fell 23% to approximately HK$747, resulting in our RevPAR recording a drop of 7% to approximately HK$550. Despite this, the RevPAR still reflected growth of 11% and a 25% increase in total revenue compared to the same period in FY2020 before the onset of the COVID-19 pandemic.

Despite the lingering effects of geopolitical events and tension, low short-term economic visibility, and the expectation of sustained high interest rates which will continue to affect the performance of the economy as well as the hospitality industry, we expect business volumes to be sound in 2H FY2024, with various new initiatives being launched in different countries to boost the tourism industry, and we will continue to work diligently to tackle challenges in the overall macro environment.

Hong Kong

Although the business operations of the Group's hotels in Hong Kong have been steadily improving after the gradual lifting of Mainland China's COVID-19 related travel restrictions and Hong Kong's lifting of all COVID-19 related measures early this year, the overall revenues generated from hotels in Hong Kong in 1H FY2024 were still lower than the level attained in the comparative period in 1H FY2023, primarily due to the different revenue structure during the comparative period when our hotels in Hong Kong were operating as quarantine hotels or facilities under the quarantine schemes of the Hong Kong Government.

As a result, total revenue for Hong Kong hotel operations dropped 35% over the same period last year. It contributed approximately HK$338 million which accounted for approximately 38% of the Group's hotel revenue. OCC in Hong Kong increased 15.5 percentage points to approximately 86.8% while ARR decreased by 43% to approximately HK$702 as compared with the same period last year, resulting in a decrease of 31.0% in RevPAR to approximately HK$610. Despite the impact of having a revenue structure, our hotels in Hong Kong have witnessed a growth of 9% on total revenue and 12% on RevPAR comparing with 1H FY2020, a period when COVID-19 was not a factor but social unrest was prevalent, with Hong Kong recording approximately 47 million total visitors for the first nine months of 2019.

On a brighter side, total visitors to Hong Kong in the first nine months of 2023 amounted to 23 million, of which 19 million were visitors from Mainland China, representing in both cases a year-on-year increase of over 93 times, together with vast business opportunities in Hong Kong to further integrate with the Mainland, we remain confident in the hospitality industry of our home market Hong Kong.

Malaysia

Hotel business in Malaysia continued their recovery and delivered a solid set of numbers during 1H FY2024. Total revenue from owned hotel operations for 1H FY2024 was approximately MYR48 million, which is 33.3% above the levels of 1H FY2023. ARR maintained at a similar level when compared to 1H FY2023 and OCC increased 8.8 percentage points to approximately 55.3%, resulting in a 19.4% increase of RevPAR to approximately MYR129.

With the gradual lifting of COVID-19 related restrictions in Mainland China and with many Chinese tourists starting to travel overseas, we expect the performance of our hotels to continue to improve in 2H FY2024.

Mainland China

Spurred by the gradual lifting of COVID-19 related restrictions, economic activities in Mainland China bounced back in early 2023. During 1H FY2024, our hotels in Mainland China have generally performed much better than they did in 1H FY2023. OCC rebounded to 69.7% and the overall ARR increased 52.2% to RMB376 per night. As a result, RevPAR rose by 118.3% to RMB262 per night for 1H FY2024.

Driven by this improvement in RevPAR and F&B, total revenue of our hotel portfolio in Mainland China in 1H FY2024 witnessed a 90.9% increase to RMB105 million. These significant increases in multiple terms also reflected the low base figures in the comparative period in same period last year due to the pandemic restrictions. To illustrate, the RevPAR was down 7% while total revenue was able to maintain at a similar level when compared with 1H FY2020, when hotel operation was unaffected by COVID-19.

Singapore

As a result of the tourism boom in Singapore, Dorsett Singapore, our 285 rooms hotel in downtown Singapore, has recorded an increase in ARR from approximately SGD188 to approximately SGD211, with RevPAR increased 48.0% to approximately SGD182. This allowed Dorsett Singapore to increase revenues significantly to approximately SGD11 million from SGD7 million, year-on-year. Comparing to 1H FY2020, Dorsett Singapore has recorded an increase of 43% in total revenue, and a 22% increase in RevPAR.

Looking forward, Singapore has a positive outlook on its hotel market performance. The market wide ARR is forecasted to further improve, with OCC to maintain or further improve in 2H FY2024.

UK

With the opening of Dao by Dorsett West London in July 2022 and the expiry of the Dorsett City London management contract in March 2023, the Group owns and manages 2 hotels in the UK and reported a rebound in business in 1H FY2024 compared to the challenging situation in the same period in 2023, as contracts with the government for quarantine guests returning from certain countries lapsed and general guests started coming back slowly.

Total revenue increased by 14.3% to approximately GBP8 million, with a 14.1 percentage points increase in OCC to approximately 82.1% and a 9.8% increase in ARR to approximately GBP134. As a result, RevPAR increased 32.5% when compared with 1H FY2023. It also represents a growth of 22% compared with 1H FY2020, pre-COVID. The outlook for our hotels in the UK is bright as the current value of the Pound Sterling provides an added incentive to visit the UK.

Australia

After disposing of the Sheraton Grand Mirage Resort on 3 November 2023, the Group owns 4 hotels in Australia, the wholly-owned Ritz-Carlton Perth, Ritz-Carlton Melbourne, and Dorsett Melbourne, as well as the partially-owned Dorsett Gold Coast.

During 1H FY2024, overall OCC in Australia dropped 17.2 percentage points to approximately 54.8% and ARR decreased 5.9% to approximately AUD348, resulting in a decrease of RevPAR to approximately AUD191, a 28.2% decrease when compared to the same period last year. These declines can be attributed to various factors, including a decrease in leisure business over the weekends at Ritz-Carlton Perth, as local staycation guests have the option to travel abroad since the gradual uplifting of COVID-19 restrictions globally. Moreover, since Ritz-Carlton Melbourne and Dorsett Melbourne were opened in March and April respectively this year, both hotels are still in a ramp-up period, and their growth is yet to be fully realised.

Despite these challenges, a remarkable 110.5% increase in total revenue was witnessed, reaching approximately AUD40 million. This growth can be attributed to the successful opening of Ritz-Carlton Melbourne and Dorsett Melbourne. In particular, Dorsett Melbourne has shown a notable increase in OCC starting from July 2023 and an overall improvement is expected in 2H FY2024.

Continental Europe – Palasino Hotel Group

Benefitting from an enlarged pool of resources and streamlined operations post pandemic, our Palasino Hotel Group has seen promising growth in 1H FY2024 as compared with the same period last year. Overall OCC increased 3.6 percentage points to approximately 56.8% and ARR increased 11.9% to approximately HK$715, resulting in a 19.4% growth in RevPAR to approximately HK$406. As a result, total revenue continues increased to approximately HK$60 million in 1H FY2024 as compared to HK$58 million in 1H FY2023.

3. *Car park operations and facilities management*

The Group's car park operations and facilities management business includes car park operations operating under the "Care Park" brand, with a portfolio of car park bays owned or under management amounting to approximately 124,000 bays as at 30 September 2023. Among the 406 car parks owned or under management by the "Care Park" brand, 24 were self-owned car parks with 8,556 car park bays. The remaining 115,176 car park bays in Australia, New Zealand, the UK, Hungary and Malaysia remain under management contracts with third-party car park owners.

In 1H FY2024, the revenue from Group's car park operations amounted to approximately HK$356 million, a decrease of 5.2% as compared to the same period last year. This was mainly driven by our strategic measures to phase out those underperforming car parks. However, with our continuous commitment to refining operational efficiencies and implementing cost-saving measures, the car park operations are expected to achieve a steady growth during 2H FY2024.

4. *Gaming operations and management*

Europe

The Group operates its portfolio of one integrated land-based casino and two full-service land-based casinos in the Czech Republic under brand name of "Palasino" which features slot machines and gaming tables.

The Group's gaming revenue was primarily generated from slot machines whilst the remaining revenue were generated from table games. The Group's gaming operations in the Czech Republic have shown continuous growth, with a loyal customer base and consistent attendance. Performance of gaming operations has continued its growth trajectory, delivering satisfactory returns. In 1H FY2024, revenue from Palasino Group's gaming operations increased by approximately 14.0% to approximately HK$151 million (net of gaming tax), when compared to 1H FY2023.

Palasino Group reactivated its online gaming licence in Malta recently and plans to launch its service in the coming few month(s). Looking ahead, the Group remains optimistic about its gaming business and ability to capitalise on growth opportunities in the region. The Group is currently exploring the opportunity for a capital market deal to unlock the full potential of Palasino Group to create additional value for shareholders. In FY2023, a pre-IPO investor had invested USD20 million for a 10% stake in Turbo Century Limited, the current holding company of Palasino Group in FY2023 and the Group submitted an application for the separate listing of Palasino to the Stock Exchange in September 2023.

The following tables set forth certain operating data of Palasino Group's casinos for the period ended 30 September 2023:

	As at 30 September 2023	As at 30 September 2022
Number of slot machines	**568**	492
Number of tables	**62**	65
	1H FY2024	1H FY2023
Table game revenue (i) *(HK$ million)*	**34**	35
Slots revenue (i) *(HK$ million)*	**107**	90
Table games hold percentage (ii)	**22.2%**	21.4%
Slot machine hold percentage (ii)	**5.2%**	4.7%
Average daily gross win per table *(HK$)* (iii)	**3,987**	3,846
Average slot win per machine per day *(HK$)* (iii)	**1,611**	1,619

Notes:

(i) Net of gaming tax

(ii) A – slot machine drop (the total amount of slot machine bets made (coin in) in the slot machines)
B – table game drop (the total amount of drop collected in the table games drop boxes plus any cash exchanged for chips at the cage)
C – slot machine gross win (the total amount of slot machine bets made (coin in) minus slot machine bets paid out (coin out) that is retained as winnings)
D – table game gross win (the amount of drop that is retained as winnings)
Slot machine hold percentage = (C / A) x 100%
Table games hold percentage = (D / B) x 100%

(iii) Average slot win per machine per day = Slot machine gross win / ((opening number of machines + closing number of machines)/2)/ number of open days

Average daily gross win per table = Table games gross win / ((opening number of tables + closing number of tables)/2)/ number of open days

Australia

In March 2018, the Group entered into a strategic alliance agreement with The Star and CTF and currently has a 2.81% equity stake in The Star, one of the two major casino operators in Australia which has a dominant position in Sydney, the Gold Coast and Brisbane.

Strategic benefits to the Group from this investment and the strategic alliance agreement are:

(i) strengthening the Group's relationship with The Star;

(ii) forging a partnership with The Star for potential mixed-use property projects, and adding to the Group's development pipeline in Australia; and

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

The Group owns 25% of the integrated resort under construction in Brisbane. Together with The Star and CTF, the Group is building three world-class hotels, high-end gaming facilities with VIP rooms, food and beverage outlets and more than 6,000 sq. m. of retail and dining space that will be operated by DFS Group, a global leader in retail operation.

The QWB Project is currently under construction, with its first stage expected to complete and open in FY2025.

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.

After carefully reviewing potential markets in which it could grow its business, BC Invest expanded to the UK in late FY2021 and the response has been positive. BC Invest is building an asset management business (retail and institutional) to diversify its business model and financing sources and also extended its mortgage business to the domestic resident market.

Loans and advances maintained at approximately AUD4.2 billion as at 30 September 2023. BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio for Australia and the UK. Net interest margin was maintained at 1.23% for 1H FY2024. Though most of BC Invest's capital is provided by third parties, the Group has committed approximately AUD20 million and GBP23 million as at 30 September 2023, which was classified as investment securities. Including interest income from funding, BC Invest contributed approximately HK$26 million to the Group's profit in 1H FY2024.

On 31 March 2023, BC Invest acquired the remaining portion of Mortgageport Management Pty. Ltd. ("Mortgageport") that it did not already own, resulting in full ownership of Mortgageport. Mortgageport is a leading non-bank lender, catering mostly to domestic borrowers. Including third party assets under management, BC Invest managed a total AUM of approximately AUD5.3 billion as at 30 September 2023.

On the funding side, BC Invest continued to diversify its funding sources by tapping into the RMBS market. In April 2023, it issued an RMBS that raised AUD507 million which is backed by first mortgage loans to Australian resident borrowers, including self-managed super fund ("SMSF") prime borrowers. This was followed by another RMBS transaction in August 2023 raising AUD456 million. These transactions featured a proportion of Australian domestic and SMSF prime borrowers. These issuances signal a shift towards a largely resident borrower RMBS program mix.

Post 1H FY2024 in October 2023, BC Invest successfully issued its ninth RMBS and raised AUD507 million. This transaction was backed by first mortgage loans to prime Australian resident borrowers, secured by mortgages over Australian residential properties.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group recognises 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 and long-term goal setting. These projections will be used to identify and assess the most effective interventions for reducing the Group's environmental impact. Through this net zero strategy roadmap, the Group aims to reduce its carbon footprint and contribute to the global effort to combat climate change.

In July 2023, the Group obtained its second SLL facility for a tenor of 3 years, raising HK$300 million in Hong Kong. Previously in March 2023, the Group also obtained a SLL facility raising HK$700 million. Both facilities are tied to several key sustainability KPIs. Upon achieving the sustainability KPIs outlined in the SLL agreements, the Group will be eligible for interest savings, which can be reinvested into the Group's ESG initiatives and projects, further advancing the sustainability agenda. The Group anticipates the possibility of more upcoming SLL facilities in the future.

In addition, the Group has also donated HK$1.5 million and provided 40,000 sq. ft. farmland to the Technological and Higher Education Institution of Hong Kong (THEi) for Chinese medicinal research centre, promoting the modernised use of Chinese medicine for cultural preservation.

OUTLOOK

Considering the volatility of the global economic environment, the Group takes a careful approach. In response to the mounting pressures on operating expenses and interest expenses, the Group is actively working on implementing measures to alleviate these challenges. Maintaining cost control and reducing debt levels remain top priorities in conjunction with the complete execution of the monetisation strategy. The Group will actively manage its liabilities by repaying or refinancing them through the bank market. The Group will focus on the timely and budget-conscious execution of ongoing projects, as well as the disposal of non-core assets. In particular, the Group has taken and will continue to take proactive initiatives as follows to reduce the debt levels and finance costs:

- focus on monetising existing completed inventory;
- recognition of other contracted presales such as the Kai Tak office project in Hong Kong;
- recycle capital by selling some non-core assets and mature car park assets to reduce the gearing without impacting long-term business performance;
- dispose of non-core hotel properties including those with minority interests, such as appointed sales agents to sell some non-Dorsett branded hotels including the Ritz-Carlton hotels in Perth and Melbourne and completed the sale of Sheraton Grand Mirage Resort in November 2023 through a joint venture;
- continue to engage with build-to-rent investors for certain upcoming projects in Shanghai and the UK; and
- capital raising for BC Invest.

In the next two years, the Group is poised for a significant transition. A number of milestone projects are reaching the completion and settlement stages. The Group will leverage the momentum gained from these milestone projects to embark on new endeavours.

During the period, we had a significant settlement from West Side Place (Towers 3 and 4) in Melbourne, Hornsey Town Hall in London, New Cross Central in Manchester and Hyll on Holland in Singapore. In the coming 12 to 24 months, we will see the completion of the three towers of Victoria Riverside in Manchester, Aspen at Consort Place in London, and Kai Tak office development in Hong Kong which will contribute to the Group’s performance. The Group’s cumulative attributable presales value and unbooked contracted sales stood at approximately HK$14.1 billion as at 30 September 2023, providing significant visibility and capital for the years to come.

With the recent opening of two hotel properties in Melbourne, namely Ritz-Carlton Melbourne and Dorsett Melbourne, our portfolio has expanded with approximately 573 additional rooms. These additions have positively impacted the Group's hotel performance during 1H FY2024. Looking ahead, we maintain an optimistic outlook for consistent growth, as we anticipate an increase in demand from both business and leisure travellers. Furthermore, the Group has 8 more hotels currently in the development pipeline, scheduled to open within the next 36 months. We expect this ongoing pipeline of projects will further support our continued growth.

The Group's car park business will continue to grow steadily with continuing pursuit of new car park management contracts, whilst monetising the matured and non-core owned car parks to degear.

The Group's gaming business maintains robust performance, indicating its strength and success. The Group has submitted the application for the separate listing of Palasino to the Stock Exchange which we anticipate will unlock the capital value of the business and pave the way for numerous expansion opportunities in the future. Additionally, the Group reactivated its online gaming licence in Malta recently and plans to launch the service in the coming few month(s) to provide a new avenue to attract a broader customer base. In Australia, the impending opening of Queen's Wharf Brisbane is rapidly approaching and is expected to contribute to the Group's cash flows in FY2025.

BC Invest continues to demonstrate strong potential. By acquiring the remaining stake in Mortgageport and securing financing from leading credit providers, BC Invest has built an asset management business to further diversify its sources of capital. BC Invest is well positioned to capitalise on the mortgage financing market growth opportunity.

The Group maintains a healthy liquidity position of approximately HK$4.6 billion as at 30 September 2023, with available undrawn credit facilities of approximately HK$6.4 billion and 6 unencumbered hotel assets valued at approximately HK$1.7 billion based on independent valuation assessed as at 31 March 2023. 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 has an exciting lineup of significant projects set to be completed in the next couple of years, spanning across property development, hospitality, and gaming divisions. The recurring income businesses are expected to maintain steady growth during this period. Although the economic environment presents uncertainties and challenges that may pose obstacles, the Group remains confident in its ability to deliver satisfactory results while prioritising the well-being of all stakeholders and executing 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 net gearing ratio and adjusted total equity have been presented in this announcement. 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 profit attributable to shareholders of the Company 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 (reversed) on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; and (vii) 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 profit attributable to shareholders of the Company 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 (reversed) on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; and (vii) 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 our core cash profit margin from our 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 2023 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 2023 and was not recognised in the Group's consolidated financial statements divided by the number of shares issued as at 30 September 2023 and 31 March 2023. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

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 2023 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 2023 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, notes and bonds 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 2023 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 2023 and comparative figures to the nearest measures prepared in accordance with HKFRS:

	1H FY2024	1H FY2023
	HK$'000	*HK$'000*
Profit for the period attributable to shareholders of the Company	**232,238**	570,533
Less: Change in fair value of investment properties (after tax)	**(38,672)**	11,573
Change in fair value of derivative financial instruments	**(1,589)**	(16,465)
Add: Change in fair value of financial assets at FVTPL	**48,753**	61,794
Loss on disposal of debt instruments at FVTOCI	**25,619**	41,888
Impairment loss under ECL model recognised (reversed) on trade debtors	**8,679**	(3,618)
Impairment loss under ECL model recognised on debt instruments at FVTOCI	**–**	15,435
Depreciation and impairment[i]	**231,571**	215,892
Adjusted cash profit (Non-GAAP)	**506,599**	897,032
Adjusted cash profit margin (Non-GAAP)	**8.0%**	29.6%

	1H FY2024	1H FY2023
	HK$'000	*HK$'000*
Gross profit	**1,974,724**	1,071,884
Depreciation[ii]	**182,360**	157,758
Adjusted gross profit (Non-GAAP)	**2,157,084**	1,229,642
Adjusted gross profit margin (Non-GAAP)	**34.3%**	40.6%

	As at 30 September 2023 HK$'million	As at 31 March 2023 HK$'million
Equity attributable to shareholders of the Company	**11,004**	12,355
Hotel revaluation surplus(iii)	**19,140**	19,236
Adjusted net asset value attributable to shareholders (Non-GAAP)	**30,144**	31,591
Number of shares issued (million)	**2,706**	2,706
Adjusted net asset value per share (Non-GAAP)	**HK$11.14**	HK$11.67

	As at 30 September 2023 HK$'million	As at 31 March 2023 HK$'million
Total assets	**48,791**	53,423
Hotel revaluation surplus(iii)	**19,140**	19,236
Adjusted total assets (Non-GAAP)	**67,931**	72,659

	As at 30 September 2023 HK$'million	As at 31 March 2023 HK$'million
Total equity	**14,038**	15,648
Hotel revaluation surplus(iii)	**19,140**	19,236
Adjusted total equity (Non-GAAP)	**33,178**	34,884
Net debts	**24,291**	25,729
Adjusted net gearing ratio (net debts to adjusted total equity) (Non-GAAP)	**73.2%**	73.8%

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 2023 including the Dorsett Melbourne which was completed before 31 March 2023 and opened in April 2023, and excluding Dorsett Bukit Bintang which was disposed before 30 September 2023.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group had approximately 4,300 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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 September 2023, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange, 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2023, the Company, through its wholly-owned subsidiary, repurchased on the Stock Exchange and subsequently cancelled the 5.1% USD Medium Term Notes 2024 in the aggregate principal amount of USD5,250,000 for an aggregate consideration of USD5,118,285.

The Company also redeemed the outstanding principal amount (USD131,800,000) of the 4.5% USD Medium Term Notes 2023 at principal amount upon maturity on 13 May 2023.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.

The purchases were made for the benefit of the Shareholders with a view to enhancing the net asset value and earnings per share of the Group.

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 2023.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Stock Exchange at *www.hkexnews.hk* and on the website of the Company at *www.fecil.com.hk*. The Interim Report of the Company for the six months ended 30 September 2023 will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 29 November 2023

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS and Ms. Wing Kwan Winnie CHIU; and three independent non-executive directors, namely Mr. Kwong Siu LAM, Mr. Wai Hon Ambrose LAM and Mr. Lai Him Abraham SHEK.