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 2024

BUSINESS UPDATE

- The global economic environment remained challenging during the six months ended 30 September 2024 ("1H FY2025"). The Group continued to pursue its strategic objectives to reduce its debt levels and finance costs and seek opportunities to unlock and realise the value of its non-core assets amidst volatile economic conditions, positioning itself for growth and resilience in 1H FY2025.

- Despite impairment losses in certain projects and various non-cash factors, the Group managed to deliver a positive adjusted cash profit[i], a non-GAAP financial measure, of approximately HK$139 million for 1H FY2025. Moreover, adjusted net gearing ratio[i], a non-GAAP financial measure, was maintained at 68.8% as at 30 September 2024.

- During 1H FY2025, revenue decreased by 18.7% to approximately HK$5.2 billion as compared with that of the six months ended 30 September 2023 ("1H FY2024"). The main reason was that less residential property development was completed and settled as compared with the same period last year. Despite the lower recognition of revenue from property development, the Group's recurring income businesses have reported an increase in revenue.

* *For identification purposes only*

- The Group's revenue from property development recorded a decrease of 25.8% to approximately HK$3.5 billion as compared with 1H FY2024. Aspen at Consort Place in London has commenced completion in phases and started the handover process in May 2024 while Hyll on Holland in Singapore was completed and started the handover process in June 2024. In addition, sales of completed inventories such as Mount Arcadia and Manor Parc in Hong Kong and West Side Place (Towers 3 and 4) in Melbourne, Australia were also major contributors to revenue of 1H FY2025.

- The Group demonstrated its ability to launch and sell residential property developments in spite of the challenging business environment. New presales recorded during 1H FY2025 was approximately HK$3.8 billion. In late March 2024, the Group launched one of the towers in Red Bank Riverside – Falcon in Manchester with a total gross development value ("GDV") of approximately HK$689 million, followed by another tower – Kingfisher with a total GDV of approximately HK$1.2 billion in August 2024. Presales for these towers were received with positive feedback. Concurrently, following the abolishment of all demand-side management measures for residential properties market in Hong Kong with effect from 28 February 2024, The Pavilia Forest in Hong Kong was launched in July 2024 with a total expected attributable GDV of approximately HK$6.0 billion and presold 60.2% of units launched as at 30 September 2024.

- The cumulative attributable presales value of properties under development and unbooked contracted sales stood at approximately HK$11.8 billion as at 30 September 2024. The Group is actively accelerating the completion of its projects as evidenced by the completion of Victoria Riverside – City View (Tower B), Park View (Tower C) and Bromley Street in Manchester, the United Kingdom ("UK"), Perth Hub in Perth, Australia and The Star Residences (Tower 2) in Gold Coast, Australia in 2H FY2025. In addition, Queen's Wharf Brisbane (Tower 4) in Brisbane, Australia is expected to be completed and initiated the handover process in early FY2026, providing a significant boost of revenue and cash flow to the Group.

- In the Group's hotel operations and management business, revenue slightly increased by 1.1% to approximately HK$977 million as compared with 1H FY2024. The increase was mainly driven by the stabilisation of two new hotels in Australia, namely Ritz-Calton, Melbourne and Dorsett Melbourne. The Group's hotel business in Hong Kong is poised for growth momentum with the soft opening of Dorsett Kai Tak, Hong Kong in September 2024.

- Dorsett Kai Tak, Hong Kong, consisting of 373 rooms, was soft-opened on 26 September 2024. It is strategically positioned adjacent to the Kai Tak Sports Park ("Sports Park") vicinity in Hong Kong, offering easy access to the main stadium and other facilities of the Sports Park, as well as captivating views of Victoria Harbour. It provides an excellent opportunity to complement and benefit from the stream of travellers attracted by the international events hosted in the Sports Park, bolstering potential occupancy and expanding the Group's market reach.

- In March 2024, a subsidiary of the Group formed a partnership with 10% stakeholding, to acquire a hotel in Singapore and rebranded the hotel as Dorsett Changi City Singapore. The hotel is located just a 10-minute drive from Singapore Changi Airport and features 313 rooms along with amenities. Dorsett Hospitality International ("Dorsett") has secured the hotel management contract. The partnership demonstrates the Group's ability to expand its hotel business by leveraging an asset-light model. The transaction was completed in September 2024.

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

- The Group's gaming business under Palasino Holdings Limited ("Palasino") has been successfully spun-off and separately listed on the main board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 26 March 2024. As at 30 September 2024, the Group held a controlling stake of 72.07% in Palasino after the partial exercise of the over-allotment option in April 2024. Revenue from the Group's gaming business for 1H FY2025 slightly increased by 0.9% to approximately HK$196 million compared to 1H FY2024, which was primarily driven by the increase in the number of slot machines and slot attendance.

- BC Investment Group Holdings Limited ("BC Invest"), a company in which the Group has a stake of approximately 53.16%, continued to grow in 1H FY2025. BC Invest successfully issued a residential mortgage-backed security ("RMBS") bond that raised AUD530 million in 1H FY2025. The net interest margin slightly increased to 1.26% (1H FY2024: 1.23%). As at 30 September 2024, BC Invest managed a total assets under management ("AUM") of approximately AUD6.1 billion (as at 31 March 2024: AUD5.4 billion).

- The integrated resort under the QWB Project, in which the Group owns a 25% stake, had its soft opening on 29 August 2024. A hotel and gaming facilities with premium gaming rooms were unveiled with positive responses. Other facilities such as food and beverage outlets, retail and dining spaces and two hotels will be launched in phases in the near future. The Group anticipates cash inflow will be generated from the project.

- The Group continued its ongoing strategy of deleveraging by actively recycling non-core assets and non-core businesses to repay bank loans and to invest in projects with higher return. The Group is considering to dispose of the long-lease residential developments in Baoshan, Shanghai within two years. The Group is also reviewing strategic options for BC Invest.

FINANCIAL HIGHLIGHTS

- During 1H FY2025, despite the net loss attributable to shareholders of approximately HK$770 million, the adjusted cash profit[(i)], a non-GAAP financial measure, remained positive at approximately HK$139 million.

- In line with the decrease in revenue, various one-off and non-operating expense factors in 1H FY2025, the net loss attributable to shareholders amounted to approximately HK$770 million. The loss was primarily due to various factors:

  - Finance costs for 1H FY2025 amounted to approximately HK$497 million;

  - Impairment loss on interest in an associate for Queen's Wharf Project in Brisbane ("QWB Project") of approximately HK$204 million;

  - Share of impairment loss recognised by a joint venture ("JV")'s residential property under development of approximately HK$217 million;

  - Decrease in fair value of investment properties amounted to approximately HK$133 million; and

  - Net foreign exchange loss increased to approximately HK$167 million.

- Loss per share in 1H FY2025 was HK27.3 cents. The declared interim dividend for 1H FY2025 was HK1.0 cent per share (1H FY2024: HK4.0 cents per share).

- The Group's adjusted total equity[(i)], a non-GAAP financial measure, slightly increased by 0.4% to approximately HK$33,671 million as at 30 September 2024 due to the offsetting effects of favourable impact on foreign currency translation of foreign operations which contributed positively to reserves. Adjusted net asset value per share[(i)], a non-GAAP financial measure, was HK$10.81 as at 30 September 2024 compared to HK$10.77 as at 31 March 2024.

- Adjusted net gearing ratio[(i)], a non-GAAP financial measure, stood at 68.8% and net debt to adjusted total assets[(i)], a non-GAAP financial measure, maintained at a healthy level of 35.2% as at 30 September 2024. The Group has continued to prudently manage its capital structure by refinancing some of its shorter-term debts through the bank market, actively monetise its non-core assets in an effort to reduce its debt levels and accelerate the completion of properties under development.

- The Group's liquidity position stood at approximately HK$4.5 billion, with a comfortable level of cash and marketable securities available as at 30 September 2024. Furthermore, the Group had HK$5.4 billion in unencumbered hotel assets and unsold residential inventory as at 30 September 2024.

- In September 2024, the Group solicited a consent, with 98.4% vote in favour, for an option to partially redeem the USD360 million perpetual capital notes over multiple optional redemption dates and increase the frequency of the optional redemption dates to monthly intervals after the first call date, with minimum optional redemption conditions at USD20 million. The consent provides the Group with more flexibility in managing its cash flow. The Group aims to initiate partial call in the first quarter of 2025 while maintaining its gearing and cash flow position at a sustainable level.

Note:

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

INTERIM RESULTS

The board of directors (the "Board") of Far East Consortium International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2024. 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 2024 of HK1.0 cent (six months ended 30 September 2023: HK4.0 cents) per ordinary share (the "Interim Dividend"). The Interim Dividend will be paid to the shareholders of the Company (the "Shareholders") whose names appear on the Company's Register of Members on 2 January 2025, except for the holders of treasury shares (if any). The Interim Dividend will be paid in the form of a scrip dividend with the Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

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

CLOSURE OF REGISTER OF MEMBERS

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2024

	NOTE	**30.9.2024** *HK$'000* **(unaudited)**	31.3.2024 *HK$'000* (audited)
Non-current Assets			
Investment properties		**6,080,382**	6,100,783
Property, plant and equipment		**12,937,663**	12,248,060
Goodwill		**68,400**	68,400
Interests in associates		**1,909,746**	1,704,157
Interests in joint ventures		**2,501,501**	2,530,500
Investment securities		**427,933**	554,408
Deposits for acquisition of property, plant and equipment		**91,981**	90,451
Amounts due from joint ventures		**2,184,933**	2,029,315
Amounts due from associates		**103,270**	67,838
Amount due from an investee company		**119,995**	119,995
Loan receivables		**645,607**	178,591
Pledged deposits		**5,043**	4,832
Deferred tax assets		**183,585**	177,425
Other assets		**26,050**	26,255
Other receivables	*11*	**41,515**	73,365
Restricted bank deposits		**17,911**	–
		27,345,515	25,974,375
Current Assets			
Properties for sale			
Completed properties		**4,704,954**	4,874,765
Properties under development		**8,248,178**	9,277,662
Other inventories		**15,697**	13,971
Debtors, deposits and prepayments	*11*	**925,411**	779,583
Customers' deposits under escrow		**442,807**	335,978
Contract assets		**583,550**	927,500
Contract costs		**175,051**	189,621
Amounts due from joint ventures		**130,528**	247,384
Amounts due from associates		**10,427**	63,604
Amount due from a shareholder of non-wholly owned subsidiary		**23,839**	22,739
Amount due from a related company		**44,565**	39,914
Tax recoverable		**125,501**	92,166
Investment securities		**1,075,945**	1,187,529
Loan receivables		**18,479**	5,643
Derivative financial instruments		**712**	235
Restricted bank deposits		**209,325**	444,919
Pledged deposits		**116,853**	50,088
Cash and cash equivalents		**2,740,707**	2,733,621
		19,592,529	21,286,922

	NOTE	30.9.2024	31.3.2024
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Current Liabilities			
Creditors and accruals	*12*	**1,951,789**	1,952,999
Contract liabilities		**676,391**	779,426
Lease liabilities		**50,910**	49,194
Amount due to a related company		**1,123**	1,059
Amounts due to associates		**7,352**	6,357
Amounts due to joint ventures		**185,508**	158,391
Amounts due to shareholders of non-wholly owned subsidiaries		**32,640**	170,980
Tax payable		**333,543**	359,504
Dividend payable		**281,760**	–
Bank and other borrowings		**12,573,314**	12,673,820
		16,094,330	16,151,730
Net Current Assets		**3,498,199**	5,135,192
Total Assets less Current Liabilities		**30,843,714**	31,109,567
Non-current Liabilities			
Lease liabilities		**313,684**	317,143
Notes		**476,130**	475,771
Bank and other borrowings		**14,597,129**	14,612,250
Deferred tax liabilities		**766,965**	828,820
Other liabilities		**1,551**	4,239
		16,155,459	16,238,223
Net Assets		**14,688,255**	14,871,344

	NOTE	**30.9.2024**	31.3.2024
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Capital and Reserves			
Share capital		**281,760**	281,760
Share premium		**4,880,059**	4,880,059
Reserves		**6,316,908**	6,518,146
Equity attributable to shareholders of the Company		**11,478,727**	11,679,965
Owners of perpetual capital notes	*13*	**2,902,589**	2,903,198
Other non-controlling interests		**306,939**	288,181
		3,209,528	3,191,379
Total Equity		**14,688,255**	14,871,344

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1. GENERAL

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

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of 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 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

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

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

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

4. SEGMENT INFORMATION – CONTINUED

- 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 30.9.2024	Six months ended 30.9.2023	**Six months ended 30.9.2024**	Six months ended 30.9.2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Property development				
– Australia	**846,428**	3,043,190	**42,117**	665,864
– Hong Kong ("HK") *(note 1)*	**897,672**	12,409	**39,199**	(4,101)
– Malaysia	**–**	8,185	**33,676**	2,878
– Other regions in the People's Republic of China excluding HK ("PRC")	**4,847**	41,219	**(7,703)**	24,348
– Singapore	**574,479**	1,208,943	**51,520**	69,051
– United Kingdom ("UK")	**1,196,011**	432,101	**180,124**	97,128
	3,519,437	4,746,047	**338,933**	855,168
Property investment				
– Australia	**13,835**	9,823	**11,923**	21,235
– HK	**21,910**	19,556	**(48,352)**	50,583
– PRC	**19,971**	21,006	**(64,135)**	2,212
– UK	**3,751**	3,893	**4,156**	4,219
	59,467	54,278	**(96,408)**	78,249
Hotel operations and management				
– Australia	**257,308**	207,784	**(34,683)**	(63,473)
– HK	**292,242**	338,098	**(63,640)**	50,982
– Malaysia	**87,788**	74,092	**18,223**	12,934
– PRC	**109,007**	115,933	**11,892**	13,356
– Singapore	**58,239**	66,484	**15,793**	32,361
– UK	**86,050**	79,804	**10,710**	(12,030)
– Europe (other than UK)	**85,974**	84,008	**8,755**	(1,566)
	976,608	966,203	**(32,950)**	32,564
Car park operations and facilities management				
– Australia and New Zealand	**288,879**	273,134	**38,374**	51,523
– UK	**59,502**	56,617	**(13,578)**	2,538
– Europe	**17,449**	16,851	**(1,523)**	357
– Malaysia	**14,182**	9,498	**524**	(866)
	380,012	356,100	**23,797**	53,552

4. SEGMENT INFORMATION – CONTINUED

	Segment revenue		Segment profit (loss)	
	Six months ended 30.9.2024	Six months ended 30.9.2023	**Six months ended 30.9.2024**	Six months ended 30.9.2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Gaming operations				
– Australia *(note 2)*	**–**	–	**(237,860)**	(8)
– Czech Republic	**196,118**	194,279	**41,632**	34,138
	196,118	194,279	**(196,228)**	34,130
Securities and financial product investments in HK	**13,595**	16,690	**6,178**	(35,749)
Provision of mortgage services				
– Australia	**17,267**	24,325	**19,978**	23,037
– HK	**9,238**	4,429	**9,133**	3,952
	26,505	28,754	**29,111**	26,989
Segment revenue/segment profit (loss)	**5,171,742**	6,362,351	**72,433**	1,044,903
Unallocated corporate income and expenses and other gains and losses			**(71,247)**	11,188
Net foreign exchange loss			**(166,658)**	(4,101)
Finance costs			**(496,598)**	(514,568)
(Loss) profit before tax			**(662,070)**	537,422

notes:

1. Included in the segment profit of HK is a write-down of properties for sales of approximately HK$217,125,000 (2023: Nil) recorded by a joint venture, which is engaged in property development in HK, and shared by the Group.

2. Included in the segment loss of Australia is an impairment loss of approximately HK$204,385,000 (2023: Nil) recognised in respect of an interest in associate, which is engaged in gaming operations in Australia due to the proposed change of gaming regulations during the current interim period. Further details are stated in Note 5.

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

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

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

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

4. SEGMENT INFORMATION – CONTINUED

Segment assets

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

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

4. SEGMENT INFORMATION – CONTINUED

Segment assets – continued

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

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

5. OTHER GAINS AND LOSSES

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

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

6. FINANCE COSTS

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

7. INCOME TAX EXPENSE

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

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

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

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

The domestic statutory tax rate of Australia, Malaysia, Singapore, UK and Czech Republic is 30%, 24%, 17%, 25% and 21% (31 March 2024: 30%, 24%, 17%, 25% and 19%) of the estimated assessable profit, respectively.

8. (LOSS) PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2024	30.9.2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment (including depreciation of leased properties of HK$25,769,000 (six months ended 30 September 2023: HK$26,645,000))	**234,967**	234,824
and after crediting (included in other income):		
Bank interest income	**16,664**	33,534
Government grants	**59**	120

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the shareholders of the Company is based on the consolidated loss for the period attributable to the shareholders of the Company of HK$769,907,000 (six months ended 30 September 2023: profit for the period attributable to the shareholders of the Company of HK$232,238,000) and the number of shares calculated as follows:

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

Note: The impact on scrip dividend as detailed in Note 10 and over-allotment options granted by a subsidiary (2023: scrip dividend as detailed in Note 10) is immaterial to the Group's diluted loss per share (2023: diluted earnings per share) for the six months ended 30 September 2024.

10. DIVIDENDS

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

10. DIVIDENDS – CONTINUED

The 2024 final dividend was declared and approved by shareholders, in the form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK$1.0525 per share (six months ended 30 September 2023: HK$1.7125 per share) which was the average of the closing prices per share for the four trading days up to and including 9 September 2024.

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

11. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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:

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

12. CREDITORS AND ACCRUALS

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

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

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

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.

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

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

14. EVENT AFTER THE REPORTING PERIOD

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for 1H FY2025 was approximately HK$5.2 billion, a decrease of 18.7% as compared with 1H FY2024. Adjusted gross profit[(i)], a non-GAAP financial measure, came in at approximately HK$1.6 billion, as compared with HK$2.2 billion for 1H FY2024. A breakdown of the Group's revenue and gross profit is set out below:

	Property development *HK$'000*	Hotel operations and management *HK$'000*	Car park operations and facilities management *HK$'000*	Gaming operations and facilities management *HK$'000*	Others *HK$'000*	Total *HK$'000*
1H FY2025						
Revenue	**3,519,437**	**976,608**	**380,012**	**196,118**	**99,567**	**5,171,742**
Gross profit	**943,239**	**258,009**	**81,897**	**78,133**	**72,397**	**1,433,675**
Depreciation	**–**	**166,419**[(iv)]	**11,137**[(iv)]	**3,453**	**–**	**181,009**
Adjusted gross profit[(i)]	**943,239**	**424,428**	**93,034**	**81,586**	**72,397**	**1,614,684**
Adjusted gross profit margin[(i)]	**26.8%**	**43.5%**	**24.5%**	**41.6%**	**72.7%**	**31.2%**
1H FY2024						
Revenue	4,746,047	966,203[(iii)]	356,100	194,279[(ii)(iii)]	99,722	6,362,351[(ii)]
Gross profit	1,439,119	304,835[(iii)]	69,202	78,901[(iii)]	82,667	1,974,724
Depreciation	–	166,767[(iii)(iv)]	11,974[(iv)]	3,619[(iii)]	–	182,360
Adjusted gross profit[(i)]	1,439,119	471,602[(iii)]	81,176	82,520[(iii)]	82,667	2,157,084
Adjusted gross profit margin[(i)]	30.3%	48.8%[(iii)]	22.8%	42.5%[(iii)]	82.9%	33.9%[(ii)]

Notes:

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

(ii) Restated gaming revenue as gross revenue which added back the gaming tax amounted HK$67 million for 1H FY2024.

(iii) Reclassified the revenue and relevant results of Palasino Savannah Resort from gaming operations to hotel operations and management for 1H FY2024.

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

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

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

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

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

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

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

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

Note:

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

2. Liquidity, financial resources, and net gearing

The following table sets out the Group's bank and cash balances, investment securities (which are considered as cash equivalent items due to their easily monetisable nature), bank loans and borrowings and obligations under finance leases and equities as at 30 September 2024.

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

Notes:

(i) Includes an amount of approximately HK$1,912 million, which is reflected as liabilities due within one year even though such a sum is not repayable within one year, as the relevant banks and/or financial institutions have discretionary rights to demand immediate repayment.

(ii) Represents total restricted bank deposits, deposits in financial institutions and bank and cash balances.

(iii) Represents total bank loans and notes less investment securities and bank and cash balances.

(iv) Includes the 2019 Perpetual Capital Notes.

(v) Based on the independent valuations carried out as at 31 March 2024, except (a) Dorsett Melbourne carried out its valuation in November 2023; and (b) Dorsett Kai Tak, Hong Kong, which was accounted for only as at 30 September 2024 due to its opening in September 2024.

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

To better manage the Group's liquidity position, the Group allocates a portion of its cash position in marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed-income securities and investments in fixed-income funds; investments in the listed shares and investments in notes issued by the trusts which hold the mortgage portfolio managed by BC Invest.

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

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

The adjusted net gearing ratio[i], a non-GAAP financial measure, stood at 68.8% as at 30 September 2024, a similar level as compared with 31 March 2024.

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

- Accelerate the completion of several landmark projects with a total expected attributable GDV of approximately HK$8.5 billion, including Aspen at Consort Place in London, Victoria Riverside in Manchester, Perth Hub in Perth, The Star Residences – Epsilon (Tower 2) in Gold Coast and Queen's Wharf Residences (Tower 4) in Brisbane. A visible cash flow is set to contribute to debt reduction upon the receipt of sales proceeds;

- Increase sales effort to monetise its existing inventory of approximately HK$4.8 billion, particularly West Side Place (Towers 1 to 4) in Melbourne and Mount Acadia in Hong Kong, along with active selling campaigns across Australia, the UK and Hong Kong;

- Actively selling its non-core assets and non-core business. The Group is considering to dispose of long-lease residential blocks in Baoshan, Shanghai, with one parcel for raw land sale and the other to be developed into approximately 1,700 units, within two years. The Group is also reviewing strategic options for BC Invest; and

- Upcoming launch of several development projects, including other towers in Red Bank Riverside in Manchester and 640 Bourke Street in Melbourne, which have a total expected attributable GDV of approximately HK$8.1 billion in aggregate.

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

	As at 30 September 2024	As at 31 March 2024
	HK$ million	*HK$ million*
The Company's notes	**476**	476
Unsecured bank loans	**5,237**	6,449
Secured bank loans		
– Property development and investment	**7,988**	8,298
– Hotel operations and management	**13,535**	12,083
– Car park operations and facilities management	**330**	374
– Gaming operations and facilities management	**58**	61
– Others	**22**	21
Total bank loans and notes	**27,646**	27,762

Bank loans and notes, denominated in:	**As at 30 September 2024**	As at 31 March 2024
HK$	**63.0%**	60.7%
AUD	**14.7%**	15.1%
SGD	**4.1%**	4.5%
GBP	**10.1%**	11.6%
RMB	**7.2%**	7.3%
Others	**0.9%**	0.8%
	100%	100%

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

As at 30 September 2024, the Group's undrawn banking facilities stood at approximately HK$4.3 billion. Of this amount, approximately HK$1.4 billion is allotted to development/construction facilities while the balance of approximately HK$2.9 billion is for the Group's general corporate use. When combined with presales to be recognised from the Group's ongoing property development projects, the unutilised banking facilities place the Group in a good financial position to fund not only its existing business and operations, but also its sustainable growth going forward.

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

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

3. Foreign exchange management

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

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

The Group adopts a practice whereby investments in its non-Hong Kong operations are hedged by borrowings in the local currency of the countries where such investments are made. The impact of movements in the above currencies to the Group's profit attributable to shareholders for 1H FY2025 is analysed below:

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

	HK$ million
AUD	4.0
RMB	(0.6)
MYR	(2.4)
GBP	(7.9)
CZK	0.5
SGD	(0.6)
Total impact	**(7.0)**

The movement in foreign currencies also had an impact on the balance sheet position of the Group. As net assets of the Group's non-Hong Kong operations are translated into Hong Kong dollars for consolidation purposes, the movements in foreign currencies have affected the value in Hong Kong dollar-equivalent of such net assets and therefore the Group's net asset position. The Group's net asset value (less the 2019 Perpetual Capital Notes) would have been approximately HK$971 million lower as at 30 September 2024 assuming exchange rates remained constant during 1H FY2025.

4. Net asset value per share

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

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

Note:

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

5. Capital expenditures

The Group's capital expenditures primarily went towards acquisitions, development and construction and refurbishment of hotel properties, plant and equipment and investment properties.

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

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

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

BUSINESS REVIEW

1. Property division

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

Property development

The Group has a diversified portfolio of residential property developments in Australia, the UK, Hong Kong, Singapore, Malaysia and Mainland China, which are largely focused on the mass residential market. The Group's strong regional diversification reduces volatility and allows us to take advantage of different property cycles. The Group has established strong local teams to carry out property development in each of these markets, as their presence allows the Group to identify trends and source the most attractive opportunities. The Group also actively looks to work with property owners for redevelopment opportunities, such as the partnership with The Star Entertainment Group Limited ("The Star") and the partnership with Manchester City Council ("MCC"). These land acquisition strategies have resulted in a land banking strategy comprising of a relatively low land cost base for the Group's development projects and little capital kept idle.

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

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

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

Notes:

(i) Excludes contract presales already recognised as revenue up to 30 September 2024.

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

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

(iv) The Group has 10% interest in the development.

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

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

Developments	**Attributable saleable floor area[i]** *Sq. ft.*	**Expected attributable GDV[ii]** *HK$ million*	**Launched/ expected launch**	**Expected financial year of completion**
Pipeline developments				
Melbourne				
640 Bourke Street	556,000	4,312	FY2025	FY2029
Perth				
Perth Hub	230,000	848	Launched	FY2025
Brisbane				
Queen's Wharf Brisbane[iii]				
– Tower 4	253,000	1,576	Launched	FY2026
– Tower 5	353,000	2,460	Launched	FY2028
– Tower 6	169,000	1,285	Planning	FY2028
Gold Coast				
The Star Residences[iv]				
– Tower 2 – Epsilon	109,000	567	Launched	FY2025
– Towers 3 to 5	374,000	1,941	Planning	Planning
Hong Kong				
The Pavilia Forest[v]	254,000	5,959	Launched	FY2026
Lam Tei, Tuen Mun	383,000	6,320	Planning	Planning
Ho Chung, Sai Kung[vi]	19,000	472	Planning	FY2027
Sai Ying Pun	75,000	1,871	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	276,000	3,406	Launched	FY2025
Consort Place – Social/ Affordable Housing	1,000	1	Launched	FY2025
Ensign House	296,000	3,529	Planning	Planning
Ensign House – Social/Affordable Housing	108,000	429	Planning	Planning
Manchester				
MeadowSide (Plot 4)	244,000	1,268	Planning	Planning
Victoria North[vii]				
– Victoria Riverside – Crown View (Tower A)	223,000	1,046	Launched	FY2026
– Victoria Riverside – City View (Tower B)	85,000	272	Launched	FY2025
– Victoria Riverside – Park View (Tower C)	149,000	600	Launched	FY2025
– Victoria Riverside – Bromley Street	39,000	176	Launched	FY2025
– Collyhurst Village	153,000	442	Launched	FY2025 – FY2027
– Collyhurst Village – Social/ Affordable Housing	104,000	361	Planning	FY2025 – FY2027
– Red Bank Riverside – Falcon	131,000	689	Launched	FY2028
– Red Bank Riverside – Kingfisher	230,000	1,221	Launched	FY2028
– NT02-NT04	721,000	3,743	Planning	FY2028 – FY2030
– Network Rail	1,532,000	7,951	Planning	Planning
– Others	967,000	5,020	Planning	Planning
Trafford	421,000	2,024	Planning	Planning
Trafford – Social/Affordable Housing	147,000	519	Planning	Planning
Malaysia				
Dorsett Place Waterfront Subang[viii]	443,000	804	Launched	FY2025 – FY2026
Total developments pipeline as at 30 September 2024	**9,045,000**	**61,112**		

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

Notes:

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

(ii) The amounts represent expected GDV attributable to the Group, which may change subject to market conditions.

(iii) Total saleable floor area of this development is approximately 1,550,000 sq. ft.. The Group has 50% interest in the development.

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

(v) Total saleable floor area of this development is approximately 508,000 sq. ft.. The Group has 50% interest in the development.

(vi) Total saleable floor area of this development is approximately 58,000 sq. ft.. The Group has 33.3% interest in the development.

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

(viii) Total saleable floor area of this development is approximately 1,054,000 sq. ft.. The Group has 50% interest in the development.

(ix) Total saleable floor area of this development is approximately 171,000 sq. ft.. The Group has 10% interest in the development.

Australia

Melbourne

West Side Place is a mixed-use residential development located in the Central Business District ("CBD") of Melbourne. The project comprises of approximately 3,000 apartments spreading over 4 towers, with a total saleable floor area of approximately 2.2 million sq. ft. and a GDV of approximately HK$10.5 billion.

The development consists of two hotels, including a luxury Ritz-Carlton hotel of 257 rooms in Tower 1 which opened on 23 March 2023 and a Dorsett brand hotel of 316 rooms in Tower 3 which opened on 18 April 2023. Towers 1 and 2 comprise a total of 1,377 apartments with a total saleable floor area of approximately 1.1 million sq. ft. and a total expected GDV of approximately HK$5.1 billion. The development has been completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK$900 million, and sales and settlements are expected to continue in 2H FY2025.

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

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

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in total saleable floor area of residential apartments and a luxury Ritz-Carlton hotel of 205 rooms. As at 30 September 2024, the expected GDV of the completed stocks available for sale was approximately HK$636 million.

Perth City Link, one of Australia's most exciting regeneration projects, was initiated by the Western Australian Government with the goal of reconnecting Perth's CBD and the entertainment district. Perth Hub, the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena. It consists of Lots 2 and 3 of the Perth City Link and features 314 residential apartments, with a total expected GDV of approximately HK$848 million and approximately 260 hotel rooms to be operated by Dorsett. All residential apartments were presold as at 30 September 2024. The project is expected to be completed in 2H FY2025.

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

Brisbane

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

(i) an integrated resort precinct in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%), of which the details are set out under the section of "Gaming operations and facilities management"; and

(ii) a residential precinct ("QWB Residential Precinct") owned 50% by the Group and 50% by CTF.

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

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

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

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

Gold Coast

The Star Residences is a mixed-use development featuring 5 towers in the heart of Gold Coast's world-class integrated resort on Broadbeach Island. The project is an extension of the partnership among the Group, The Star and CTF in Gold Coast, in which the Group has a 33.3% interest.

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

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

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

United Kingdom

London

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

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

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

Manchester

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

The Victoria North strategic regeneration framework was approved by the MCC in February 2019 providing an illustrative masterplan in order to outline how development proposals within Victoria North will come forward. The Victoria North project is expected to provide the Group with a significant, stable and long-term pipeline within the UK.

Since the Group entered into a development agreement with MCC in April 2017, the Group has acquired various land plots within the Victoria North area, which will be developed into individual projects as the overall masterplan evolves. This includes the acquisition of 20 acres of land from Network Rail in July 2019. The Group has already begun completing the initial phases of Victoria North and are progressing with the development pipeline strategy to commence the next.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mainland China

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

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

Hong Kong

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

Marin Point is a residential development at Sha Tau Kok. This development is made up of 261 low-rise apartments with approximately 103,000 sq. ft. in total saleable floor area. The development was completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK$527 million.

Manor Parc is a residential development at Tan Kwai Tsuen consisting of 24 town houses with approximately 50,000 sq. ft. in total saleable floor area. The development was completed. As at 30 September 2024, the expected GDV of completed stocks available for sale was approximately HK$282 million. Of this amount, approximately HK$89 million was secured as contracted sales.

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

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

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

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

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

Malaysia

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

Singapore

Hyll on Holland is a premium development of 319 residential units at Holland Road, a highly attractive and reputable neighbourhood in Singapore. The Group has an 80% interest in the development with an attributable saleable floor area of approximately 194,000 sq. ft.. The sales of this project have been recognised according to the progress of development. Handover process commenced in June 2024, and all 319 residential units were sold out and handed over as at 30 September 2024.

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

Property investment

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

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

2. Hotel operations and management

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

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

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

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

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

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

Notes:

(i) Excludes Dao by Dorsett AMTD Singapore and Dorsett Changi City Singapore which are equity accounted.

(ii) Excludes Dorsett Gold Coast and The Star Grand which are equity accounted.

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

(iv) Restated the statistic to include Palasino Savannah Resort for 1H FY2024.

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

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

Hong Kong

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

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

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

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

Malaysia

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

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

Mainland China

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

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

Singapore

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

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

UK

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

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

Australia

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

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

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

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

Continental Europe – Palasino Group

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

3. Car park operations and facilities management

The Group's car park operations and facilities management business, including car park operations that operate under the "Care Park" brand, has a portfolio of car park bays owned or under management amounting to approximately 117,000 bays as at 30 September 2024. Among the 389 car parks managed by the Group, 20 were self-owned car parks with 4,137 car park bays. The remaining car park bays in Australia, New Zealand, the UK, Hungary and Malaysia are under management contracts with third-party car park owners.

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

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

4. Gaming operations and facilities management

Palasino Group

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

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

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

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

	As at 30 September 2024	As at 31 March 2024
Number of slot machines	**630**	568
Number of tables	**62**	62

	1H FY2025	1H FY2024
Slots revenue *(HK$ million)*	**158**	156
Table game revenue *(HK$ million)*	**38**	38
Average slot win per machine per day *(HK$)*[(i)]	**1,524**	1,611
Average daily gross win per table[(ii)]	**3,801**	3,987
Slot machine hold percentage[(iii)]	**5.3%**	5.2%
Table games hold percentage[(iv)]	**23.6%**	22.2%

Notes:

(i) Average slot win per machine per day is defined as divide the total slot machine gross win by the average number of slot machines on opening and closing and subsequently divide by the number of days the machines were operational.

(ii) Average daily gross win per table is defined as divide the total table games gross win by the average number of tables on opening and closing, and subsequently divide by the number of days the machines were operational.

(iii) Slot machine hold percentage is defined as total gross win in slot machine divided by the slot machine drop.

(iv) Table hold percentage is defined as total gross win in table game divided by the table games drop.

Investment in QWB Project

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

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

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

5. Provision of mortgage services

As an extension of its property development business, the Group established a mortgage lending platform under BC Invest that specialises in providing residential mortgages to non-resident international property buyers. BC Invest is highly synergistic with the Group's property development business and offers significant growth potential beyond it. BC Invest is building an asset management business (retail and institutional) to diversify its business model and financing sources. It is also extending its mortgage business to the domestic resident market.

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

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

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

The Group is reviewing strategic options for BC Invest.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

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

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

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

OUTLOOK

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

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

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

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

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

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

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

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

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

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

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

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

NON-GAAP FINANCIAL MEASURES

To supplement the consolidated results of the Group prepared in accordance with HKFRS, non-GAAP financial measures of adjusted cash profit, adjusted cash profit margin, adjusted gross profit, adjusted gross profit margin, adjusted net asset value attributable to shareholders, adjusted net asset value per share, adjusted total assets, adjusted total equity and adjusted net gearing ratio have been presented in this 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 (loss)/profit for the period before (i) change in fair value of investment properties (after tax); (ii) change in fair value of financial assets at fair value through profit or loss ("FVTPL"); (iii) loss on disposal of debt instruments at fair value through other comprehensive income ("FVTOCI"); (iv) change in fair value of derivative financial instruments; (v) impairment loss under expected credit loss ("ECL") model recognised on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; (vii) impairment loss on interest in an associate for QWB Project; (viii) share of impairment loss recognised by a JV's residential property under development; and (ix) depreciation and impairment; and adjusted for minority interests. We do not believe said items are reflective of our core cash profit from our operating performance during the periods presented.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

(i) Represents the aggregate amount of depreciation expense recognised in cost of sales and administrative expenses for the period but excludes any minority interests.

(ii) Represents the depreciation expense recognised in cost of sales but excludes the depreciation expenses of leased properties under HKFRS 16.

(iii) Based on the independent valuations carried out as at 31 March 2024, except (i) Dorsett Melbourne which carried its valuation in November 2023; and (ii) Dorsett Kai Tak, Hong Kong which was accounted for only as at 30 September 2024 due to its opening in September 2024.

EMPLOYEES AND REMUNERATION POLICIES

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 September 2024, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the 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 2024, the Company, through its wholly-owned subsidiary, purchased on the Stock Exchange the 7.375% USD Senior Guaranteed Perpetual Capital Notes in the aggregate principal amount of USD4,000,000 (for an aggregate consideration of USD3,968,000) and subsequently sold on the Stock Exchange for an aggregate consideration of USD3,948,000.

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

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

AUDIT COMMITTEE

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

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 2024 will be despatched to the Shareholders (if necessary) 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, 28 November 2024

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