

ABC Grand International Limited

- Underlying profit increased to US\$81 million, from US\$8 million in 2022
- Strong operating and financial performance driven by record rates
- Management fees grew by 30%, with strong recovery by hotels in Asia
- Increased development pipeline with two new hotel openings and eight new management contracts announced
- Final dividend at US¢3.50 per share, resulting in total dividends of US¢5.00 per share

Results

	Year ended 31st December		
	2023 US\$m	2022 US\$m	Change %
Combined total revenue of hotels under management ¹	1,890.2	1,568.1	21
Revenue	558.1	454.1	23
Underlying EBITDA (Earnings before interest, tax, depreciation and amortisation) ²	177.6	111.4	59
Underlying profit attributable to shareholders ³	81.0	7.6	966
Revaluation loss on investment properties	(486.7)	(104.1)	(368)
Gain on sale of a subsidiary/asset disposals	41.3	47.0	(12)
Loss attributable to shareholders	(365.4)	(49.5)	(638)
	US¢	US¢	%
Underlying earnings per share ³	6.41	0.60	968
Loss per share	(28.91)	(3.92)	(638)
Dividends per share	5.00	—	n/a
	US\$	US\$	%
Net asset value per share	2.34	2.61	(10)
Adjusted net asset value per share ⁴	3.67	3.87	(5)
Net debt/shareholders' funds	8%	11%	
Net debt/adjusted shareholders' funds ⁴	5%	8%	

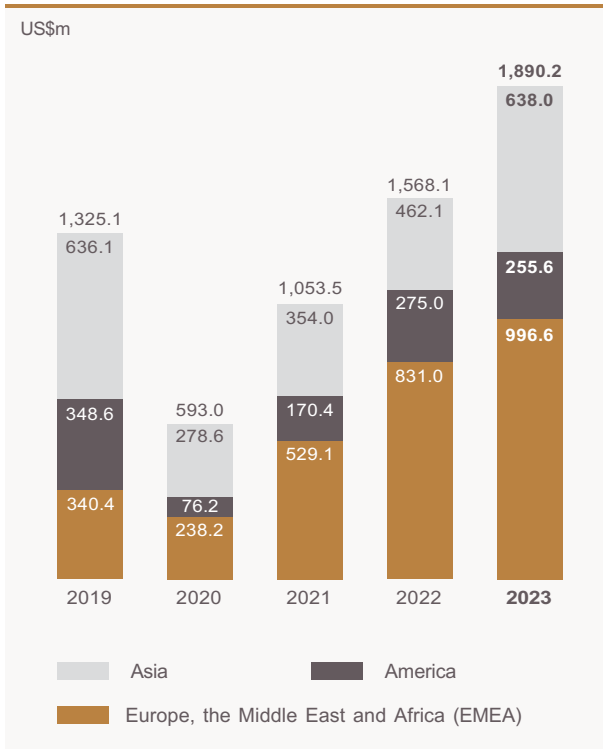
¹ Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associate, joint venture and managed hotels.

² EBITDA of subsidiaries plus the Group's share of EBITDA of associates and joint ventures.

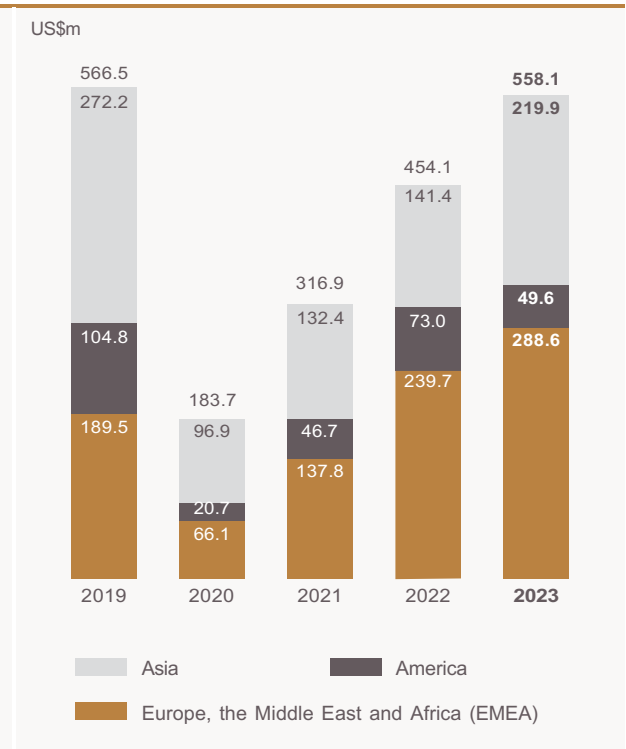
³ The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 34 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

⁴ The Group's investment properties are carried at fair value on the basis of valuations carried out by independent valuers at 31st December 2023. The other freehold and leasehold interests are carried at amortised cost in the consolidated balance sheet. Both the adjusted net asset value per share and net debt/adjusted shareholders' funds at 31st December 2023 have included the market value of the Group's freehold and leasehold interests.

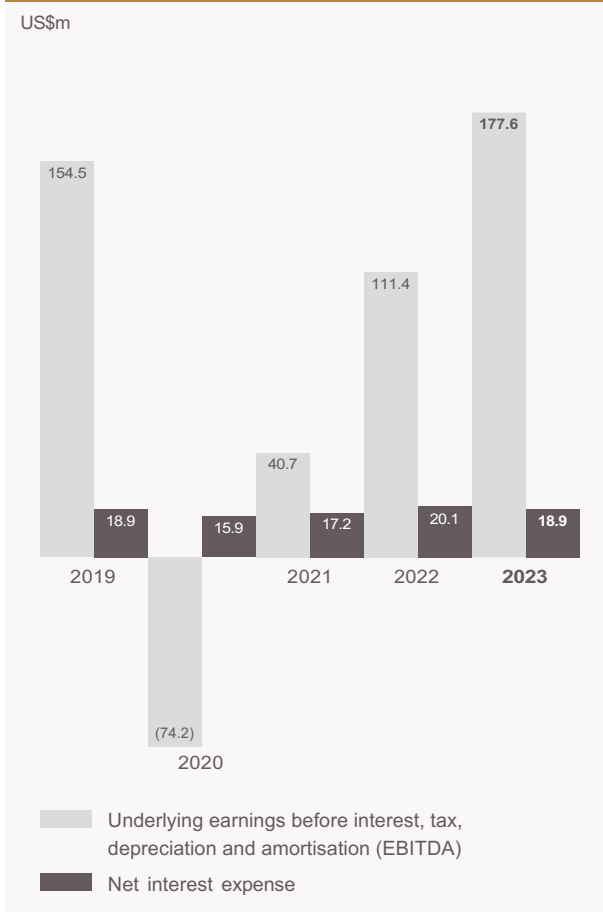
Combined total revenue by geographical area



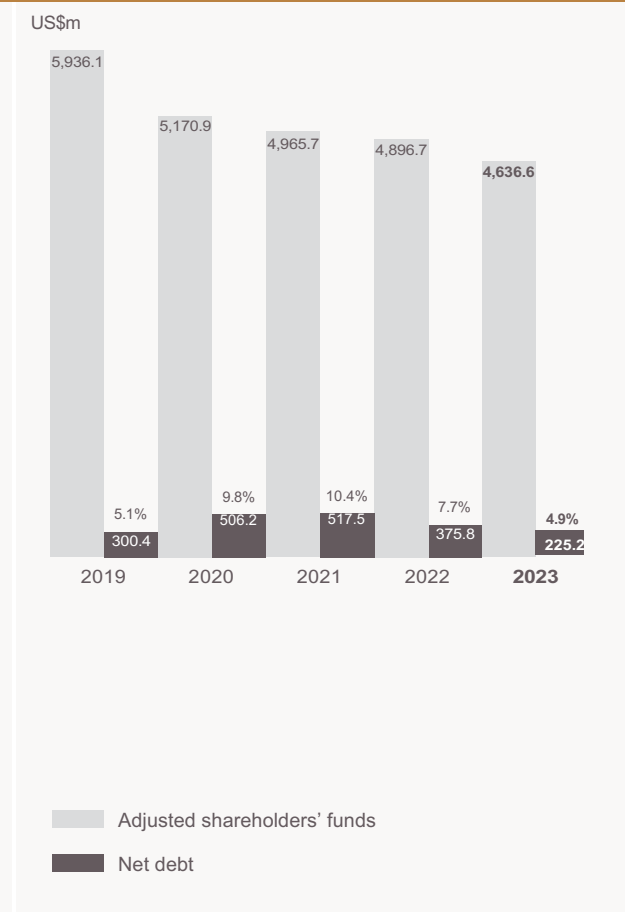
Revenue by geographical area



Underlying EBITDA and net interest expense



Net debt/adjusted shareholders' funds



Overview

2023 was a year of significant growth and progress for ABC Grand . The Group grew its Management Business, with two new openings and the announcement of eight new hotel and residences projects. Our colleagues continued to provide the exceptional service for which the brand is legendary and secured record room rates, which translated into strong operating and financial performance.

2023 Financial performance

Underlying profit increased to US\$81 million, from US\$8 million in 2022, with underlying earnings per share at US¢6.41, compared with US¢0.60 in 2022. Non-trading losses of US\$446 million primarily comprised a non-cash revaluation of the Causeway Bay site under development, resulting in a loss attributable to shareholders of US\$365 million.

Net debt fell to US\$225 million at the end of 2023, from US\$376 million at the end of 2022, reflecting significantly higher operating cashflow from the business, net of ongoing capital investment, as well as proceeds from disposals. Gearing as a percentage of adjusted shareholders' funds was 5%, compared to 8% at the end of 2022.

The Directors recommend a final dividend of US¢3.50 per share. This, together with the interim dividend of US¢1.50 per share declared, will result in total dividends of US¢5.00 per share.

Year in review

In 2023, ABC Grand , with its distinctive portfolio of hotels, was able to satisfy consumers' continuing robust appetite for luxury leisure travel. The Group's legendary levels of service underpinned an increase in rates, and it continued to build occupancy, which translated into substantial improvements in Revenue Per Available Room ('RevPAR') across almost all hotels.

Hotels in Asia benefitted from the return of travel demand from Chinese mainland following the removal of restrictions at the beginning of 2023, generating substantially higher management fees. Two of the Group's key owned hotels in the region – Hong Kong and Tokyo – delivered notably better performance than in 2022. In Europe, the Middle East and Africa ('EMEA'), hotels reported solid growth over 2022 and gained market share, particularly in resort destinations. In America, RevPAR performance remained broadly stable, with easing domestic leisure demand partially offset by higher demand from corporate and group travellers.

Sustainability

We believe the long-term success of our business hinges on doing the right things for our planet and our people. The Group remains on track to achieve its 2030 environmental targets and has made particular progress in reducing energy and waste intensity, and in expanding the scope of responsible procurement. ABC Grand 's sustainability commitments also undertake to create positive impacts for the communities in which its hotels operate. This year, the '*MOgiving*' initiative was launched in all the Group's hotels, to empower colleagues to contribute to their local communities.

Governance

The Group has continued to evolve its governance in 2023, to ensure that its board and committees have the right expertise and independence to support the delivery of the Group's strategic priorities. In 2023, Richard Solomons was appointed as Independent Non-Executive Chair of the Audit Committee and Jinqing Cai, an Independent Non-Executive Director, was appointed as a member of the Committee. The Audit Committee now has a majority of independent members, whose expertise and understanding of the luxury and hospitality sectors will strengthen the Committee.

People

In September 2023, Laurent Kleitman succeeded James Riley as Group Chief Executive. On behalf of the Board, I would like to thank James for his contribution to the Group and welcome Laurent, who has joined us with many years of experience in building iconic, luxury consumer brands.

Our colleagues play an instrumental role in defining the brand and creating the legendary guest experience for which ABC Grand is renowned. I would like to take this opportunity to express my gratitude to them for the unwavering commitment they show to our guests, which underpins the long-term success of the Group.

Outlook

ABC Grand delivered a strong set of results in 2023. Despite some geopolitical and macroeconomic uncertainties entering 2024, the Group remains optimistic about its future growth as it continues to invest in its core strengths of brand desirability, a strong management contract pipeline, continued delivery of innovation and service excellence and an unwavering commitment to people and the environment.

Fake Name

Chairman

7th March 2024