FEC 遠東發展

遠東發展有限公司
Far East Consortium International Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 035

ANNUAL REPORT 2020

SOLID GROUND
For Diversified Development

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

David CHIU, Tan Sri Dato', B.Sc.
(Chairman and Chief Executive Officer)
Cheong Thard HOONG, B.ENG., ACA
Dennis CHIU, B.A.
Craig Grenfell WILLIAMS, B.ENG. (CIVIL)
Wing Kwan Winnie CHIU, B.Sc.

Independent Non-Executive Directors

Kwok Wai CHAN
Kwong Siu LAM
Lai Him Abraham SHEK

AUDIT COMMITTEE

Kwok Wai CHAN (Chairman)
Kwong Siu LAM
Lai Him Abraham SHEK

NOMINATION COMMITTEE

David CHIU (Chairman)
Kwok Wai CHAN
Kwong Siu LAM
Lai Him Abraham SHEK

REMUNERATION COMMITTEE

Kwok Wai CHAN (Chairman)
David CHIU
Lai Him Abraham SHEK

EXECUTIVE COMMITTEE

David CHIU
Cheong Thard HOONG
Dennis CHIU
Craig Grenfell WILLIAMS
Wing Kwan Winnie CHIU
Wai Hung Boswell CHEUNG

MANAGING DIRECTOR

Cheong Thard HOONG

CHIEF FINANCIAL OFFICER

Wai Hung Boswell CHEUNG

COMPANY SECRETARY

Wai Hung Boswell CHEUNG

AUTHORISED REPRESENTATIVES

David CHIU
Wai Hung Boswell CHEUNG

LEGAL ADVISORS

Woo, Kwan, Lee & Lo
Reed Smith Richards Butler
Maples and Calder
HWL Ebsworth Lawyers
Lo & Lo
Minter Ellison LLP

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

PRINCIPAL BANKERS

Hong Kong

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
China Construction Bank (Asia) Corporation Limited
CMB Wing Lung Bank Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Nanyang Commercial Bank, Limited
OCBC Wing Hang Bank Limited
Oversea-Chinese Banking Corporation Limited
Public Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
United Overseas Bank Limited

Malaysia

Public Bank Berhad
OCBC Bank (Malaysia) Berhad

Singapore

DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited

Australia

Australia and New Zealand Banking Group Limited
Bank of China (Hong Kong) Limited
Commonwealth Bank of Australia
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Taipei Fubon Commercial Bank Co., Ltd
The Bank of East Asia, Limited, Singapore Branch
United Overseas Bank Limited

Mainland China

China Construction Bank Corporation
Dah Sing Bank (China) Limited
Industrial and Commercial Bank of China Limited
Public Bank (Hong Kong) Limited
Shanghai Pudong Development Bank
CMB Wing Lung Bank Limited

United Kingdom

DBS Bank Ltd., London Branch
Oversea-Chinese Banking Corporation Limited
The Bank of East Asia, Limited
The Hong Kong and Shanghai Banking Corporation Limited

PLACE OF INCORPORATION

Cayman Islands

REGISTERED OFFICE

P.O. Box 1043, Whitehall House,
238 North Church Street,
George Town,
Grand Cayman KY1-1102,
Cayman Islands

PRINCIPAL OFFICE

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

SHARE REGISTRAR

Tricor Standard Limited
Level 54, Hopewell Centre,
183 Queen's Road East,
Hong Kong

LISTING INFORMATION

Ordinary Shares (Code: 035)
3.75% USD Medium Term Notes 2021 (Code: 4310)
4.5% USD Medium Term Notes 2023 (Code: 5011)
7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited (Code: 5781)
The Stock Exchange of Hong Kong Limited

WEBSITE

http://www.fecil.com.hk

Major Events of Financial Year 2020

APR 2019

Care Park was appointed by Macquarie to manage and operate 3,256 car parking bays of SKYCITY's car park in Auckland, New Zealand

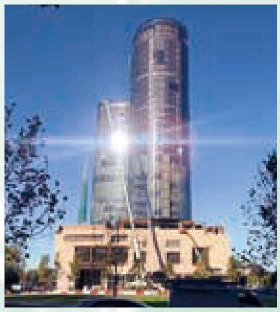
The Group entered into a contract to acquire a development site on 640 Bourke Street, Melbourne

Astoria Crest, Hong Kong completed

MAY 2019

The Star Residences – Epsilon (Tower 2), Gold Coast launched

JUN 2019



Lot 9, The Towers at Elizabeth Quey, Perth completed

The Garrison, Hong Kong completed

JUL 2019

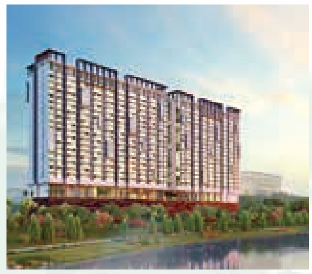
The Group acquired 20 acres from Network Rail to progress Northern Gateway Scheme to deliver over 15,000 new homes

AUG 2019

The Group purchased a site in Baoshan District in Shanghai for long-term residential rental

The Group won the tender for a land in Kai Tak, Kowloon, Hong Kong

The Group partnered with Mayland on the launch of Dorsett Place Waterfront, Subang Jaya



Major Events of Financial Year 2020

SEP 2019

The Group ranked first (tied) in the "Asiamoney 30 Years of Corporate Governance Awards (Hong Kong)" for the decade beginning 2010

The Group together with SC Global Developments and New World Development launched Cuscaden Reserve in Singapore

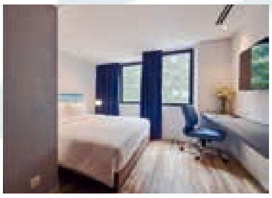
The Group successfully priced an inaugural issue US$300 million Perpetual Capital Notes offering

NOV 2019

The Ritz-Carlton, Perth opened

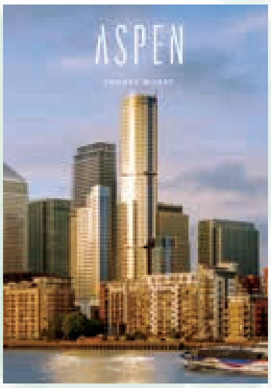
DEC 2019

J-Hotel by Dorsett, Kuala Lumpur opened



JAN 2020

Aspen at Consort Place, Canary Wharf, London launched



FEB 2020

Queen's Wharf Residences (Tower 4), Brisbane launched

The Group issued US$60 million Perpetual Capital Notes

FEC entered into an agreement to acquire a site in Ensign House, Canary Wharf, London

FEC signed a MOU with Sainsbury's to develop Sainsbury's site at Whitechapel Square in East London

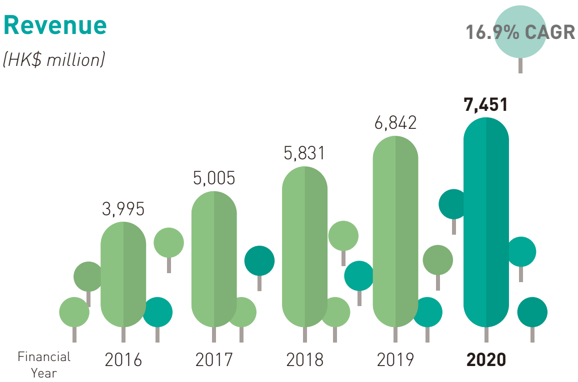
Statement of Profit or Loss Highlights

HK$ million, unless otherwise stated

	For the financial year ended 31 March					
	2016	2017	2018	2019	**2020**	CAGR
Revenue	3,995	5,005	5,831	6,842	**7,451**	16.9%
Gross Profit	1,706	1,990	2,634	2,610	**2,259**	7.3%
Net profit attributable to Shareholders	734	1,118	1,567	1,714	**366**	–16.0%
Adjusted cash profit[1]	853	1,157	1,649	1,457	**842**	–0.3%
Adjusted cash profit[1] margin (%)	21.4	23.1	28.3	21.3	**11.3**	n/a
Total dividend (HK cents)	16.0	18.5	22.0	22.0	**19.0**	4.4%

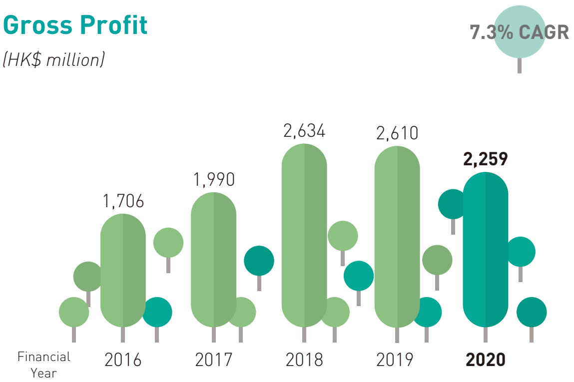
Revenue

(HK$ million)



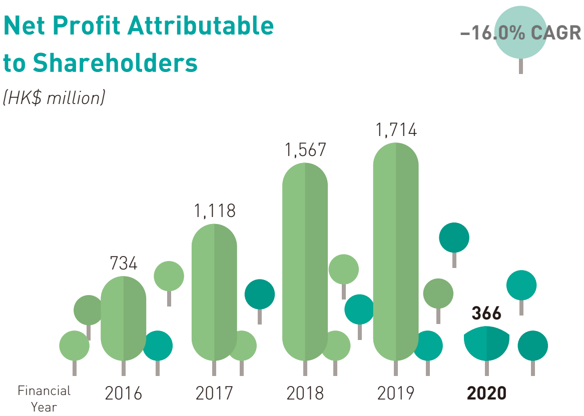
Gross Profit

(HK$ million)



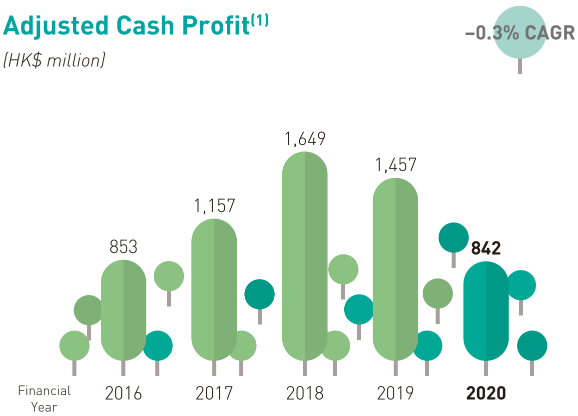
Net Profit Attributable to Shareholders

(HK$ million)



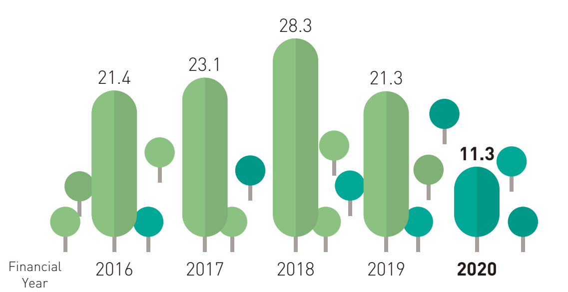
Adjusted Cash Profit[1]

(HK$ million)



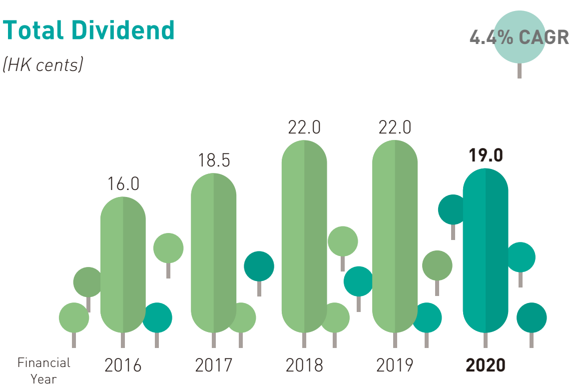
Adjusted Cash Profit[1] Margin

(%)



Total Dividend

(HK cents)



Note:

(1) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to, and subtracting gain on bargain purchase of TWC from, net profit attributable to Shareholders of the Company. The amounts are adjusted for minority interests.

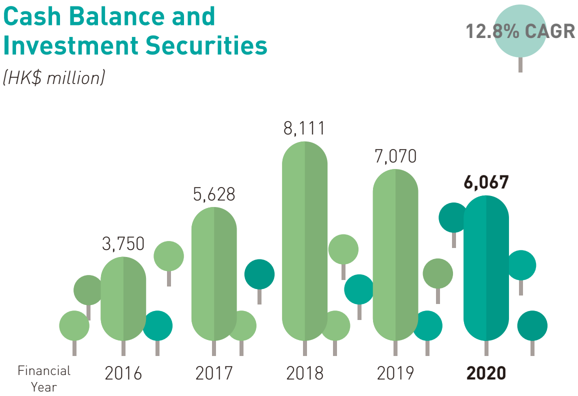
Statement of Financial Position Highlights

HK$ million, unless otherwise stated

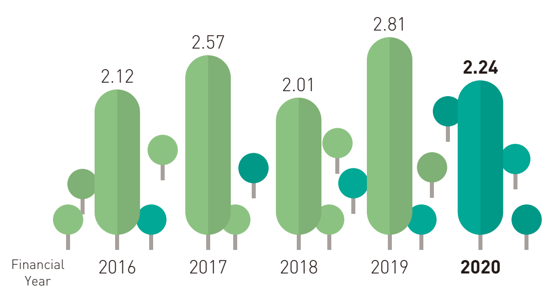
	As at 31 March					
	2016	2017	2018	2019	**2020**	CAGR
Cash balance and investment securities	3,750	5,628	8,111	7,070	**6,067**	12.8%
Current ratio	2.12	2.57	2.01	2.81	**2.24**	n/a
Net gearing ratio[1] (%)	37.7	31.5	28.7	45.4	**56.7**	n/a
Total adjusted assets[2]	36,892	41,754	50,082	56,916	**58,128**	12.0%
Adjusted net asset value attributable to Shareholders[2]	20,872	24,146	28,564	31,251	**27,467**	7.1%
Adjusted net asset value per share[2] (HK$)	9.79	10.79	12.41	13.29	**11.59**	4.3%

Cash Balance and Investment Securities

(HK$ million)

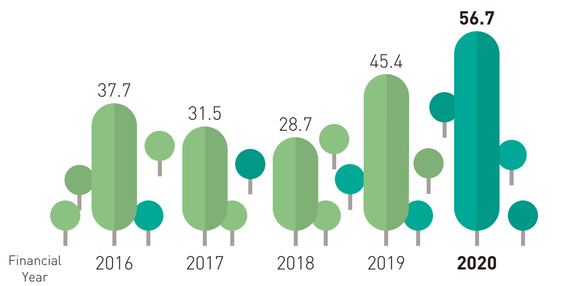


Current Ratio



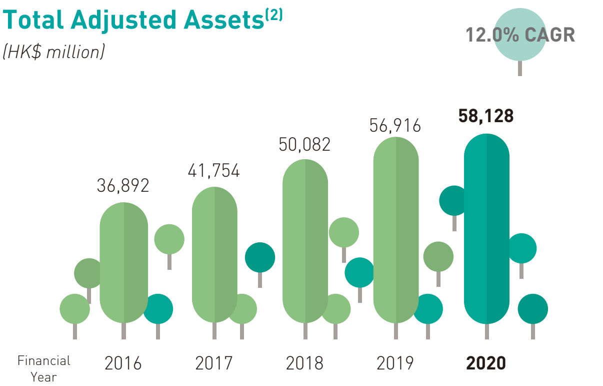
Net Gearing Ratio[1]

(%)



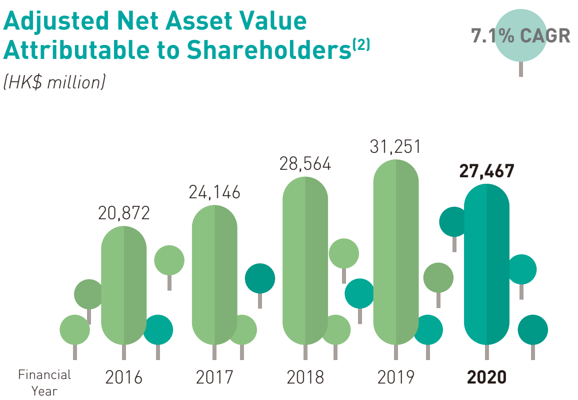
Total Adjusted Assets[2]

(HK$ million)



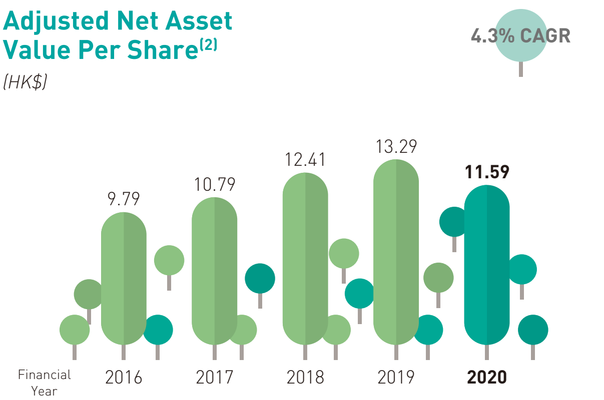
Adjusted Net Asset Value Attributable to Shareholders[2]

(HK$ million)



Adjusted Net Asset Value Per Share[2]

(HK$)



Notes:

(1) Net gearing ratio represents total bank loans, notes and bonds less investment securities, bank and cash balances divided by carrying amount of total equity and hotel revaluation surplus.

(2) Adjusted for hotel revaluation surplus.

The view from Aspen at Consort Place, Canary Wharf, London

Chairman and Chief Executive Officer's Statement

What is going on to the world is unprecedented, and our businesses in Hong Kong particularly suffered from the double blow of social unrest and the outbreak of COVID-19 which principally hit our hotel and car park operations. Fortunately, the Group has diversified by expanding its regional exposures and successfully balanced the impact of these events. Proving the effectiveness of our diversification strategy, I am pleased to announce to our Shareholders that the Group has achieved a record-breaking revenue and continued to be profitable in FY2020.

Our hotel operations have suffered badly from the drastic drop of business travelers and leisure tourists and the situation remains challenging. Despite the changes in the global travel trends are still unknown, we see potential demand from short-haul tourists, especially the Mainland Chinese, who consider Hong Kong their preferred leisure travel and shopping destination. Consumer sentiment for outbound tours is building up and this potential demand stands to benefit our three to four-star hotels in Hong Kong. With the promulgation of National Security Law in Hong Kong, I believe that it helps strengthen the social stability of Hong Kong. After the pandemic, we are of the view that the Mainland tourists will come and visit Hong Kong again.

Fortunately, property development remains the core business of the Group. We have built up a strong property development portfolio to maintain future growth. The substantial cumulative presales values and development pipeline provide visibility to the Group's future revenue. The Group is also well diversified geographically and therefore able to take advantage of different territory cycles. In the UK, apart from the extensive local experience and knowledge we have developed, the business environment is favorable for foreign investors. The British government has recently introduced a policy to abolish the stamp duty on properties valued below GBP500,000 (approximately HK$5 million). We thus have more confidence in medium-priced buildings in the UK. We see the time is ripe to increase our land bank in the UK. In Australia, although we are still bullish on the market, we believe our land bank is sufficient for development in the coming years; while in Hong Kong and China, we are ready to take advantage of opportunities as they arise.

Low market sentiment and poor parking demand due to COVID-19 are affecting our car park performance. However, with the lockdown measures and relevant restrictions gradually easing in some countries, we expect a prompt recovery of our car park operations. The expansion of our car park operation in Hungary and Manchester has created a strong base and footprint for us in Europe and has generated steady recurring income. From a long-term perspective, we will continue to leverage resources to build the Care Park brand to consolidate our leadership in Australia and New Zealand and to further develop our presence in Europe. We believe the growth of the business into a prominent international car parking platform will provide us with progressive recurring cash flow in the coming years.

Along with the gradual relaxation of restrictions in Continental Europe, 3 of our casinos reopened in June 2020 and are performing satisfactorily. We believe our efforts in developing the gaming operations will allow us to stay resilient amid the current economic headwinds. Furthermore, with the first phase of the AUD$3.6 billion Queen's Wharf Brisbane integrated resort expected to open in late 2023, we expect the contribution from the gaming segment will continue to grow gradually. Our investment in The Star recorded a setback in FY2020, but we consider this is a temporary situation and we are optimistic in its long run, future.

The Group is committed to striking a balance between making profits and delivering sustainable development. We believe that building the right management team and good corporate governance are the most critical components for maintaining long-term sustainable success. In FY2020, the Group won a number of international awards in relation to corporate governance, corporate management, investor relations and ESG and I am very proud of the widespread recognition for our efforts in this regard.

To step up our social responsibility, the Group together with Hengan International Group Company Limited, have proactively sourced and donated 1,000,000 face masks to primary and secondary schools, hospitals as well as disadvantaged groups in Hong Kong and China to fight against the virus. Moreover, the Group has also actively sourced and distributed gloves across region. The Group has also looked after over 1,000 healthcare personnel and front-liners in its hotels globally, including Hong Kong, China, Malaysia, Singapore and London.

On the ESG front, global trends, such as growing customers' and shareholders' interest in sustainability, are re-shaping the business environment. Investors are emphasizing ESG factors when evaluating companies. As such, we are proactively setting up a sound sustainability governance model and integrating it into our business operations. We believe that is what our Shareholders expect of us.

The general economy remains challenging with the double blow of social unrest and COVID-19. We remain cautious in exploring investment opportunities in land acquisition. The healthy gearing level of the Group provides room for the Group to grasp opportunities when available. Looking ahead, the economy of Hong Kong will certainly face difficulties and challenges. However, China is tackling the problems effectively by putting more resources in maintaining employment as well as fostering social stability. As such, the economic growth of China and Hong Kong will still be stronger than the rest of the world.

I am confident that the Group will be able to navigate the current global economic headwinds and deliver a sustainable progressive dividend to its Shareholders. I would also like to take the opportunity to thank our Shareholders, partners and our colleagues for their concerted effort, which underpins the steady growth of our business. They are the key reasons for the Group's success.

David CHIU
Chairman and Chief Executive Officer

30 June 2020

The Towers at Elizabeth Quay, Perth

PURSUIT OF RESTLESS EXPLORATION

Managing Director's Report

FY2020 KEY ACHIEVEMENTS

FY2020 was a challenging year for the Group with a number of unforeseen global events affecting our businesses globally. The social unrest in Hong Kong, the US-China trade tensions and the outbreak of COVID-19 all significantly impacted our operations. Despite the significant global economic headwinds, I am pleased to report that FEC posted record revenue of HK$7.5 billion for the year, beating the previous record. A summary of achievements and key initiatives is set out below:

Property Development

- We completed a number of projects including Astoria Crest and The Garrison in Hong Kong and The Towers at Elizabeth Quay in Perth. Artra in Singapore also progressed well with construction entering the final phase and contributing to revenue recognition from staged completion. Sales of completed projects such as Royal Riverside in Guangzhou and California Garden in Shanghai also contributed to property sales revenue;

- We launched five projects with a total expected attributable GDV of HK$7.2 billion as at 31 March 2020. The five projects comprise The Star Residences – Epsilon in Gold Coast, Dorsett Place Waterfront Subang in Malaysia, Cuscaden Reserve in Singapore, Aspen at Consort Place in London and the highly awaited Queen's Wharf Residences (Tower 4) in Brisbane;

- We have received planning approvals for New Cross Central in Manchester and started pre-marketing the project;

- Total cumulative presales stood at HK$12.2 billion as at 31 March 2020 despite a sales recognition of HK$4.8 billion and adverse foreign currency exchange rates against the Hong Kong Dollar;

- We made a number of land acquisitions including a site at Bourke Street in Melbourne, next to our Upper West Side and West Side Place projects, and land comprising the Network Rail of Northern Gateway in Manchester to replenish our land bank and add to our development pipeline;

- We acquired, at an attractive price, a piece of land in California Garden in Shanghai which is earmarked for long-term rental purposes; and

- We signed agreements to acquire Ensign House in Canary Wharf, London, just across from Aspen at Consort Place, adding to our development pipeline and we signed a MOU with Sainsbury's to redevelop Sainsbury's site at Whitechapel Square in East London. The redevelopment is subject to planning approvals.

Hotel Operations and Management

- Our hotel operations were particularly hit by COVID-19 but we took decisive and early actions to mitigate its impact across our portfolio. We furloughed staff, cut costs and incentives and reviewed thoroughly all our expenses. We also shifted strategy for many of our properties to ensure that we are targeting the right customers during the period. All-in-all, whilst it has been a difficult period from the hotel industry, we have taken action to navigate this period of uncertainty;

- To continue our geographical diversification, a number of new hotels were added to our portfolio;

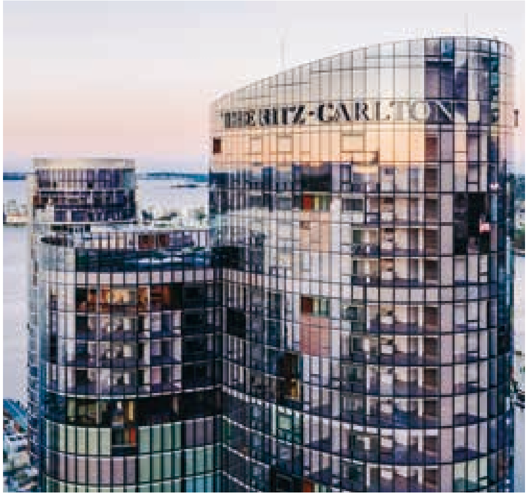
- We added three new hotel contributors to our operations, namely the Ritz-Carlton in Perth, the J-Hotel by Dorsett in Kuala Lumpur and the Oakwood Premier AMTD Singapore in Singapore (49% ownership) into our operations during the year, bringing an additional of 627 rooms as compared to 31 March 2019;

- We acquired a commercial site in Kai Tak, Hong Kong, that will have some office and retail space and a flagship Dorsett hotel. The project is currently going through planning approvals;

- Construction continued for a number of new hotels including the Dorsett Shepherds Bush extension in London and the Ritz-Carlton in Melbourne; and

- Given the uncertainty, we are delaying capital expenditures of some of the planned hotels.

The Towers at Elizabeth Quay and The Ritz-Carlton, Perth



The Ritz-Carlton, Perth

Managing Director's Report

Car Park Operations and Facilities Management

- We have continued to grow our portfolio to seek additional recurrent income. As a highlight, we successfully secured a management contract from Macquarie to manage SKYCITY's 3,256 car parking bays in Auckland, New Zealand. We also secured a management contract of 3,200 car parking bays across three campuses including a diverse range of services in Royal Melbourne Institute of Technology. During the year, a total number of 7,553 car parking bays were added to our portfolio. As at 31 March 2020, total car parking bays under ownership and management increased to 106,696 bays;

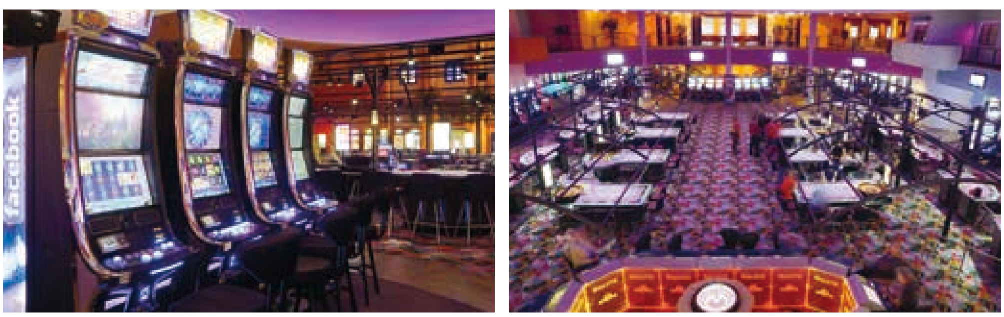
Car Park Operations and Facilities Management

Gaming Operations

- Gaming operations made their first full-year contribution to the Group in FY2020 following the acquisition of TWC. The business displayed good growth until it got disrupted by COVID-19 in March 2020. I am delighted to see that our casinos re-opened in early June 2020 and that business is returning to normal;

- The Star delivered good performance and continued to be a close partner of the Group across a number of projects; and

- Construction of the integrated resort of Queen's Wharf Brisbane advanced smoothly with the excavation and shoring well under way and remaining on time and on budget. Financing has also been secured, despite COVID-19 which is a testament to the quality of the project.



Route 55 Casino, Czech Republic

Perth Hub, Perth

Other Business

- Our BC Group business recorded strong growth in the loan book with a total mortgage book reaching approximately AUD1 billion as at 31 March 2020, a 55.9% increase compared to the mortgage loan balance of approximately AUD626 million as at 31 March 2019. Net interest margin expanded to approximately 2.07% as at the financial year-end. The loan book is also proving to be resilient with very few loans in arrears.

Balance Sheet and Management

- We completed our debut Perpetual Capital Notes offering and raised a total of US$360 million, including the two taps, strengthening the overall balance sheet position of the Group;

- We continue to keep a large balance of cash and highly liquid securities. Furthermore, we have access to undrawn facilities and have kept many assets unencumbered to maintain maximum financial flexibility; and

- Cost control initiatives were implemented to navigate the unforeseen challenge of COVID-19, such as standing down of workforce across regions, reducing fixed costs and overheads in some operations and cancellation of certain incentive payments.

Post year-end

Launch of safe deposit box business

- We established a new team to focus on a new safe deposit box business with our first outlet starting operation in Q3 2020 in Hong Kong with around 4,500 safe deposit boxes. This business is expected to contribute to our recurring income stream starting from FY2021.

Far East Vault 遠東保庫

RESULTS HIGHLIGHTS

In FY2020, the Group recorded revenue of HK$7.5 billion (FY2019: HK$6.8 billion), a 8.9% increase as compared to FY2019. This growth was mainly driven by higher sales recognition in residential developments which more than compensated the decrease in our recurring income businesses.

Net profit attributable to Shareholder for the year amounted to HK$366 million, a 78.7% decrease as compared to last year, mainly due to the global economic uncertainty which has unavoidably put pressure on our margins, especially in the recurring income businesses. The one-off gain arising from the bargain purchase of TWC during FY2019 and the disposal gain of a stake on BC Group were not repeated this year. In addition, the Group suffered from adverse movements in the fair value of investment properties the hotel pre-operating expenses and higher finance costs in FY2020.

The Group remains resilient and continues to generate sustainable value for its Shareholders. As a result, the Board recommended a final dividend of HK15 cents per share. Together with an interim dividend of HK4 cents per share, the total dividend for the year will amount to HK19 cents per share. The Group is committed to maintaining a progressive dividend policy in the long run.

Over the year, we have built a solid development pipeline across our regional operations and the GDV has reached over HK$51.6 billion as at 31 March 2020. This pipeline, which is sufficient for 8-10 years of property development, provides clear visibility for revenue contribution in the coming years.

Hotel operations took the biggest hit in the dramatic slowdown of tourism and business traffic globally. That said, we continue to cautiously add new hotels to our portfolio with 13 properties currently under planning or construction. During the year, in addition to the Oakwood Premier AMTD Singapore jointly acquired by the Group with AMTD, the Group has opened two hotels namely, the Ritz-Carlton in Perth and the J-Hotel by Dorsett in Kuala Lumpur. With the tender won for a commercial plot in Hong Kong during the year, a new flagship 400-rooms Dorsett hotel is expected to contribute to the portfolio from 2023. Total hotel rooms under ownership and management increased to 11,351 rooms as at 31 March 2020, from 10,707 rooms as at 31 March 2019.

Sky deck, Queen's Wharf, Brisbane

Car Park Operations and Facilities Management

Revenue from car park operations was also impacted by the economic slowdown. However, we continue to seek new opportunities to grow organically our portfolio of managed car parking bays. Total car parking bays under ownership and management increased to 106,696 bays as at 31 March 2020.

In our gaming operations, TWC made its first full-year contribution to the Group and recorded revenue of HK$271 million in FY2020. During the year, TWC continued to implement strategies to promote European and Asian visitation to its casino properties and introduced new games that have gained good early traction. The strategic partnership with The Star remains very solid with a number of existing co-development projects ongoing and the landmark Queen’s Wharf Brisbane integrated resort project on track.

The strategic relationship is synergistic to the Group’s property development and hotel business and strengthens the already established relationship with The Star and CTF.

For more details on our financial results, please refer to the section entitled “Management Discussion and Analysis”.

POSITIONED TO CAPITALISE ON THE RECOVERY

Our performance in FY2020 has been inevitably affected by the outbreak of COVID-19 and the general uncertainty in the global economy. The Group has worked very hard to position itself to weather the global economic headwinds and to get itself ready to take advantage of a rebound in business activity during the recovery phase. We have taken the following specific measures:

- Dramatically reducing overheads in the hotel and gaming operations through standing down operating workforce as well as cutting fixed costs;

- Reducing overheads in the car park operations including elimination and deferrals of expenses;

- Cancellations of certain incentive payments; and

- Streamlining of operations including reducing workforce in certain operations.

The Group implemented the above cost control initiatives and expects net annualised savings of approximately HK$170 million.

Furthermore, the Group is also expected to benefit from government incentives and compensation programmes such as in Hong Kong, the Employment Support Scheme under the Anti-epidemic Fund in which the HKSAR government will provide a wage subsidy to eligible employers. In addition, in Singapore and Australia, we are taking advantage of certain tax deferral and incentive programmes offered by these governments. With incentives offered, the Group expects to receive approximately HK$140 million, the financial impacts of COVID-19 in FY2021 will be, to some extent, mitigated.

The Group remains very disciplined in reviewing investment opportunities. The current market environment is starting to force certain owners of assets or businesses to consider selling or introducing a partner. The Group will seek to take advantage of the environment to grow its operations. To that effect, we are looking to acquire a controlling interest in EH REIT Manager and EH Trustee-Manager, the managers of Eagle Hospitality REIT, listed in Singapore.

We will also seek partnerships with companies that own land in good locations to jointly develop their sites for regeneration or repositioning which provides us with an attractive strategy to land bank and helps to improve utilization of land resources.

In addition to building a diverse development pipeline which allows us to manage cyclicality in different regions, we will continue to allocate capital to recurring cash flow businesses such as hotels and car parks. The vast majority of that capital is internally generated by the hotels and car parks.

The view from the Towers at Elizabeth Quay, Perth

Following the successful establishment of BC Group, which specializes in mortgage loans, we are looking at opportunities to establish more asset management platforms in different asset classes such as hotels and car parks. This will create a new earnings stream for the Group and at the same time create avenues to unlock the significant value hidden within the Group's portfolio. We will continue to review opportunities to unlock value in our hotel portfolio.

We will continue with our prudent approach in allocating capital across the different divisions and regions to allow us to generate higher returns on equity as compared with our peer groups in Hong Kong. We firmly believe this approach should drive share price out-performance.

CAPITAL STRUCTURE AND BALANCE SHEET MANAGEMENT

Adhering to prudent management of our capital, the Group continued to optimize its capital structure and prioritised access to ample liquidity.

During the year, in addition to the US$360 million Perpetual Capital Notes we issued, we have also completed a number of major loan financings including: AUD660 million construction loan for West Side Place Stage 1, S$217 million (100% apportionment) for the acquisition of Oakwood Premier AMTD Singapore hotel and HK$980 million development loan for the Kai Tak site. Post the financial year-end, we have executed AUD648 million financings for West Side Place Stage 2 and the AUD1.6 billion financings for Queen's Wharf Brisbane in which the Group has a 25% interest.

As at 31 March 2020, the Group's cash and liquidity position amounted to HK$6.1 billion (HK$7.0 billion as at 31 March 2019). In addition, the Group's undrawn banking facilities stood at HK$6.0 billion and the Group had 7 unencumbered hotel assets with a capital value of HK$4 billion, which can be used as collateral for further bank borrowings, should additional liquidity be needed. The Group also has a number of others assets unencumbered (retail podiums, completed residential units, etc.)

Our net gearing ratio (adjusting for hotel revaluation surplus of HK$16,348 million, which is not recognized on the balance sheet) stood at 56.7% as at 31 March 2020. Although hotel valuations were affected by COVID-19 and significant adverse exchange rate movements, the Group's credit standing remains healthy.

In relation to our equity base, we bought back approximately 50 million shares with a total consideration of approximately HK$170 million which partially offset the scrip issued during the year per our dividend reinvestment option scheme. We believe this is a good approach to enhance earnings per share and return capital to our Shareholders along with the declared dividends.

CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

The Group firmly believes that a high standard of corporate governance is key to facilitating sustainable development. We adopt an active approach to investors' communication and provide a high degree of transparency to our investors. In recognition of the Group's efforts in its investor relations functions, corporate governance and corporate social responsibility, the Group received a number of international awards during the year.

Examples of awards include:

- Five awards in "2020 Asia's Best Companies" Poll by FinanceAsia, including "Best Mid-Cap Company in Hong Kong";
- "Most Honored Companies" at "Institutional Investor's 2019 All-Asia Executive Team";
- Tied First for the "30 Years of Corporate Governance Awards (Hong Kong)" by Asiamoney;
- Gold Award at "The Asset ESG Corporate Awards 2019";
- Two awards at "9th Asian Excellence Award 2019", including "Best Investor Relations Company in Hong Kong";
- Nine awards in "2019 5th Investor Relations Awards" by HKIRA, including "3 Years IR Awards Winning Company", "Best IR Company", "Best IR in Corporate Transaction" and "Best Investor Meeting"; and
- Two awards at the "Third China Excellent IR Award".

The Group is committed to continuing its efforts to enhance various areas of corporate social responsibility and will maintain a high degree of transparency through disclosures and provision of management access to investors.

PROSPECTS

The economic outlook has become more challenging to predict as the recovery from COVID-19 is uncertain and the short and long-term consequences on the economy are yet to be fully assessed. In this environment, the Group has taken a series of mitigation and control measures across countries to navigate through this challenging time and will continue to pay close attention to the health of the economic recovery. We stand ready to implement more measures if the situation worsens. Equally, we can quickly switch gear and be more aggressive in seeking more opportunities if the economy rebounds quickly and sustainably.

Revenue from property development in the coming years is expected to remain good given that we have over HK$12.2 billion of presales as at 31 March 2020 and construction of these projects are well underway. These presales provide clear visibility of revenue recognition of our business in the coming years.

Our recent land acquisitions in Melbourne, Shanghai and London and the joint venture arrangements with The Star in Australia have strengthened our development pipeline.

For FY2021, we are targeting the following new launches in residential projects:

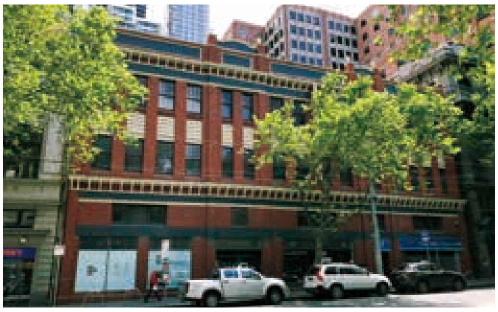
- Holland Road in Singapore (total 320 units)
- Shatin Heights in Hong Kong (total 66 units)
- Bourke Street in Melbourne (total 857 units)
- New Cross Central in Manchester (total 80 units)
- Victoria Riverside in Manchester (total 612 units)

These projects have a combined GDV of HK$9.6 billion (attributable GDV of HK$8.9 billion).

Revenue from our hotel operations was impacted by COVID-19 and we do not expect a quick return to normality. Under the current environment, we will continue to review and control operating costs to ensure that the business can endure a long period of adverse conditions. Currently, we have 13 hotels with 3,250 rooms that are under various stages of development. Upon a return to normality, this pipeline will allow us to immediately enter our growth phase again.

Stable organic growth in our car park operations was recorded in FY2020. However, since the widespread COVID-19 happened in February 2020, the operations have faced pressure from the decline in market sentiment. With regards to the situation, we continue to evaluate and actively review all lease commitments and seek to reduce rental obligations on impacted leases.

Holland Road, Singapore



Bourke Street, Melbourne

Shatin Heights, Hong Kong

For gaming operations, we have implemented various new initiatives to increase footfall for our gaming operations in the Czech Republic. We intend to drive more traffic through the TWC platform by leveraging the connections we have in Asia. The casinos have reopened since early June 2020 and we expect the aforementioned efforts could generate positive results.

Route 55 Casino, Czech Republic

Queen's Wharf Brisbane, Brisbane

For Queen's Wharf Brisbane, demolition and enabling works have been completed and the next development phase, which includes basement construction and superstructure, is underway. Located in the CBD, the world-class integrated resort will include a casino, three hotels (including a Dorsett hotel) and a retail mall. The first phase, which will include the casino, is currently expected to open in FY2023. At present, the project is proceeding full steam ahead. The development is expected to provide a strong and steady cash flow stream to the Group upon opening.

BC Group, our mortgage lending platform, demonstrated strong momentum since its establishment in 2016. The business, which currently focuses on providing residential secured loan financing in Australia to non-residents (or residents with foreign income), has established offices in Beijing, Hong Kong, Kuala Lumpur, Melbourne, Singapore and Shanghai. As at 31 March 2020, the loan book reached approximately AUD1 billion and has performed well despite the current COVID-19. The business is synergistic to our international property development business and we continue to see good growth prospects in this operation.

It is important to note that, in addition to the value the Group generates through its operational activities, the Group also generates significant value through the development of its hotel assets. This value has not been recorded or captured on our balance sheet due to the accounting standards we adopt. As at 31 March 2020, the revaluation surpluses for our hotel portfolio amounted to approximately HK$16,348 billion. In November 2019, we announced that we are considering a potential separate listing of certain hospitality assets of the Group in Australia, Singapore, Malaysia and the UK. Given the COVID-19 situation, it is not conducive to launch the transaction in the immediate future. However, the Group is still actively evaluating individual sales of hotel to unlock value in the portfolio.

Our long-term goal is to drive a higher return on equity through our capital structure optimisation and capital reallocation initiatives. The Group will continue to adopt a prudent approach to managing its balance sheet in order to maintain its good credit standing.

In conclusion, our strategic direction remains unchanged. Our core strategy is to seek sustainable growth through the pursuit of the "Asian Wallet". We aim to become a leader in providing overseas property investments, hospitality and entertainment services to the Asian middle-class. We target to achieve our goal through the following initiatives:

- Deepen regional diversification through strengthening of local execution teams;
- Focus on cities with strong population or tourism growth potential;
- Push our "Asian Wallet" strategy to capitalize on the growing affluence of the middle-class in Asia; and
- Adopt a prudent financial management policy and optimize own capital structure through active capital reallocation with the aim to drive a higher return on equity.

I am optimistic about the Group's future and I very much believe that we are well-positioned for the recovery of the global economy. We have a number of existing projects on the way that will provide very strong cash flows to the Group in the years to come.

Cheong Thard HOONG
Managing Director

Profile of Directors and Senior Management

TAN SRI DATO' DAVID CHIU, B.SC.

(Executive Director, Chairman and Chief Executive Officer)

Tan Sri Dato' David CHIU, aged 66, holds a double degree of Bachelor of Science in Business Administration and Economics at the University of Sophia, Japan. He is a prominent businessman with over 30 years' experience in the property development and extensive experience in the hotel development. In his business career, he established a number of highly successful business operation through organic growth and acquisitions, covering Mainland China, Hong Kong, Japan, Malaysia, Singapore and Australia. Since 1978, Tan Sri Dato' David CHIU had been the Managing Director of Far East Consortium Limited (the predecessor of the Company). He was appointed as Deputy Chairman and Chief Executive Officer of the Company on 8 December 1994 and 8 October 1997 respectively. On 8 September 2011, Tan Sri Dato' David CHIU has been appointed as the Chairman of the Company. He is also a director of various Subsidiaries. Currently, he is the chairman and a non-executive director of i-CABLE Communications Limited (stock code: 1097).

In regard to Tan Sri Dato' David CHIU's devotion to community services in China and Hong Kong, he was appointed as the member of the 12th and 13th Chinese People's Political Consultative Conferences, the vice chairman of All-China Federation of Industry and Commerce in 2017. Currently, he is a trustee member of The Better Hong Kong Foundation, an honorary chairman of Mid-Autumn Festival Celebration-People and Forces' Committee, a director and a member of Concerted Efforts Resource Centre, a patron of China-United States Exchange Foundation, an honorary chairman of Guangdong Chamber of Foreign Investors, an honorary chairman of the Association of Chinese Culture of Hong Kong, the 8th board member of Friends of Hong Kong Association, a member of Hong Kong General Chamber of Commerce, a member of the Constitutional Reform Synergy, a member of The Real Estate Developers Association of Hong Kong, a member of Pacific Basin Economic Council, a director of three Ju Ching Chu Schools in Hong Kong and the vice chairman of Guangdong-Hong Kong-Macao Greater Bay Area Radio and Television Union. In Malaysia, Tan Sri Dato' David CHIU was awarded an honorary award which carried the title "Dato" and a more senior honorary title of "Tan Sri" by His Majesty, King of Malaysia in 1997 and 2005 respectively. He was also awarded the WCEF Lifetime Achievement Awards by Asian Strategy & Leadership Institute in 2013. He is the father of Ms. Wing Kwan Winnie CHIU (Executive Director of the Company) and the brother of Mr. Dennis CHIU (Executive Director of the Company).

MR. CHEONG THARD HOONG, B.ENG., ACA

(Executive Director and Managing Director)

Mr. HOONG, aged 51, was appointed as an Executive Director of the Company in August 2012. He joined the Group in September 2008 as the Managing Director. He is responsible for the formulation and implementation of the Group overall strategies for development. He brings with him a wealth of knowledge in corporate development and extensive experience in mergers and acquisitions as well as international capital markets.

Prior to joining the Group, Mr. HOONG was the chief executive officer of China LotSynergy Holdings Limited (stock code: 1371). He was instrumental in implementing a number of important initiatives which established international relationships for the company and built solid foundations for business expansion whereas he has retired as a non-executive director of the company with effect from 1 June 2017. Mr. HOONG was an investment banker for over 12 years and had held senior positions at Deutsche Bank and UBS where he was responsible for corporate finance business in Asia. Mr. HOONG is also a director of various Subsidiaries. Besides, he is a non-independent and non-executive director of Land & General Berhad, a company listed on the Bursa Malaysia and a non-executive director of i-CABLE Communications Limited (stock code: 1097). Mr. HOONG was a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, until March 2017.

Mr. HOONG is a member of the Institute of Chartered Accountants in England and Wales and holds a bachelor's degree in Mechanical Engineering from Imperial College, University of London.

MR. DENNIS CHIU, B.A.

(Executive Director)

Mr. CHIU, aged 61, was appointed as an Executive Director of Far East Consortium Limited (the predecessor of the Company) in 1978. He has been actively involved in the business development in the Mainland China, Singapore and Malaysia. He is also a director of various Subsidiaries.

Mr. CHIU is elected as the chairman of Federation of Hong Kong Business Worldwide of 45 Hong Kong Business Associations in 34 countries and regions with over 13,000 individual associates; and the chairman of Hong Kong Singapore Business Association ("HSBA") in 2018. He was the president of HSBA from 2014 to 2018. In addition, he is a patron and Adviser of Ayer Rajah Single Member Constituency, West Coast Group Representation Constituency Singapore; and governor of Harrow International School Bangkok since 2004. He was also involved in other charitable organizations, including Yan Chai Hospital and Ju Ching Chu English College Limited, previously.

Mr. CHIU was a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, until March 2017. He is the brother of Tan Sri Dato' David CHIU (Executive Director, Chairman and Chief Executive Officer of the Company) and the uncle of Ms. Wing Kwan Winnie CHIU (Executive Director of the Company).

MR. CRAIG GRENFELL WILLIAMS, B.ENG. (CIVIL)

(Executive Director)

Mr. WILLIAMS, aged 68, was appointed as an Executive Director of the Company in 2000. He is responsible for all property developments in Australia. He resides in Melbourne, Australia. He holds a degree of Bachelor of Civil Engineering from Melbourne University. Before joining the Australian operations of the Company, he was a director of all development companies of the Lend Lease Group, Australia's largest property developer. Mr. WILLIAMS has extensive experience in all facets of property development and is the past president of the St. Kilda Road Campaign Inc. He is also a director of various Subsidiaries.

MS. WING KWAN WINNIE CHIU, B.Sc.

(Executive Director)

Ms. CHIU, aged 40, was appointed as an Executive Director of the Company in June 2019. She obtained a degree of Bachelor of Science in Business Management in King's College London, University of London in 2003. She became honorary fellowships of the Hong Kong Academy for Performing Arts and Vocational Training Council in 2017. She was appointed as Justice of the Peace of the HKSAR in July 2016. She has also served as a committee member in some government committees including Betting and Lotteries Commission since August 2017 and the Business Facilitation Advisory Committee since July 2018. She is a council member of The Better Hong Kong Foundation since 2012; a member of the committee of overseers of Wu Yee Sun College of the Chinese University of Hong Kong since August 2016; an advisor of Our Hong Kong Foundation since January 2018; a board member of the Community Chest since June 2018; a primary company representative of Dorsett at Hong Kong General Chamber of Commerce since June 2018; an honorary vice president of GHM (Guangdong Hong Kong Macao) Hotel General Managers Society since February 2019; a board member of YPO Hong Kong Chapter, and a member of Hong Kong – Japan Business Co-operation Committee.

Ms. CHIU is a director of Asian Youth Orchestra Limited since December 2011; the vice chairperson of THE FRIENDS of the Hong Kong Arts Centre since July 2015; a development committee member of Hong Kong Arts Festival Society Limited since April 2016; the chairman of Hong Kong Art School Council since September 2016; a member of Hong Kong Arts Development Council since January 2017; the joint president of the Society of the Academy for Performing Arts since 2018; a member of discipline advisory board of Vocational Training Council; a director of the Hong Kong Philharmonic Society Ltd.; a member of the Hong Kong Art School Council from November 2013 to October 2016, and a member of the Hong Kong Arts Centre from December 2013 to November 2016.

Ms. CHIU joined the Group in 2005 as a director of property development. She was appointed as the president and an executive director of Dorsett, in June 2010 and November 2011, respectively, to oversee its overall strategic growth and development. She currently is the chairman of AGORA Hospitality Group Co., Ltd, a company listed on the Tokyo Stock Exchange. She is also a director of various Subsidiaries.

Previously, Ms. CHIU worked in Credit Suisse. She has been a director of Mayland since 2002. She has been involved in the different aspects of property development which include development of shopping centre, retail management and service apartment of Mayland.

Ms. CHIU is the daughter of Tan Sri Dato' David CHIU (Executive Director, Chairman and Chief Executive Officer of the Company) and the niece of Mr. Dennis CHIU (Executive Director of the Company).

MR. KWOK WAI CHAN

(Independent Non-executive Director)

Mr. CHAN, aged 61, was appointed as an Independent Non-executive Director of the Company in November 2005. He is a member of The Hong Kong Securities and Investment Institute and a member of CPA Australia. Mr. CHAN is a director of High Progress Consultants Limited and also an independent non-executive director of Chinese Estates Holdings Limited (stock code: 127), China Investments Holdings Limited (stock code: 132), Tern Properties Company Limited (stock code: 277) and National Electronics Holdings Limited (stock code: 213).

MR. KWONG SIU LAM

(Independent Non-executive Director)

Mr. LAM, aged 86, was appointed as an Independent Non-executive Director of the Company in September 2011. He was the delegate of the 10th National People's Congress. Mr. LAM currently serves as the vice chairman of BOC International Holdings Limited, the honorary chairman of Hong Kong Federation of Fujian Association, the life honorary chairman of Hong Kong Fukien Chamber of Commerce, the vice chairman of Fujian Hong Kong Economic Co-operation, the life honorary chairman of the Chinese General Chamber of Commerce, an adviser of the Hong Kong Chinese Enterprises Association and the honorary president of the Chinese Bankers Club of Hong Kong. In addition, Mr. LAM has been a non-executive director of Bank of China International Limited (formerly known as "BOCI Capital Limited") since July 2002. Currently, he is an independent non-executive director of China Overseas Land & Investment Limited (stock code: 688), Fujian Holdings Limited (stock code: 181), Xinyi Glass Holdings Limited (stock code: 868) and Yuzhou Properties Company Limited (stock code: 1628). Mr. LAM was appointed as an independent non-executive director of Vico International Holdings Limited (stock code: 1621) on 16 January 2018 and resigned on 12 April 2019. Mr. LAM was awarded the HKSAR Gold Bauhinia Star in 2016 and Silver Bauhinia Star in 2003. He has more than 50 years of banking experience.

MR. LAI HIM ABRAHAM SHEK (ALIAS: ABRAHAM RAZACK)

(Independent Non-executive Director)

Mr. SHEK, aged 75, was appointed as an Independent Non-executive Director of the Company in June 2019. He obtained a bachelor degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970, respectively. He became the honorary fellow of Lingnan University, The Hong Kong University of Science and Technology, The University of Hong Kong and The Education University of Hong Kong in November 2008, June 2014, September 2016 and March 2018, respectively. In addition to his achievements in the academic field, Mr. SHEK has also earned certain honorary titles in various ambits. He was appointed as Justice of the Peace in July 1995 and awarded the Silver Bauhinia Star and Gold Bauhinia Star in the HKSAR 2007 and 2013 Honors Lists, respectively. He has also been a member of the advisory committee board of the Independent Commission Against Corruption since January 2017. Mr. SHEK is currently a member of the Legislative Council for the HKSAR, the Court Member of The Hong Kong University of Science and Technology, the Court and the Council Member of The University of Hong Kong, a non-executive director of Mandatory Provident Fund Schemes Authority of Hong Kong, the chairman and an independent member of the Board of Governors of English Schools Foundation and a member of the executive committee of Hong Kong Sheng Kung Hui Welfare Council Limited.

In addition, Mr. SHEK is an independent non-executive director of the following listed companies and collective investment schemes, all of which are listed on the Stock Exchange: (a) Paliburg Holdings Limited (stock code: 617); (b) Lifestyle International Holdings Limited (stock code: 1212); (c) Chuang's Consortium International Limited (stock code: 367); (d) NWS Holdings Limited (stock code: 659); (e) Country Garden Holdings Company Limited (stock code: 2007); (f) SJM Holdings Limited (stock code: 880); (g) Chuang's China Investments Limited (stock code: 298); (h) ITC Properties Group Limited (stock code: 199); (i) China Resources Cement Holdings Limited (stock code: 1313); (j) Lai Fung Holdings Limited (stock code: 1125); (k) Cosmopolitan International Holdings Limited (stock code: 120); (l) Goldin Financial Holdings Limited (stock code: 530); (m) Everbright Grand China Assets Limited (stock code: 3699); (n) CSI Properties Limited (Stock Code: 497); (o) Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (stock code: 1881); and (p) Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (stock code: 2778).

Mr. SHEK also served as an independent non-executive director of Dorsett from September 2010 to October 2015. Mr. SHEK was also an independent non-executive director of the following companies, all of which are listed on the Stock Exchange: (a) ITC Corporation Limited (now known as "PT International Development Corporation Limited") (stock code: 372) until March 2017; (b) TUS International Limited (stock code: 872) until January 2017; (c) Midas International Holdings Limited (now known as "Magnus Concordia Group Limited") (stock code: 1172) until January 2018; (d) MTR Corporation Limited (stock code: 66) until May 2019; and (e) Hop Hing Group Holdings Limited (stock code: 47) until June 2020.

MR. WAI HUNG BOSWELL CHEUNG

(Chief Financial Officer and Company Secretary)

Mr. CHEUNG, has re-joined the Group as Chief Financial Officer and Company Secretary of the Company after having served the Group from October 2010 to August 2017 previously when he was responsible for financial management, investor relations and company secretarial matters of the Group. Mr. CHEUNG is an independent non-executive director of Capinfo Company Limited, a company listed on the Stock Exchange (stock code: 1075) and an audit committee member of AGORA Hospitality Group Co. Ltd, a company listed on the Tokyo Stock Exchange.

Prior to joining the Group, Mr. CHEUNG was the chief operating officer and company secretary of Integrated Waste Solutions Group Holdings Limited (formerly known as Fook Woo Group Holdings Limited, stock code: 923), senior financial strategy advisor of China Pacific Insurance (Group) Co., Ltd. (stock code: 2601), an executive director and a non-executive director of Dejin Resources Group Company Limited (formerly known as Bright International Group Limited and cancelled listing on the Main Board of the Stock Exchange, previous stock code: 1163), and also held audit posts in Deloitte Touche Tohmatsu and Ernst & Young.

Mr. CHEUNG graduated in Scotland with a Bachelor of Arts in Accounting in 1992, obtained a Master degree of Business Administration from University of Leicester in England in 1995 and a Master degree of Professional Accounting in 2007. Mr. CHEUNG is a non-practicing member of the Hong Kong Institute of Certified Public Accountants and a qualified accountant of CPA Australia.

Queen's Wharf, Brisbane

STRIVE FOR EXCELLENCE TOGETHER

Five-Year Financial Summary

	For the year ended 31 March				
	2016 HK$'000	2017 HK$'000	2018 HK$'000	2019 HK$'000	**2020** **HK$'000**
RESULTS					
Revenue	3,995,090	5,005,309	5,831,127	6,842,319	**7,450,604**
Profit before taxation	979,309	1,566,639	2,156,133	2,312,486	**837,321**
Income tax expense	(221,347)	(433,780)	(570,735)	(543,761)	**(286,340)**
Profit for the year	757,962	1,132,859	1,585,398	1,768,725	**550,981**
Basic earnings per share	37 cents	51 cents	69 cents	74 cents	**15.5 cents**

	As at 31 March				
	2016 HK$'000	2017 HK$'000	2018 HK$'000	2019 HK$'000	**2020** **HK$'000**
ASSETS AND LIABILITIES					
Total assets	26,160,621	28,399,961	34,488,949	39,077,863	**41,779,991**
Total liabilities	(15,893,366)	(17,456,246)	(21,345,067)	(25,445,601)	**(27,466,257)**
	10,267,255	10,943,715	13,143,882	13,632,262	**14,313,734**
Non-controlling interests	(127,123)	(151,913)	(173,070)	(219,186)	**(290,667)**
Owners' funds	10,140,132	10,791,802	12,970,812	13,413,076	**14,023,067**

Management Discussion and Analysis

Queen's Wharf, Brisbane

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2020 was approximately HK$7.5 billion, an increase of 8.9% as compared with FY2019, driven primarily by the significant revenue recognised from sales of residential properties. Gross profit (before depreciation of hotel, car park and gaming assets) ("adjusted gross profit") came in at HK$2.6 billion, as compared with HK$3.0 billion for FY2019. A breakdown of the Group's revenue and gross profit is set out below:

	Property development HK$'000	**Hotel operations and management** HK$'000	**Car park operations and facilities management** HK$'000	**Gaming operations** HK$'000	**Others** HK$'000	**Total** HK$'000
FY2020						
Revenue	**4,834,976**	**1,345,534**	**759,782**	**271,223**[i]	**239,089**	**7,450,604**
Gross profit	**1,404,126**	**402,320**	**100,776**	**146,282**	**205,848**	**2,259,352**
Depreciation	**–**	**322,352**[ii]	**28,015**[ii]	**14,160**	**–**	**364,527**
Adjusted gross profit	**1,404,126**	**724,672**	**128,791**	**160,442**	**205,848**	**2,623,879**
Adjusted gross profit margin	**29.0%**	**53.9%**	**17.0%**	**59.2%**	**86.1%**	**35.2%**
FY2019						
Revenue	3,811,236	1,817,622	720,458	259,296[i]	233,707	6,842,319
Gross profit	1,356,154	791,162	115,711	145,323	201,249	2,609,599
Depreciation	–	344,383	34,776	17,916	–	397,075
Adjusted gross profit	1,356,154	1,135,545	150,487	163,239	201,249	3,006,674
Adjusted gross profit margin	35.6%	62.5%	20.9%	63.0%	86.1%	43.9%

Notes:

(i) After deduction of gaming tax amounting to HK$88 million and HK$89 million in FY2019 and FY2020 respectively.

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

Revenue from sales of properties amounted to approximately HK$4,835 million in FY2020, an increase of 26.9% as compared with FY2019. Major contributors to that increase in FY2020 were the revenue recognized from Astoria Crest and The Garrison in Hong Kong, The Towers at Elizabeth Quay in Perth and Artra in Singapore. Gross profit of approximately HK$1,404 million was recorded during FY2020, representing a 3.5% increase year-on-year. However, adjusted gross profit margin dropped to 29.0% in FY2020 from 35.6% in FY2019, mainly due to the combined impacts of (i) the decrease in recognized revenue from the Group's Shanghai and Guangzhou projects, which generally have a higher gross profit margin compared to the Group's projects elsewhere and (ii) the lower gross profit margin of The Towers at Elizabeth Quay with most of the units delivered in FY2020.

Impacted by the significant slowdown in tourism and business traffic globally and the temporary closure of some of the Group's hotel operations in the latter part of the financial year, revenue from hotel operations and management dropped 26.0% as compared with last year to approximately HK$1,346 million in FY2020. Adjusted gross profit margin for the Group's hotel operations dropped to 53.9% in FY2020 from 62.5% in FY2019, resulting from the reduction in overall hotel ARR and OCC across the world.

Revenue from car park operations and facilities management increased slightly by 5.5% year-on-year to HK$760 million in FY2020. Adjusted gross profit of approximately HK$129 million was recorded for FY2020. During FY2020, an additional 7,553 bays were added to the Group's owned or managed car park portfolio.

Revenue from gaming operations increased slightly year-on-year by 4.6% to approximately HK$271 million (net of gaming tax) in FY2020. The higher revenue was primarily driven by the first full-year contribution from TWC's gaming operations in FY2020 (despite being affected by part closure in March 2020) as compared with 11 months' contributions in FY2019 and offset by a lower dividend from The Star.

The Group's overall performance in FY2020 was mainly supported by the strong delivery from sales of properties. However, in addition to the social unrest in Hong Kong which hampered our Hong Kong hotel operations since the first half of FY2020, the Group's recurring income businesses have suffered from the outbreak of COVID-19 since February 2020. Some of the Group's hotels and gaming operations were forced to close temporarily which inevitably impacted the Group's recurring income businesses. Furthermore, the overall performance was further weakened by adverse movements in the fair value of investment properties amounting to HK$21 million, the higher finance costs and the ramp-up costs of new hotel opening, including the Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur in FY2020.

As a result of the above, profit attributable to Shareholders was approximately HK$366 million for FY2020. The figure represents a material reduction of 78.7% as compared with HK$1,714 million for FY2019, which included a HK$673 million fair value gain on investment properties, a disposal gain of HK$52 million in respect of a stake in BCG and a one-off gain of HK$108 million arising from bargain purchase of TWC.

Adjusted cash profit[i] was approximately HK$842 million for FY2020, a decrease of 42.2% from HK$1,457 million recorded for FY2019.

Note:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to, and subtracting gain on bargain purchase of TWC from, net profit attributable to Shareholders of the Company. The amounts are adjusted for minority interests.

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 the easily monetizable nature), bank loans and borrowings, and equity as at 31 March 2020.

Consolidated statement of financial position	**As at 31 March 2020 HK$ million**	As at 31 March 2019 HK$ million
Bank loans, notes and bonds		
Due within 1 year[i]	**6,506**	4,236
Due 1–2 years	**8,297**	4,146
Due 2–5 years	**8,264**	12,799
Due more than 5 years	**393**	167
Total bank loans, notes and bonds	**23,460**	21,348
Investment securities	**3,027**	4,422
Bank and cash balances[ii]	**3,040**	2,648
Liquidity position	**6,067**	7,070
Net debts[iii]	**17,393**	14,278
Carrying amount of the total equity[iv]	**14,314**	13,632
Add: hotel revaluation surplus[v]	**16,348**	17,838
Total adjusted equity	**30,662**	31,470
Net gearing ratio (net debts to total adjusted equity)	**56.7%**	45.4%
Net debt to total adjusted assets[vi]	**29.9%**	25.1%

Notes:

(i) Includes an amount of approximately HK$909 million which is reflected as liabilities due within one year even though such sum is not repayable within one year, as the relevant banks and/or financial institutions have discretionary rights to demand immediate repayment.

(ii) The amount represents total restricted bank deposits, deposit in a financial institution, and bank balances and cash.

(iii) Net debts represent total bank loans, notes and bonds less investment securities, bank and cash balances.

(iv) Includes Perpetual Capital Notes.

(v) Excludes Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur which are newly opened and valued at cost.

(vi) Total adjusted assets include revaluation surplus on hotel assets.

To better manage the Group's liquidity position, the Group's treasury operation allocates a portion of its cash position to 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, the investment in the listed shares of The Star, which the Group intends to hold for the long term, as well as the investment in notes issued by the trusts which hold the mortgage portfolio managed by BCG, an entity of 50.66% owned by the Group.

During the year, the Group issued US$360 million Perpetual Capital Notes at an initial distribution rate of 7.375% under the guaranteed medium-term note programme. The proceeds of the Perpetual Capital Notes help the Group in maintaining a robust financial position and a good liquidity position.

The liquidity position of the Group as at 31 March 2020 was approximately HK$6.1 billion. The Group's total adjusted equity as at 31 March 2020 was approximately HK$30,662 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$16,348 million[i], which is based on independent valuations assessed as at 31 March 2020, and including the Perpetual Capital Notes. The net gearing ratio of the Group remained at a healthy level of 56.7% as at 31 March 2020. The Group will continue to adopt a conservative approach to maintain a flexible and solid financial position.

	As at 31 March 2020 HK$ million	As at 31 March 2019 HK$ million
The Company's notes	**3,548**	3,509
Unsecured bank loans	**3,380**	2,809
Secured bank loans		
– Property development and investment	**7,589**	7,536
– Hotel operations and management	**7,292**	6,008
– Car park operations and facilities management	**629**	556
– Gaming operations	**93**	94
– Others	**929**	836
Total bank loans, notes and bonds	**23,460**	21,348

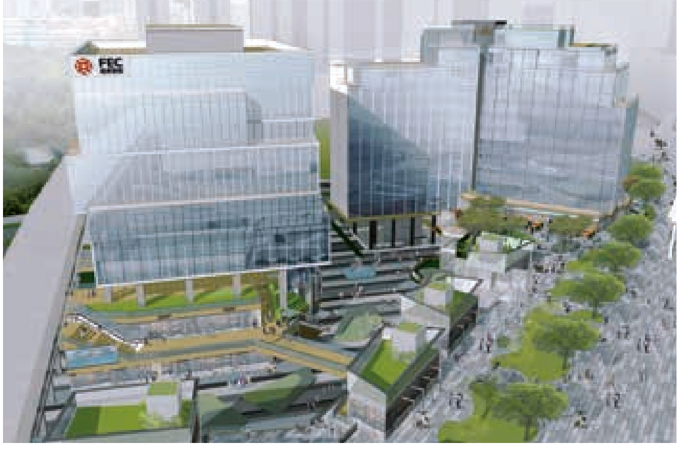
As at 31 March 2020, the Group's undrawn banking facilities stood at approximately HK$6.0 billion. Of this amount, approximately HK$2.9 billion was associated to construction/development facilities while the balance of approximately HK$3.1 billion was for the Group's general corporate use. The unutilized banking facilities, together with presales to be recognised from the Group's upcoming property development projects, placed the Group in a solid financial position to fund not only its existing business and operations but also its expansion going forward.

Note:

(i) Excludes Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur which are newly opened and valued at cost.

Post year end, a number of financings were secured, including: AUD1.6 billion (HK$7.6 billion) facility for Queen's Wharf integrated resort in Brisbane, AUD648 million (HK$3,097 million) facility for West Side Place Stage 2 in Melbourne. The Group is also in advance discussion with banks on the refinancing of a loan in relation to the Kai Tak land purchase and construction.

Queen's Wharf, Brisbane



The overview of Kai Tak Development, Hong Kong

In addition, a total of 7 hotel assets were unencumbered as at 31 March 2020, the capital value of which amounted to approximately HK$4 billion as at 31 March 2020. The Group has other assets unencumbered such as unsold residential units, retail assets, and commercial assets. These assets can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

3. Foreign exchange management

Overall in FY2020, the contribution from the Group's non-Hong Kong operations was affected by the significant adverse movement of foreign currencies against the Hong Kong Dollar. The table below sets forth the exchange rates of the Hong Kong Dollar against the local currency of countries where the Group has significant operations:

Rate	**As at 31 March 2020**	As at 31 March 2019	Change
HK$/AUD	**4.78**	5.56	(14.0%)
HK$/RMB	**1.09**	1.17	(6.8%)
HK$/MYR	**1.79**	1.92	(6.8%)
HK$/GBP	**9.57**	10.20	(6.2%)
HK$/CZK	**0.31**	0.34	(8.8%)
HK$/SGD	**5.44**	5.79	(6.0%)
Average rates for	**FY2020**	FY2019	Change
HK$/AUD	**5.17**	5.78	(10.6%)
HK$/RMB	**1.13**	1.21	(6.6%)
HK$/MYR	**1.86**	1.98	(6.1%)
HK$/GBP	**9.89**	10.61	(6.8%)
HK$/CZK	**0.33**	0.36	(8.3%)
HK$/SGD	**5.62**	5.88	(4.4%)

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 FY2020 is analysed below:

Increase to the Group's profit attributable to Shareholders for FY2020 assuming exchange rates of the following currencies against the Hong Kong Dollar remained constant during the period:

	HK$ million
AUD	9.0
RMB	7.2
MYR	0.7
GBP	3.5
CZK	0.8
SGD	8.7
Total impact	29.9

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 movement in foreign currencies has 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 Perpetual Capital Notes) would have been HK$1,665 million higher as at 31 March 2020 assuming exchange rates remained constant during FY2020.

4. Net asset value per share

	As at 31 March 2020 HK$ million	As at 31 March 2019 HK$ million
Equity attributable to Shareholders of the Company	**11,119**	13,413
Add: Hotel revaluation surplus[(i)(ii)]	**16,348**	17,838
Net asset value attributable to Shareholders of the Company	**27,467**	31,251
Number of shares issued (million)	**2,369**	2,352
Net asset value per share	**HK$11.59**	HK$13.29

Adjusting for the revaluation surplus on hotel assets of approximately HK$16,348 million[(ii)], based on independent valuation assessed as at 31 March 2020, net asset value attributable to Shareholders of the Company was approximately HK$27,467 million. Net asset value per share for the Company as at 31 March 2020 was approximately HK$11.59.

Notes:

(i) As at 31 March 2020.

(ii) Excludes Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur which are newly opened and valued at cost.

5. Capital expenditures

The Group's capital expenditure consisted of expenditure for acquisitions, development and refurbishment of hotel properties, plant and equipment and investment properties.

During FY2020, the Group's capital expenditures amounted to approximately HK$4,985 million, primarily attributable to (i) the land acquisition of a commercial project in Kai Tak, Hong Kong; (ii) the land acquisition for a long-lease residential project in Shanghai; (iii) the joint acquisition of the Oakwood Premier AMTD Singapore hotel with AMTD; (iv) the Dorsett Melbourne and the Ritz-Carlton in Melbourne development; and (v) the ongoing capital expenditures in relation to our retail component of Artra in Singapore and hotels across Australia. The capital expenditures were funded through a combination of borrowings and internal resources.

6. Capital commitments

The Group continued to review very closely its capital commitments and to seek to optimise its investments and outgoings.

	As at 31 March 2020 HK$ million	As at 31 March 2019 HK$ million
Capital expenditure contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**1,187**	878
Commitment to provide credit facility to BCG	**94**	65
Others	**17**	28
	1,298	971

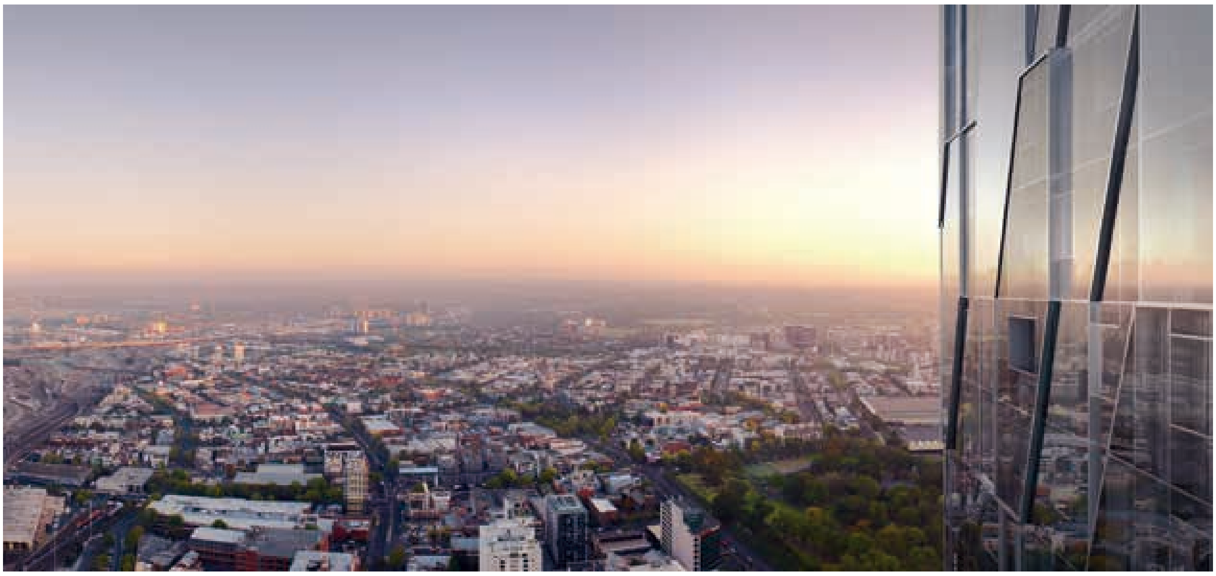
7. Recent developments

The Group has established a new safe deposit box business, FEV, with the first outlet expected to start operation in Q3 2020 in Hong Kong with around 4,500 safe deposit boxes. This business is expected to contribute to our recurring income stream starting from FY2021. Apart from the full 24-hour security provided, FEV introduces leading-edge intelligent security technologies to traditional vault services including facial recognition, palm vein scans and real-time QR codes, by combining physical and biometric identification.

The Group has announced the initiative to seek a potential separate listing of certain hospitality assets in Australia, Singapore, Malaysia and the UK ("Spin-off Plan") to unlock the significant hidden value of its hotel portfolio and recycle capital. The Board believes that the Spin-off Plan, if it proceeds, would among others: (i) create an asset management platform for the Group dedicated to hospitality assets, which would generate a new income stream to the Group, (ii) unlock and crystallise the value of the hospitality properties of the Group, and allow the Group to recycle capital, and (iii) facilitate more active third-party hotel acquisitions using the spun-off entity. Given the current market condition, the Group has slowed down the execution of the transaction until the outlook improves.

The Group is currently in discussion to take a 70% stake in EH REIT Manager and in EH Trustee-Manager. The EH REIT Manager currently manages Eagle Hospitality REIT, listed in Singapore, which owns a portfolio of 18 hospitality assets (17 of which are freehold) in the United States. The Group is reviewing the Spin-off Plan subject to the outcome of the discussions. In any case, the potential transaction is consistent with the Group's stated strategy of establishing a REIT platform for hospitality assets.

The Group is also actively evaluating the individual sales of hotels or redevelopment of hotels into residential units to unlock the value in the portfolio.



The view from West Side Place, Melbourne

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 development in Australia, Mainland China, Hong Kong, Singapore, Malaysia and the UK, which are largely focused on the mass residential market. Our strong regional diversification reduces volatility and allows us to take advantage of different property cycles. To carry out property development in the various markets, the Group has established strong local teams in each of these markets. Our local presence allows the Group to identify trends and source the most attractive opportunities. The Group is also actively looking to work with property owners for redevelopment opportunities, an example of which is the partnership with The Star. These land acquisition strategies have resulted in a relatively low land cost base for the Group's development projects and little capital kept idle in a land banking strategy.

Total attributable cumulative presales value of the Group's residential properties under development amounted to approximately HK$12.2 billion as at 31 March 2020. Such presales proceeds are not reflected in the Group's consolidated income statement until the point in time when the relevant projects are completed. The following table shows a breakdown of the Group's total cumulative presales value of residential properties under development as at 31 March 2020.

Developments	Location	Attributable presales HK$ million	Actual/ Expected financial year of completion
West Side Place (Towers 1 and 2)	Melbourne	4,286	FY2021
West Side Place (Tower 3)	Melbourne	2,033	FY2023
West Side Place (Tower 4)	Melbourne	2,149	FY2023
Queen's Wharf Residences (Tower 4)	Brisbane	1,007	FY2024
Perth Hub	Perth	351	FY2022
The Star Residences (Tower 1)	Gold Coast	378	FY2023
The Star Residences – Epsilon (Tower 2)	Gold Coast	269	FY2024
Aspen at Consort Place	London	604	FY2024
Hornsey Town Hall	London	198	FY2022
MeadowSide (Plots 2 and 3)	Manchester	389	FY2022
MeadowSide (Plot 5)	Manchester	129	FY2021
Artra	Singapore	366[i]	FY2021
Cuscaden Reserve	Singapore	7	FY2023
Dorsett Place Waterfront Subang	Subang Jaya	72[i]	FY2024
Total		12,238	

Note:

(i) Excludes contracted presales already recognized as revenue up to 31 March 2020.

As at 31 March 2020, the expected attributable GDV of the Group's active residential property development projects under various stages of development across the regions was approximately HK$51.6 billion.

The North Pole, Aspen at Consort Place, Canary Wharf, London

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

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Pipeline development				
Melbourne				
West Side Place				
– Towers 1 and 2	1,078,000	4,555	Launched	FY2021
– Tower 3	518,000	2,162	Launched	FY2023
– Tower 4	621,000	2,571	Launched	FY2023
Bourke Street	590,000	2,562	FY2021	FY2025
Perth				
Perth Hub	230,000	744	Launched	FY2022
Brisbane				
Queen's Wharf Residences[iii]				
– Tower 4	253,000	1,406	Launched	FY2024
– Tower 5	269,000	1,496	Planning	Planning
– Tower 6	269,000	1,496	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Tower 1	98,000	430	Launched	FY2023
– Tower 2 – Epsilon	109,000	501	Launched	FY2024
– Towers 3 to 5	374,000	1,591	Planning	Planning
Hong Kong				
Shatin Heights	84,000	1,671	FY2021	FY2021
London				
Aspen at Consort Place	390,000	3,969	Launched	FY2024
Hornsey Town Hall	108,000	906	Launched	FY2022
Ensign House	253,000	2,360	Planning	Planning
Manchester				
MeadowSide				
– Plots 2 and 3	220,000	885	Launched	FY2022
– Plot 5	99,000	383	Launched	FY2021
– Plot 4	238,000	1,062	Planning	Planning
Northern Gateway[v]				
– New Cross Central	62,000	241	FY2021	FY2022
– Victoria Riverside	396,000	1,422	FY2021	FY2024
– Network Rail	1,532,000	5,498	Planning	Planning
– Others	1,202,000	4,201	Planning	Planning

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Singapore				
Artra[vi]	9,000	459	Launched	FY2021
Holland Road[vii]	192,000	2,984	FY2021	FY2023
Cuscaden Reserve[viii]	19,000	350	Launched	FY2023
Malaysia				
Dorsett Place Waterfront Subang[ix]	525,000	965	Launched	FY2024
Total development pipeline as at 31 March 2020	**9,738,000**	**46,870**		
Completed development available for sale				
Perth				
The Towers at Elizabeth Quay	98,000	647		
Shanghai				
King's Manor	44,000	252		
The Royal Crest II	51,000	310		
District 17A	18,000	94		
Guangzhou				
Royal Riverside	237,000	834		
Malaysia				
Dorsett Bukit Bintang	28,000	125		
Hong Kong				
Marin Point	71,000	744		
Manor Parc	50,000	641		
The Garrison	1,000	31		
Others	1,000	36		
Singapore				
21 Anderson Road	86,000	1,061		
Total completed development available for sale as at 31 March 2020	**685,000**	**4,775**		
Total pipeline and completed development available for sale as at 31 March 2020	**10,423,000**	**51,645**		

Notes:

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

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

(iii) This residential development consists of a total gross floor area of approximately 1,800,000 sq. ft.. The Group has 50% interest in the development.

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

(v) The 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 Northern Gateway, the Group is expecting further land acquisitions which will increase both saleable floor area and GDV for this development.

(vi) Total saleable floor area of this development is approximately 410,000 sq. ft.. The Group has 70% interest in the development. Revenue for this development is recognised based on a percentage of completion basis. Amounts shown here exclude the portion which has been recognized as revenue up to 31 March 2020.

(vii) Total saleable floor area of this development is approximately 241,000 sq. ft.. The Group has 80% interest in the development.

(viii) Total saleable floor area of this development is approximately 190,000 sq. ft.. The Group has 10% interest in the development.

(ix) Total saleable floor area of this development is approximately 1,050,000 sq. ft.. The Group has 10% interest in the development.

In February 2020, the Group has signed a MOU with Sainsbury's to redevelop the 4.62 acre site of Sainsbury's existing store at Whitechapel in East London. Located within the London Borough of Tower Hamlets and adjacent to Whitechapel Road, the Whitechapel Square proposal will incorporate a new flagship Sainsbury's supermarket, a significant number of residential units, retail space for local businesses and landscaped public space.

In addition to the above, the Group has entered into a MOU with the partners of Destination Brisbane Consortium to develop The Star's casino site in Sydney and three further towers in Gold Coast, which will further contribute to the residential pipeline of the Group upon receiving planning approval and signing of a definitive agreement.

Living Room, Aspen at Consort Place, Canary Wharf, London

Australia

Melbourne

West Side Place, Melbourne

West Side Place is a mixed-use residential development located in the CBD of Melbourne. The project is comprised 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 HK$9.3 billion.

The development consists of two hotels, including one under the Group's Dorsett brand with approximately 300 hotel rooms located in Tower 3, and another hotel to be operated by Ritz-Carlton with approximately 250 hotel rooms located at the top of Tower 1. All four towers have been launched for presales as of FY2019. Towers 1 and 2 comprise a total of 1,376 apartments with a total saleable floor area of approximately 1.1 million sq. ft. and a total expected GDV of HK$4.6 billion. HK$4.3 billion worth of units were presold as at 31 March 2020. Towers 1 and 2 are expected to be completed in FY2021 and are slated for handover in FY2021 in phases. Tower 3 comprises 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK$2.2 billion. HK$2.0 billion worth of units were presold as at 31 March 2020 and the project is expected to be completed in FY2023. Tower 4 comprises 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$2.6 billion. HK$2.1 billion worth of units were presold as at 31 March 2020 and the project is expected to be completed in FY2023. With the strong presales recorded for this development, the Group is expected to have significant cash flow and earnings in the coming few years.

Following the successful launch of the various stages of West Side Place, the Group has replenished its pipeline in Melbourne by securing a development site on 640 Bourke Street, which is in Melbourne CBD near the West Side Place development. The property has obtained approval to be redeveloped into a residential project with a total saleable floor area of approximately 590,000 sq. ft. and is expected to provide approximately 857 residential units. Presales of this development is expected to be launched in FY2021, with completion of the development expected to be in FY2025.

Perth

The Towers at Elizabeth Quay, Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in saleable floor area of residential apartments, a luxury Ritz-Carlton of 205 rooms opened in November 2019 and some commercial and retail space as well as other ancillary facilities of approximately 15,000 sq. ft.. In FY2020, 224 apartments were sold and delivered a recognized value of HK$1.4 billion. As at 31 March 2020, the expected GDV of the remaining apartments available for sales was HK$647 million.

The Perth City Link is a large project being undertaken by the Western Australian Government to reconnect the Perth CBD and the entertainment district. Perth Hub, being the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena representing Lots 2 and 3A of the Perth City Link project, featuring 314 residential apartments and approximately 260 hotel rooms to be operated by Dorsett. Presales was launched in October 2018, with GDV of HK$351 million being presold as at 31 March 2020. Completion of the development is expected in FY2022.

Having been selected as the preferred proponent to develop Lots 3B, 6 and 7 of the Perth City Link projects in May 2017, which is a continuation of the development stemming from Perth Hub, the Group has secured these land plots in FY2019. These three lots are planned for a range of boutique apartments and an integrated retail, entertainment, commercial and hospitality complex. This project is currently under planning stage.

Brisbane

Queen's Wharf, Brisbane

The Destination Brisbane Consortium, a joint venture between the Group, The Star and 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 component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are made progressively commencing from signing of the QWB Project documents up to completion of the QWB Project which is expected by the end of FY2023; and

(ii) the residential component owned in the proportion of 50% by the Group and 50% by CTF.

Together with the Group's portion of the land premium for this residential component, the total capital commitment of the Group is expected to be approximately AUD300 million which the Group has so far funded from its internal resources. The QWB Project encompasses a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane, and envisages three residential towers, three world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development GFA of the QWB Project is expected to be approximately 387,000 sq. m. of which approximately 147,000 sq. m. relates to the residential component.

During FY2020, the Group launched the highly awaited Queen's Wharf Residences (Tower 4). Tower 4 is the only residential tower directly connected to the integrated resort development, featuring 667 residential apartments with a total saleable floor area of approximately 506,000 sq. ft. and a GDV of HK$2.8 billion. Having launched in February 2020, the project received a strong response with GDV of HK$2.0 billion (attributable GDV of HK$1.0 billion) already presold as at 31 March 2020. Completion of the development is expected to be in FY2024.

The construction of the integrated resort component is well underway, on time and budget. Furthermore, the consortium has recently secured a construction facility of AUD1.6 billion with a well-diversified group of banks participating in the facility.

Gold Coast

The view from The Star Residences, 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 between the Group, The Star and CTF in Gold Coast, in which the Group has a 33.3% interest.

The first tower of the development will feature a 316-room Dorsett hotel and 423 residential apartments with a total saleable floor area of approximately 295,000 sq. ft. and a GDV of HK$1.3 billion. Total presold value of HK$1.1 billion (attributable presold value of HK$378 million) was recorded as at 31 March 2020 and the completion of the first tower of the development is expected to take place in FY2023.

Following the successful launch of the first tower, planning approval has been granted for the other four towers of the development. Epsilon, which is the second tower of the development, will feature a 200-room five-star hotel and 457 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a GDV of HK$1.5 billion. Presales was launched with positive responses in May 2019, with a total presold value of HK$806 million (attributable presold value of HK$269 million) as at 31 March 2020. Completion of the development is expected in FY2024.

In addition, the strategic alliance agreement that was entered into with The Star and CTF in March 2018 stipulated that the parties will join forces on the delivery of certain nominated developments including the potential re-development of The Spit Precinct in Gold Coast. The realization of these potential developments will undoubtedly add to the Group's development pipeline in the city and will benefit the Group through its investment in The Star.

Sydney

The Group has agreed to partner with The Star and CTF to co-develop a mixed-use tower located at the existing site where The Star operates its casino in Sydney. The project is currently under planning stage and discussions are ongoing to obtain approvals from the local authorities. The parties also agreed that there are certain nominated developments in which the parties will work together to bring forward the planning and delivery, including the potential re-development of a site in the Pyrmont Precinct in Sydney.

The Star, Sydney

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai over a number of years. The development comprises a diversified portfolio of residences including low-rise apartments, high-rise apartments and town houses. The two phases of the development, namely King's Manor and Royal Crest II, continued to make a contribution to the Group's revenue and profit with HK$71 million of GDV being delivered in FY2020.

Situated at the riverside with a large portion of greenery and designed in modern art deco style, Royal Riverside in Guangzhou is a 5-tower residential development comprising 607 apartments. The entire development has been completed with a total of 400 apartments already sold and delivered for approximately HK$1.4 billion of GDV as at 31 March 2020. In FY2020, 45 apartments were sold for a recognized value of HK$185 million. The project, with a higher-than-usual gross profit margin, is expected to contribute to the Group's performance in the coming year.

Hong Kong

The Group has built its development pipeline in Hong Kong over the years through the acquisition of re-development sites, participating in government tenders and bidding for projects with the URA.

Astoria Crest is a residential development at Hai Tan Street, Sham Shui Po which was acquired by the Group through the URA. This residential development comprises 72 apartments with approximately 20,000 sq. ft. in a saleable floor area. All units were sold out and delivered to buyers in FY2020.

Astoria Crest, Hong Kong

Located in a prime location in the center of Tai Wai and at the meeting point of three Mass Transit Railway lines, The Garrison is a residential development which the Group acquired through a government tender. This development comprises of 118 residential units totaling approximately 29,000 sq. ft. in saleable floor area and a GDV of HK$674 million with a commercial component of approximately 5,600 sq. ft. in GFA. Completed in FY2020, the project was virtually sold out and handed-over to buyers as at 31 March 2020, representing 95% of total GDV. The remaining units will be sold on a completed basis.

Marin Point is a residential development at Sha Tau Kok which the Group acquired through a government tender. This development comprises 261 low-rise apartments with approximately 103,000 sq. ft. in the saleable floor area and 7,923 sq. ft. of the commercial component. The development was launched for presales during FY2018 with GDV of about HK$96 million having been sold and delivered in FY2020. The remaining units will be sold on a completed basis.

Manor Parc is a residential development at Tan Kwai Tsuen consisting of 24 town houses with approximately 50,000 sq. ft. in the saleable floor area and GDV of HK$641 million. The remaining houses are to be sold on a completed basis.

The Group also acquired through a government tender a residential development site at Tai Po Road, Shatin Heights. Comprising over 62 apartments and 4 houses, the project has a saleable floor area of approximately 84,000 sq. ft. and a GDV of HK$1.7 billion. Construction is progressing with presales of the project expected to be launched in FY2021.

The Garrison, Hong Kong

Marin Point, Hong Kong

Malaysia

Dorsett Place Waterfront Subang, Subang Jaya

Dorsett Bukit Bintang, Kuala Lumpur

Dorsett Place Waterfront Subang is a joint development between the Group and Mayland. The Group has a 50% interest in this development. The project is next to the Group's renowned 5-star hotel, Dorsett Grand Subang. Consisting of three blocks, the development will offer 1,989 fully-serviced suites. Presales of the development project was launched in September 2019 with HK$144 million GDV having been presold as at 31 March 2020. Completion of the development is expected in FY2024.

Dorsett Bukit Bintang is a residential development adjacent to Dorsett Kuala Lumpur. This development consists of 252 high-rise apartments with approximately 215,000 sq. ft. in the total saleable floor area. The development was completed with a number of the remaining units converted into serviced apartments and managed by the Dorsett Group. The rest is to be sold on a completed basis.

United Kingdom

London

Hornsey Town Hall, North London

Aspen at Consort Place, Canary Wharf, London

Hornsey Town Hall, located in North London, is a mixed-use redevelopment project which involves the conversion of an existing townhall into a hotel/serviced apartment tower and a town hall with communal areas, as well as a residential component which will provide 135 apartments with a saleable floor area of approximately 108,000 sq. ft.. This development also has a commercial component of 45,050 sq. ft.. Presales for the residential component of this development was launched in FY2019 with GDV of about HK$198 million presold, as at 31 March 2020. Completion of the development is expected in FY2022.

Aspen at Consort Place is a mixed-use development site at Marsh Wall, Canary Wharf in London, which was granted planning approval for a complex featuring private residences of approximately 390,000 sq. ft. in saleable floor area consisting of approximately 495 residential units, a hotel of approximately 230 rooms and commercial space. The residential component of the project was launched with positive responses in late January 2020 and captured presales of HK$604 million as at 31 March 2020. The completion of the development is expected to be in FY2024.

The Group continued to grow its business footprint and strengthen its development presence in the UK. In February 2020, an agreement was executed for the acquisition of Ensign House in Canary Wharf, London, which is adjacent to Aspen at Consort Place. The 6,712 sq.ft. site currently comprises an office building with a surface car park which will be demolished and replaced with a residential led mixed-use development. The project is still under planning.

In February 2020, a MOU was signed to redevelop a site owned by Sainsbury's. Currently, due diligence is ongoing. The project will be a residential development project with retail components including a flagship Sainsbury's supermarket.

Manchester

The overview of MeadowSide, Manchester

Plots 2 and 3, MeadowSide, Manchester

MeadowSide is a residential development site in Manchester at NOMA which is one of the major residential growth areas of the city and is sitting on the doorstep of the Group's Northern Gateway development. The development will feature 4 towers comprising more than 756 apartments with approximately 557,000 sq. ft. of saleable floor area around the historic Angel Meadow park near Victoria Station which is one of the transportation hubs in the city. 3 Plots are currently under presales. Plots 2 and 3, with a total saleable area of 220,000 sq. ft. and GDV of HK$885 million, were launched for presales with GDV of HK$389 million having been presold as at 31 March 2020. Plot 5 with a total saleable area of 99,000 sq. ft. and GDV of HK$383 million was launched in March 2019 for presales with GDV of HK$129 million having been presold as at 31 March 2020. Construction work is progressing smoothly and Plots 2, 3 and 5 are scheduled for completion by FY2022 and FY2021, respectively.

Northern Gateway is a mega-scale development project in Manchester which spans across an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria Station and taking in the neighborhoods of New Cross, the Lower Irk Valley and Collyhurst. This project is expected to deliver in excess of 15,000 new homes over the next decade, allowing the city center to expand and providing the optimal mix of high-quality housing. 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 SRF of the Northern Gateway development was approved by the MCC in February 2019. The SRF provides an illustrative masterplan in order to guide development proposals within Northern Gateway. It will be used to guide and co-ordinate development brought forward by the joint venture formed between the Group and MCC, to deliver a series of vibrant, sustainable and integrated residential neighborhoods within the extended city center of Manchester.

Since the Group entered into a development agreement with MCC in April 2017, the Group has acquired various land plots within the Northern Gateway area which will be developed into individual projects as the overall masterplan pans out. In July 2019, the Group has further acquired 20 acres of land from Network Rail in central Manchester to progress its delivery of the Northern Gateway and expected to offer over 1,500 new homes including the first elements of the River City Park at St Catherine's Wood, which will link from Angel Meadow out to the North of Manchester.

Northern Gateway, Manchester

The Northern Gateway project is expected to provide the Group with a significant and long-term pipeline within the UK. As at 31 March 2020, the Group has already secured land plots within the Northern Gateway area providing a pipeline with an estimated saleable floor area of more than 3 million sq. ft. which is expected to deliver approximately 4,500 new homes over the next 5 to 10 years.

New Cross Central, Manchester

Roof Terraces, New Cross Central, Manchester

New Cross Central is one of the initial sites acquired from MCC as part of the development agreement for the Northern Gateway. The development, located within New Cross at the northern edge of the Manchester city center, comprises 80 residential units with a saleable floor area of approximately 62,000 sq. ft. and a GDV of HK$241 million. During FY2020, the Group received planning approvals and started pre-marketing the project. Presales for this development started recently.

Victoria Riverside is located within the Northern Gateway masterplan area in close proximity to major transport links including Victoria railway station and Manchester city center. It is a key gateway into the Northern Gateway masterplan area, expanding the city center northwards from MeadowSide. It will be predominately residential development incorporating high-quality public realm, commercial and leisure use and a landmark building. The development features three towers comprising more than 612 units with approximately 396,000 sq. ft. of saleable floor area. Presales of the development is expected to be launched in FY2021.

Singapore

Artra, Singapore

A residential development site at Holland Road, Singapore

Artra is a residential project located next to the Redhill MRT station in Singapore with approximately 409,000 sq. ft. in a saleable floor area and is owned by a joint venture in which the Group has a 70% interest. Presales of the development was launched in FY2018. The sales of this project have been recognised according to the progress of development. As at 31 March 2020, attributable unbooked presales amounted to HK$366 million. Completion of the development is expected to take place during FY2021.

Hollandia and The Estoril are premium residential development sites at Holland Road. Completion of the acquisition of both sites took place in FY2019. The two adjacent sites are expected to be amalgamated and redeveloped into a residential development with an attributable saleable floor area of approximately 192,000 sq. ft., in which the Group accounts for 80% interest. Presales of the development is expected to be launched in FY2021 with completion of the development expected to be in FY2023.

The development located at Cuscaden Reserve is a residential development site at the prime District 9 of Singapore. The development is expected to provide approximately 19,000 sq. ft. in attributable saleable floor area. The Group has a 10% interest in the joint venture which is undertaking the development. Presales of the development was launched in FY2020 with completion of the development expected to be in FY2023.

Property investment

Property investment comprises investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore and Australia. In FY2020, impacted by the uncertain economic environment and weak market conditions across the globe, a fair value loss on investment properties of approximately HK$21 million was recognised. As at 31 March 2020, the valuation of investment properties was approximately HK$7.2 billion (31 March 2019: HK$5.4 billion).

The Group acquired a site at Baoshan District in Shanghai which is adjacent to another parcel of land acquired in early 2019 and intended to develop altogether into a few blocks of residential units to be leased out for recurring income.

In addition, the Group acquired a commercial plot in Kai Tak, Hong Kong. Apart from the flagship Dorsett hotel, the Group intends to develop some office and retail space with approximately 196,000 sq. ft. in GFA.

2. Hotel operations and management

In April 2018, the Group completed the acquisition of TWC, which owns and operates two four-star hotels and one three-star hotel in Germany, one four-star hotel in Austria and one four-star hotel in the Czech Republic (directly connected to one of the casinos in TWC's portfolio), with a combined 572 rooms operated under the TWC Hotel Group.

During the year, the Group added three new hotels into its operations including: the Ritz-Carlton in Perth, the J-Hotel by Dorsett in Kuala Lumpur and the Oakwood Premier AMTD Singapore in Singapore (49% ownership). These hotels shall further diversify the Group's hotel portfolio and strengthen its recurring income stream yet the Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur were still ramping up during FY2020 and incurred approximately HK$44 million operating loss from its inception to 31 March 2020.

As at 31 March 2020, the Group had 31 hotels in operations and 13 hotels in the development pipeline. The 31 hotels represent approximately 8,100 rooms in total, spreading over Hong Kong, Mainland China, Singapore, Malaysia, Australia, the UK and Continental Europe. Construction of a number of new hotels including Dorsett Shepherds Bush extension in London and the Ritz-Carlton in Melbourne is well underway. Moreover, the Group also manages 3 other hotels in Malaysia with approximately 830 rooms.

Hotel lobby, The Ritz-Carlton, Perth

The performance of the Group's owned hotel operations for FY2020 is summarized as follows. The results of hotels by regions are expressed in the respective LC.

	Occupancy Rate		Average room rate		RevPAR		Revenue	
	FY2020	FY2019	**FY2020 (LC)**	FY2019 (LC)	**FY2020 (LC)**	FY2019 (LC)	**FY2020 (LC'000)**	FY2019 (LC'000)
Hong Kong (HK$)	**70.8%**	95.3%	**578**	802	**409**	764	**472,195**	846,830
Malaysia (MYR)	**65.6%**	74.7%	**197**	194	**129**	145	**102,415**	115,127
Mainland China (RMB)	**55.7%**	72.6%	**389**	398	**217**	289	**166,340**	217,759
Singapore (SGD)[i]	**76.0%**	82.0%	**174**	173	**133**	142	**14,754**	15,922
United Kingdom (GBP)	**74.3%**	82.3%	**129**	118	**96**	97	**23,762**	23,869
Australia (AUD)[ii]	**61.0%**	N/A	**354**	N/A	**216**	N/A	**10,873**	N/A
			(HK$)	(HK$)	**(HK$)**	(HK$)	**(HK$'000)**	(HK$'000)
Dorsett Group Total[iii]	**67.0%**	**84.2%**	**607**	**709**	**406**	**597**	**1,224,086**	**1,684,565**
TWC Hotel Group	**58.8%**	**57.1%**	**634**	**600**	**373**	**343**	**121,448**	**133,057**

Notes:

(i) Excludes Oakwood Premier AMTD Singapore which is equity accounted.

(ii) Excludes Sheraton Grand Mirage which is equity accounted.

(iii) Includes Ritz-Carlton in Perth.

The hotel operations were particularly affected by events in Hong Kong, the China-US trade tensions and more recently by the global spread of COVID-19. Strained by the global COVID-19 pandemic, countries and cities around the world have imposed severe travel restrictions on both business and leisure travelers and our hotel operations have unavoidably been affected by the unprecedented decline in ARR and OCC, resulting in a significant decrease in total hotel revenue.

To mitigate the negative impact of COVID-19, the Group took tremendous efforts to implement cost control measures and modify its marketing strategy by focusing on several key areas:

- Finding and creating new business opportunities;
- Deferring and reducing bank loan interest and principal payments;
- Negotiating with business vendors for reduction of payments and flexible payment terms; and
- Implementing internal cost savings plans to improve operational efficiencies.

Furthermore, various governments have implemented support schemes for the hospitality industry, including employee wage subsidies/credits and reduction/waiver of government rate and rent or property taxes. Some utility companies, suppliers and banks have also offered deferral and/or reduction of payments which have helped the Group's cash flow and liquidity greatly.

In FY2020, Dorsett Group's hotel operations recorded total revenue of approximately HK$1,224 million as compared with HK$1,685 million in FY2019. The OCC decreased by 17.2 percentage points to 67.0%. The overall ARR decreased 14.4% to HK$607 per night. As a result, RevPAR decreased by 32.0% to HK$406 for FY2020.

Hong Kong remained the main contributor to the Group's hotel operations which accounted for approximately 35.1% of its hotel revenue. During FY2020, the Hong Kong hospitality and tourism industry took the biggest hit due to the double blow from social unrest and the recent pandemic, which resulted in the number of tourist arrivals reporting their sharpest drop in more than a decade. Despite the very difficult operating environment, a total six out of nine of the Group's Hong Kong hotels achieved over 80% occupancy in the first half of FY2020. During FY2020, the OCC declined by 24.5 percentage points to 70.8% and ARR dropped by 27.9% to HK$578 per night, resulting in a decrease of 46.5% in the RevPAR to HK$409 per night as compared to the prior year.

Since January 2020, the Group has supported the local community by being one of the first to officially welcome and provide accommodation and other forms of support to the local healthcare personnel as well as local residents with self-quarantine requirements. As a result, both OCC and RevPAR for the nine Hong Kong hotels have outpaced the overall market in recent months despite total inbound visitor arrival dropped by 85.3% year-on-year in January to April 2020 according to Hong Kong Tourism Board and Hong Kong Government imposed travel restrictions and border lockdown measures related to COVID-19 since February 2020.

In Malaysia, apart from Dorsett Grand Labuan, which has been operating due to its relatively remote location, all of the Group's Malaysia hotels were ordered for lockdown under the local government's instruction to combat COVID-19 since mid-March 2020. Lockdown measures crippled the local economy and impacted our hotel operations resulting in the drop of total revenue of 11.0% to approximately MYR102 million for FY2020 as compared with FY2019. Hotels in Malaysia experienced a 9.1 percentage point decline in OCC as compared with FY2019, with ARR remained fairly stable, RevPAR experienced 11.0% decline for FY2020 as compared with FY2019. In early April 2020, Dorsett Grand Subang reopened to support the local community by receiving guests with self-quarantine requirements. Dorsett Kuala Lumpur, Dorsett Residences Bukit Bintang and Silka Maytower Hotel & Serviced Residences have also resumed business in early May 2020 while the remainder hotels are closed until further notice.

In Mainland China, where our hotel operations have been severely impacted by the widespread of COVID-19, OCC of our hotels in FY2020 decreased by 16.9 percentage points year-on-year. Coupled with the decrease in ARR by 2.3% to RMB389 per night, RevPAR recorded a decline of 24.9% year-on-year to RMB217 and total revenue also recorded a decline of 23.6% to RMB166 million. Dorsett Shanghai and Chengdu have remained open, albeit at low occupancy and ARR levels due to lack of international and domestic travel since late January 2020. Dorsett Wuhan and Lushan Resort were ordered to close by the local government since early January 2020 and have re-opened in April 2020.

In Singapore, the total revenue of Dorsett Singapore stood at SGD14.8 million in FY2020. ARR was relatively flat at SGD174 per night in FY2020 while OCC recorded a decrease of 6.0 percentage points to 76.0% resulting in a slight decrease of RevPAR of 6.3% to SGD133. Nevertheless, starting from mid-April 2020, Dorsett Singapore has been selected to become one of the government facilities to support various authorities and medical teams on-site, contributing its full room inventory to serve the local community. This arrangement is in place until further notice from the Singapore government.

In the UK, total revenue remained stable at GBP23.8 million. ARR managed to improve by 9.3% to GBP129 per night which was partially offset by the 8.0 percentage points drop of OCC to 74.3%. As a result, RevPAR stood at GBP96 for FY2020. The hotel market in the UK was severely affected by travel restrictions in the late second half of FY2020, both hotels in London remain open per government regulations to support essential workers including medical staff from National Health Service, policemen from City of London and guests who were not able to cross the border.

In Australia, since opening in November 2019, the luxury Ritz-Carlton in Perth had performed well until COVID-19 outbreak which seriously impacted the entire hotel sector in Australia with travel restrictions, state and national border shutdown, quarantine requirements, closure of F&B, spa and other hotel facilities imposed by Western Australia state government in late March 2020. Despite the difficult operating environment, the hotel has implemented Marriott's best practice of COVID-19 processes and remained open in line with all Marriott branded hotels in Australia. State border remains shut; however, the state government has started to re-open the economy in phases since late April 2020. As a result, the hotel has seen increased bookings for rooms, functions/events, F&B, etc.

Europe has been significantly impacted by COVID-19 albeit at a later timeline than Asia. 4 hotels in Germany and Austria of the Group were ordered to close by the local government for a month from mid-March 2020 and re-opened in mid-April 2020. The Trans World Hotel Savannah which is attached to the casino in the Czech Republic, was ordered to close by the local government since mid-March 2020 and re-opened in early June 2020. Hindered by the closure of hotel operations in Continental Europe, TWC Hotel Group had seen a slight decrease in total revenue in FY2020. Despite the respective increase of 1.7 percentage points in OCC and 5.7% in ARR which resulted in solid RevPAR growth of 8.7%, compared with its 11-month contribution in FY2019, total revenue was decreased by 8.7% due to the drop in F&B revenue. Borders between Germany, Austria and the Czech Republic were reopened in early June 2020. During the border closure, our hotels in Germany and Austria are on the shortlist to host health workers and non-COVID-19 related hospital patients under government instructions.

Hotel Tower, Kai Tak Development, Hong Kong

Podium Retail and Plaza, Kai Tak Development, Hong Kong

During the year, the Group has successfully won the tender of the commercial land at Shing Kai Road adjoining Kai Tak Sports Park in Kai Tak with total GFA up to 344,000 sq. ft. The Group is planning to develop a flagship Dorsett brand hotel with commercial and retail space on the site. Completion of the development is expected in FY2024.

The Group continues to evaluate potential opportunities to unlock the hidden values of its hotel assets. In November 2019, the Group had announced the Spin-off Plan. In light of the current market condition, the Group has slowed down the execution of the transaction until the outlook improves.

The Group is currently in discussion to take a 70% stake in EH REIT Manager and in EH Trustee-Manager. The EH REIT Manager currently manages Eagle Hospitality REIT, listed in Singapore, which owns a portfolio of 18 hospitality assets (17 of which are freehold) in the United States. The Group is reviewing the Spin-off Plan subject to the outcome of the discussions. In any case, the potential transaction is consistent with the Group's stated strategy of establishing a REIT platform for hospitality assets.

3. Car park operations and facilities management

The Group's car park operations and facilities management business includes car park operations, operated under the brand "Care Park".

The car park business covers both third party owned car parks and self-owned car parks and generates a stable recurring income for the Group. Care Park has been achieving steady growth over the years, with the Group's portfolio of car parking bays owned or under management growing to approximately 106,696 car parking bays as at 31 March 2020, having added approximately 7,553 car parking bays during FY2020. Of the Group's 470 car parks, 37 were self-owned car parks (24 in Australia, 3 in New Zealand, 1 in the UK, 2 in Malaysia and 7 in Hungary) comprising approximately 11,049 car parking bays, with the remaining 95,647 car parking bays in Australia, New Zealand, the UK, Hungary and Malaysia under management contracts entered into with third party car park owners, which include local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

The Group's car park business continued to deliver consistent profit contribution to the Group through organic growth. Care Park has invested in proprietary technology and monitoring/customer service tools (Care Assist) which enable the management team to have better control on the day-to-day operations of the business, providing a strong foundation for growth. With a management team rich in experience in car parking operations and the scalability offered by Care Assist, the Group is actively evaluating a number of acquisition opportunities in regions where the Group has an existing presence, with an aim of adding further self-owned car parks to its portfolio.

The car park operations were disrupted due to COVID-19 restrictions imposed by countries and cities around the world from March 2020. Some of the Group's self-owned/managed car parks located around airports, hotels, shopping malls and office buildings were severely affected due to the lockdown measures and restrictions imposed.

To mitigate the negative impacts of COVID-19, the Group has adopted the following cost control measures across all business locations:

- Standing down of employees;
- Reducing employee overheads; and
- Reviewing all lease commitments and seek to reduce rental obligations on unprofitable contracts and impacted leases.

Apart from the above cost control measures, the Australian government has passed a mandatory code of conduct that entitles tenants (i.e. Care Park) to negotiate with each landlord to adjust down the lease payments proportionally to the decline in revenue as a result of COVID-19. The Group is also expected to benefit from the government compensation programmes such as in Australia, where the government will offer a wage subsidy to eligible employers. The aforesaid cost control initiatives and government support should help to minimize the pressure on the Group's cash flow.

During FY2020, Care Park has successfully secured a management contract from Macquarie to manage and operate SKYCITY's car park in Auckland, New Zealand, after Macquarie won a 30-year concession for the car park at SKYCITY's casino and convention center, adding 3,256 car parking bays to its growing portfolio. Furthermore, the Group has also secured a management contract of 3,200 car parking bays across three campuses including a diverse range of services in Royal Melbourne Institute of Technology.

Coupled with the growing property management services in Australia (mainly in Brisbane, Melbourne and Adelaide) and Johor Bahru, Malaysia, it is expected that the car park operations and facilities management business will continue to be a growing source of recurring cash flow streams to the Group.

4. Gaming operations and management

Route 59 Casino, Czech Republic

Europe

Following the Group's investment in the QWB Project, the Group completed the acquisition of TWC on 30 April 2018. Revenue from TWC's gaming operations in FY2020 reached HK$223 million (which is net of gaming tax), increasing slightly by 13.1% from HK$197 million in FY2019, mainly due to the full-year contribution recorded in FY2020 as compared with the 11 months of trading recorded in FY2019.

TWC owns and operates a portfolio of 3 casinos in the Czech Republic. All the casinos of TWC feature gaming tables and slot machines and are situated on the Czech borders with Germany and Austria catering to cross-border guests from these countries. With the Group's implementation of the "Asian Wallet" strategy, the Group will endeavor to introduce more Asian customers living in the region to TWC's properties to supplement the Group's hospitality offerings geographically.

The following sets forth certain operating data of TWC's casinos for FY2020:

	As at 31 March 2020	As at 31 March 2019
Number of slot machines	**543**	513
Number of tables	**59**	62

	FY2020	11 months ended FY2019
Table game revenue[i] (HK$ million)	**58**	51
Slots revenue[i] (HK$ million)	**140**	137
Average table game win rate[ii]	**20%**	17.2%
Average slot win per machine per day (HK$)	**1,087**	1,219

Notes:

(i) Net of gaming tax.

(ii) Table game win rate is defined as total win on the gaming table (being total bets received less payouts made) divided by total amount of cash and non-negotiable chips deposited on the gaming table.

TWC's gaming operations continued to perform well with the synergies created between the Group and TWC following the acquisition since April 2018, including, for instance, cross-selling opportunities, improvement of gaming machines and introduction of new table games. 3 casinos were forced to close in mid-March 2020 due to COVID-19 outbreak but have reopened since early June 2020. The Group believes the aforesaid efforts to generate positive results upon the relaxing of the COVID-19 related restriction and the recovery of the economic environment.

Australia

The Star Residences, Gold Coast

In March 2018, the Group entered into a strategic alliance agreement with The Star and CTF and took a 4.99% equity stake in The Star, one of the two major casino operators in Australia which has a dominant position in Sydney, Gold Coast and Brisbane.

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

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

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

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

(iv) benefiting from cross-selling through future co-operation with The Star which is synergistic to the gaming platform of the Group.

During FY2020, the dividend received on The Star shares was approximately HK$49 million, a drop by 22.2% from approximately HK$62 million for FY2019 due to a decrease in final dividend declared by The Star.

5. Provision of mortgage services

As an extension of our property development business, the Group established a mortgage lending platform under BCG. BCG specializes in the provision of residential mortgages to non-resident buyers of international properties. BCG is highly synergistic to the Group's property development business and offers significant growth potential beyond the existing property development business of the Group. Indeed, less than 5% of the loans extended to non-resident buyers were used to purchase residential properties of the Group.

Loan and advances reached AUD976 million as at 31 March 2020, an increase of about 55.9% from 31 March 2019. BCG has strict lending rules, a very diversified portfolio and a prudent loan-to-value ratio of 59.0% on average as at 31 March 2020. Net interest margin expanded to 2.07% as at 31 March 2020. During the year, BCG has continued to broaden its source of financing and is in active discussion with institutional investors and international banks to secure additional funding. Whilst most of the capital is provided by third-parties, the Group has provided approximately AUD79 million of funding as at 31 March 2020 which is classified as investment securities. Including interest income from funding, BCG business contributed approximately HK$34 million to the Group's profit during FY2020.

BCG is reviewing a number of new and promising markets where it can expand its service offerings, such as the UK, Malaysia and New Zealand. The Group remains committed to growing the BCG business and expects contribution from the business to increase over time.

OUTLOOK

The global economic uncertainty has inevitably imposed pressure on the Group's operations across the regions. However, the Group has taken the following mitigation and cost control measures to navigate the current challenges:

- Reducing overheads in the hotel and gaming operations through standing down operating workforce as well as cutting fixed costs;
- Reducing overheads in the car park operations including elimination and deferrals of expenses;
- Deferral of payments and cancellations of certain incentive payments; and
- Streamlining of operations including reducing workforce in certain operations.

The Group remains alert to the global economic uncertainty and will implement further mitigation measures if the situation worsens. The Group will take a cautious approach to seek investment opportunities to grow its operations and leverage its diversified portfolio of businesses to take advantage of a rebound in business activity during the recovery phase. As at 31 March 2020, the cumulative presales value of the Group was approximately HK$12.2 billion and the current development pipeline and completed development was approximately HK$51.6 billion which provides clear visibility of the Group's future revenues. The Group will selectively add to its development pipeline by allocating resources to regions where the Group sees long-term growth prospects and where the region's property cycle offers higher risk-adjusted returns to the Group.

The Group's hotel business continues to expand with 13 new hotels coming online and these hotels are expected to contribute to the next growth phase of the Group upon the recovery of the economy. The Group remains cautiously optimistic about the long term future and is well prepared for the rebound in leisure and business travel as soon as restriction imposed across the globe start to ease.

Furthermore, we believe in our home market of Hong Kong and its resilience and long-term prospects as a world-class business and leisure travel destination. Tourism in Hong Kong will remain positive given the big macro picture demand including MICE, the Greater Bay Area initiatives, and the new infrastructure that continues to enable expansion of intercity travels. In the meantime, the Group is open to opportunities of potential conversion of existing hotels to offices, co-living/service apartments or residential apartments by leveraging the Group's property development expertise to maximize investment returns.

Car park operations have also faced difficulty since the widespread of COVID-19. In response, the Group actively reviews all lease commitments and seeks to reduce rental obligations on impacted leases. Concurrently, the Group will continue to grow the business organically through new management contracts or the acquisitions of car park assets that yield good returns and offer longer-term potential land-banking opportunities.

Performance in our gaming operations was affected by the temporary closure of casinos from March 2020 although we have seen a recovery of the business since the casinos in the Czech Republic reopened in June 2020 and will implement new initiatives to increase footfall. In Australia, we are excited by the opening of the Queen's Wharf Brisbane integrated resort. Whilst years away, it will be very significant and additive to the recurring income of the Group.

The Group has a solid and healthy liquidity position of approximately HK$6.1 billion and a net gearing ratio of 56.7% as at 31 March 2020. The intention is to continue to manage the Group's financial position in a prudent and disciplined manner, whilst ensuring that our capital is employed productively. Together with the available undrawn credit facilities of HK$6.0 billion and a number of hotel assets unencumbered, the Group has access to a number of sources of capital available to support current operations and growth opportunities.

In conclusion, thanks to our diversified portfolio and solid foundation, the Group is confident to be able to navigate successfully the current global economic headwinds and to deliver a sustainable and progressive dividend to its Shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2020, the Group had approximately 4,400 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external training appropriate for various level of staff roles and functions.

Ecolab Disinfectant Cleaner 2.0 Training

Awards and Accolades

1 APRIL 2019 – 31 MARCH 2020

- Asiamoney 30 Years of Corporate Governance Awards (Hong Kong)
  - 30 Years of Corporate Governance Awards (Hong Kong) – Ranked first (tied)
- Institutional Investor's 2019 All-Asia Executive Team
  - Most Honored Companies (small & mid-cap in developed markets)

- Five Awards at FinanceAsia's Best Companies Poll 2020
  - Best Mid-Cap Company in Hong Kong
  - Best CEO in Hong Kong – Ranked top 2
  - Best Managed Company in Hong Kong – Ranked top 2
  - Best Corporate Governance in Hong Kong – Ranked top 2
  - Most Committed to Social Causes in Hong Kong – Ranked top 3
- Hong Kong Investor Relations Association 5th IR Awards
  - Overall Best IR Company (small-cap)
  - 3 Years IR Awards Winning Company
  - Best IR Company
  - Best IR in Corporate Transaction
  - Best Investor Meeting
  - Best Digital IR
  - Best Investor Presentation Material
  - Best Annual Report
  - Best IR Team
  - Best IR by Chairman/CEO

- Five Awards at 2019 International ARC Awards
  - Featured Categories of Property Development: Various & Multi-use – Gold Award
  - Overall Presentation in the category of Real Estate Management – Gold Award
  - Featured Categories in the category of Property Estate Management – Silver Award
  - Featured Categories in the category of Real Estate Management – Bronze Award
  - Overall Presentation in the category of combined annual and sustainability Report – Bronze Award

- Three Awards at IR Magazine Awards – Greater China 2019
  - Best overall investor relations (small to mid-cap)
  - Best in region: Hong Kong
  - Best in sector: financials (including real estate)

- Gold Award at The Asset ESG Corporate Awards 2019

- iNOVA Awards 2019
  - Corporate Websites – Corporate Image – Gold Prize
  - Video – Property Development & Investment – Gold Prize
  - Investor/Shareholder Relations – Silver Prize
  - Redesign/Relaunch – Investor Relations – Silver Prize
  - Redesign/Relaunch – Stakeholder Communications – Silver Prize
  - Copy/Scriptwriting – Bronze Prize
  - Corporate Social Responsibility – Bronze Prize
  - Corporate Websites – Real Estate – Bronze Prize
  - Online Annual Reports – Conglomerate – Bronze Prize

- CarbonCare® ESG Label Certificate 2019 – Best Practice in ESG Reporting – Level 3

- Two Awards at Third China Excellent IR Award by Roadshow China
  - Best Innovation Award
  - Best Leadership Award

- Caring Company Logo 2019/20 by Hong Kong Council of Social Service

- Artra, Singapore
  - Gold – BCA Green Mark Award 2019 for New Residential Buildings

Dorsett Hospitality International

- 5 Years+ Caring Company Logo by Hong Kong Council of Social Service

- Best Hotel Group 2019 by Ctrip
- TTG Travel Awards 2019 – Best Mid-range Hotel Brand by TTG Asia Media

- Bay Area Famous Brands Award 2020 by Greater Bay Area Famous Brands

Dorsett Hartamas

- Traveller Review Awards 2020 by Booking.com
- Award Winner 2020 by Hotels.com

- Guest Review Awards 2019 by Hotels.com

Dorsett Grand Labuan

- Best Business Hotel 2019 by Global Brand Magazine Awards

- BeSS Certification (Bersih, Selamat dan Sihat) by Ministry of Health

- Best Value Luxury Lifestyle Hotel Worldwide 2019 by Hotel of the Year Awards

- Traveller Review Awards 2020 by Booking.com

- Loved by Guest Award 2020 by Hotels.com

Dorsett Grand Subang

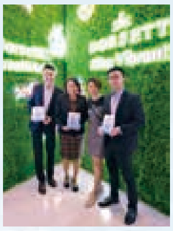
- Traveller Review Awards 2020 by Booking.com

Dorsett Kuala Lumpur

- Loved by Guests Award 2020 by Hotels.com

- Customer Review Awards – High Score 2019 by Agoda

- Traveloka Hotel Awards 2019: Impressive Hotel by Traveloka



Dorsett Residences Bukit Bintang

- Loved by Guests Award 2020 by Hotels.com

Dorsett Putrajaya

- 2019 Certificate of Excellence by TripAdvisor

- Traveloka Hotel Awards 2019 by Traveloka

- Traveller Review Awards 2020 by Booking.com

- Loved By Guests Award 2020 by Hotels.com

Dorsett Singapore

- 2019 Certificate of Excellence by TripAdvisor

- 2019 Travel Weekly Asia Readers Choice Award – Winner of Best Midscale Hotel (Asia Pacific) by Travel Weekly Asia


- 2019 Hotel Security Excellence Award by Singapore Hotel Association, Singapore Police Force and National Crime Prevention Council

- 2019 Customer Review Award by Agoda

- 2019 Gold Circle Award Winner by Agoda

- 2019 Preferred Partner Award by Ctrip

- 2020 Loved by Guests Award by Hotels.com
- Traveller Review Awards 2020 by Booking.com

Dorsett Shanghai

- Loved by Guests Award 2020 by Hotels.com

- 2019 Certificate of Excellence by TripAdvisor
- Top 4 Star Hotel Partner 2019 by Expedia

- 2019 Our Guest Rated by Hotels.com

Cosmo Hotel Hong Kong

- EarthCheck Silver Certified (2019) by EarthCheck
- 5 Years+ Caring Company Logo by Hong Kong Council of Social Service

Dorsett Kwun Tong, Hong Kong

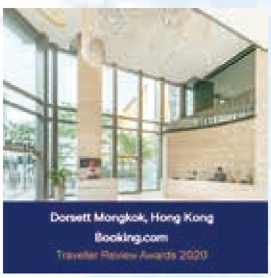
- 2019 Certificate of Excellence by Tripadvisor
- 5 Years+ Caring Company Logo by Hong Kong Council of Social Service
- Certificate of "Charter on External Lighting" by Environment Bureau
- Loved by Guest 2020 by Hotels.com

- Barrier-free Companies/ Organizations by Hong Kong Council of Social Service

Dorsett Mongkok, Hong Kong

- Best Selling Hotel (2019) by CTrip

- Outstanding Partner Award (2018-2019) by Booking.com



- Certificate of Excellence Hall of Fame 2019 by TripAdvisor

- EarthCheck Silver Certified (2019) by EarthCheck

Dorsett Tsuen Wan, Hong Kong

- Certificate of Participation in the 2018 Hong Kong Awards for Environmental Excellence by Environmental Campaign Committee

- 2019 Certificate of Excellence by TripAdvisor

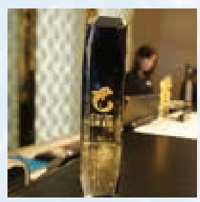
- Certificate of Charter on External Lighting by Environment Bureau

- Energywi$e Certificate by The Environmental Campaign Committee

- Wastewi$e Certificate by The Environmental Campaign Committee

- Caring Company Logo 2019/20 by Hong Kong Council of Social Service

- 2019 Best Selling Hotel by Ctrip



Awards and Accolades

Dorsett Wanchai, Hong Kong

- Loved by Guests award 2020 by Hotels.com

- EarthCheck Silver Certified 2019 by EarthCheck

- 2019 Best Selling Hotel by Ctrip

- Certificate of Excellence 2019 by TripAdvisor

Lan Kwai Fong Hotel @ Kau U Fong

- Loved by Guests Award 2019 by Hotels.com

- Caring Company Certificate by Hong Kong Council of Social Service

- 2019 Best Design Hotel by Ctrip
- Best Hotel Service in Hong Kong by Haute Grandeur Global Hotel Awards 2019
- Best Boutique Hotel in Hong Kong by Haute Grandeur Global Hotel Awards 2019
- 2019 Hong Kong's Best General Managers by CMO Global
- Celebrity Cuisine – Michelin One Star by 2020 Michelin
- Loved by Guests Award 2020 by Hotels.com

Silka Far East, Hong Kong

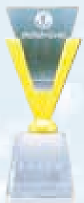
- Caring Company Logo 2019/20 by Hong Kong Council of Social Service

- City Hotel of the Year 2019 by GHM (Guangdong HK Macao) Hotel General Managers Society
- Energy Saving Charter and 4Ts Charter by Environment Bureau
- Gold Award of Charter on External Lighting by Environment Bureau

Silka Seaview, Hong Kong

- Caring Company Logo 2019/20 by Hong Kong Council of Social Service

- Energy Saving Charter and 4Ts Charter by Environment Bureau
- Gold Award of Charter on External Lighting by Environment Bureau
- Best Selling Hotel 2019 by ShenZhen DidaTravel Technology Co., Ltd.



Silka Tsuen Wan, Hong Kong

- Certificate of Participation in the 2018 Hong Kong Awards for Environmental Excellence by Environmental Campaign Committee
- 2019 Certificate of Excellence by TripAdvisor
- Certificate of Charter on External Lighting by Environment Bureau
- Energywi$e Certificate by The Environmental Campaign Committee

- Wastewi$e Certificate by The Environmental Campaign Committee

- Hong Kong Green Organisation Certification by The Environmental Campaign Committee

- Caring Company Logo 2019/20 by Hong Kong Council of Social Service

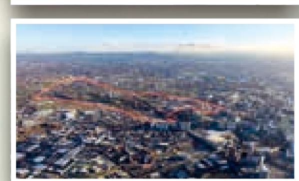
TRANS WORLD HOTELS

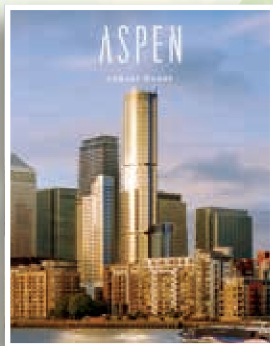
Hotel Kranichhöhe

- Loved by Guest Award 2020 by Hotels.com
- Top Location 2019 by Eventsofa

UNITED KINGDOM

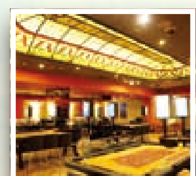
- Property development
- Property investment
- Hotel operations
- Car park operations

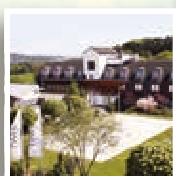




CONTINENTAL EUROPE

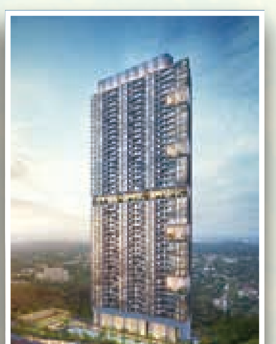
- Hotel operations
- Car park operations
- Gaming and entertainment





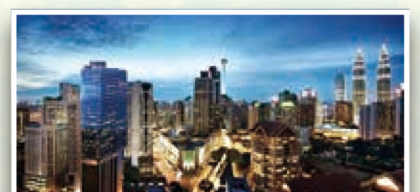
SINGAPORE

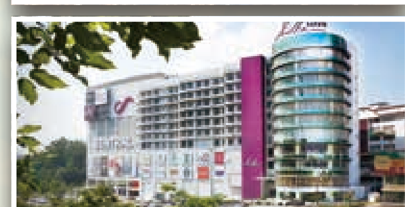
- Property development
- Property investment
- Hotel operations



MALAYSIA

- Property development
- Hotel operations
- Car park operations



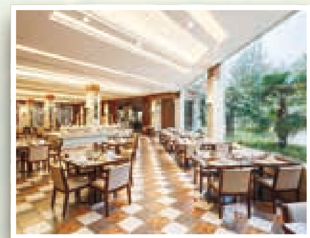


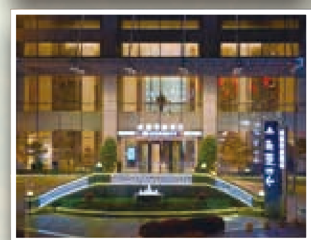
DIVERSIFIED AND BALANCED PORTFOLIO OF BUSINESSES

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

MAINLAND CHINA

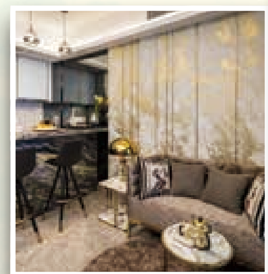
- Property development
- Property investment
- Hotel operations

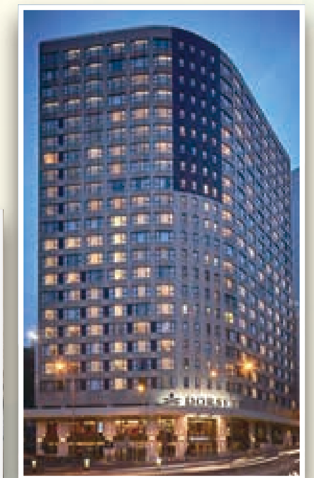




HONG KONG

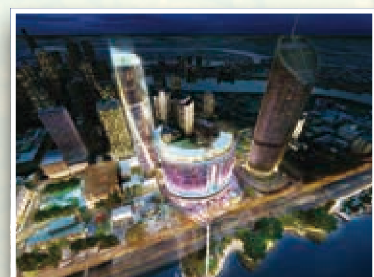
- Property development
- Property investment
- Hotel operations

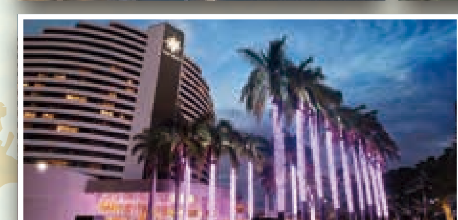


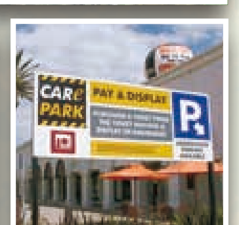


AUSTRALIA & NEW ZEALAND

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







Major Projects

THE STAR RESIDENCES GOLD COAST

Gold Coast, Australia

Project Name: The Star Residences (Tower 1)

Development Address:
1 Casino Dr, Broadbeach, QLD 4218

District: Broadbeach Island, Broadbeach Gold Coast

Property Website: www.thestarresidences.com.au

Approximate Saleable Floor Area (sq. ft.): 295,000

Number of Residential Units: 423

Number of Hotel Rooms: 316 (Dorsett Hotel)

Expected Completion: FY2023

Building Floors (including retail area): 53

Geographical Environment:
Located at The Star Gold Coast on Broadbeach Island and adjacent to Pacific Fair Shopping Center and Gold Coast Convention and Exhibition Centre. Within easy walking distance to G-Link Light Rail Stations connecting the various precincts on the Gold Coast.

Planning and Design:
Architects – Cottee Parker and DBI Design

Project Highlight:
- Stage 1 of a masterplan and integrated resort inclusive of restaurants, bars, casino, hotels, theatre, gym, pools, spa etc.
- Residential Amenities:
  - Pool
  - Spa
  - Gym
  - Yoga room
  - Dining Room

Remarks:
The Group has a 33.3% stake in this project.

EPSILON
THE STAR RESIDENCES
GOLD COAST

Gold Coast, Australia

Project Name: The Star Residences – Epsilon (Tower 2)

Development Address:
1 Casino Dr, Broadbeach, QLD 4218

District: Broadbeach Island, Broadbeach Gold Coast

Property Website: www.thestarresidences.com.au

Approximate Saleable Floor Area (sq. ft.): 327,000

Number of Residential Units: 457

Number of Hotel Rooms: 200

Expected Completion: FY2024

Building Floors (Include Retail Area): 65

Geographical Environment
Located at The Star Gold Coast on Broadbeach Island and adjacent to Pacific Fair Shopping Center and Gold Coast Convention and Exhibition Centre. Within easy walking distance to G-Link Light Rail Stations connecting the various precincts on the Gold Coast.

Project Highlight:
- Stage 2 of a masterplan and integrated resort inclusive of restaurants, bars, hotels, theatre, gym, pools, spa etc.
- Residential Amenities:
  - 23.5m lap pool and poolside lounge areas/spa
  - Outdoor BBQ, dining areas and kids' club play areas
  - Steam room, sauna and gymnasium
  - Casual and private dining area
  - Yoga and stretch-down areas
  - Private bar and lounge
  - Dining and theatre

Remarks:
The Group has a 33.3% stake in this project.

Major Projects

Perth, Australia

Project Name: Perth Hub

Development Address:
600 Wellington Street, Perth WA 6000

District: Central Business District, Perth

Property Website: www.perth-hub.com.au

Approximate Saleable Floor Area (sq. ft.): 230,000

Approximate Net Lettable Floor Area (sq. ft.): 7,400

Number of Residential Units: 314

Number of Hotel Rooms: 263 (Dorsett Hotel)

Expected Completion: FY2022

Building Floors (Include Retail Area): 30

Geographical environment:

- Perth Hub is one of Australia's most exciting regeneration projects made possible by approximately AUD1.1 billion of government funding. The project will reconnect the CBD with Northbridge and Chinatown for the first time in more than 100 years. The area, once just a network of bus and train connections, will become an exciting new destination with housing, shops, restaurants, offices and more;
- Perth Hub is bookended by two new important public assets, Perth Arena and Yagan Square. Sinking the rail line and Wellington Street Bus Station will create a 13.5 hectare precinct with a wealth of exciting new development possibilities. When Perth Hub is complete, there will be a mix of apartments, offices, shops, restaurants, services and entertainment. The project will create a new inner city neighbourhood, showcasing Perth's unique lifestyle and character; and
- Perth Hub will consist of an apartment tower and Dorsett Hotel. The ground floor will consist of active hospitality venues such as bars, restaurants and cafés.

The Residences at WEST SIDE PLACE by Far East Consortium

Melbourne, Australia

Project Name: West Side Place

Development Address: 250 Spencer Street

District: Central Business District, Melbourne

Property Website: www.westsideplace.com.au

Approximate Saleable Floor Area (sq. ft.): 2,217,000

Approximate Net Lettable Floor Area (sq. ft.): 116,000

Number of Hotel Rooms: 257 rooms (Ritz–Carlton hotel)
316 rooms (Dorsett hotel)

Number of Residential Units: 2,895

Expected Completion: Towers 1 and 2: FY2021
Tower 3: FY2023
Tower 4: FY2023

Building Floors (including retail area and roof)
Tower 1: 81 Floors
Tower 2: 64 Floors
Tower 3: 69 Floors
Tower 4: 71 Floors

Geographical Environment:

- The property represents a two-stage development known as "West Side Place", a major mixed-use development that will comprise four towers across the overall site;
- The site has main frontages with Spencer Street and Lonsdale Street and Little Londsale Street and Merriman Lane;
- The site is in immediate proximity to Southern Cross Train Station and Spencer Street Shopping Town; and
- The property is located within the Melbourne CBD Grid.

Planning and Design:

Featuring four high-rise towers with approximately 3,000 apartments as well as Ritz-Carlton hotel at the top levels of Tower 1, West Side Place, embodies a new height of luxury inner city living. Proudly positioned at the corner of Lonsdale and Spencer Streets, the highest tower at West Side Place will soar an impressive 81 storeys with the prestigious Ritz-Carlton hotel occupying the top levels, becoming Australia's tallest hotel.

Project Highlight:

- West Side Place is a mixed-use residential development located next to the Upper West Side development. It consists of saleable floor area for residential apartments of approximately 2.2 million sq. ft., a Ritz-Carlton hotel with 257 rooms, a Dorsett Hotel with 316 rooms, retail components and other facility components;
- Towers 1 and 2 with approximately 1,400 apartments were launched in June 2016;
- Tower 3 with 684 apartments was launched in May 2018; and
- Tower 4 with 835 apartments was launched in June 2017.

Melbourne, Australia

Project Name: Bourke Street

Development Address: 640 Bourke Street

District: Bourke Street, Melbourne

Approximate Saleable Floor Area (sq.ft.): 590,000

Number of Residential Units: 857

Expected Launch Time: FY2021

Expected Completion: FY2025

Building Floors: 70

Geographical Environment:
640 Bourke Site is bounded by Little Bourke Street to the north, Bourke Street to the south and existing multi-level developments to the east and west.

Project Highlight:
- The project will add to the iconic Melbourne skyline and it is laneway culture connecting directly into Upper West Side and West Side Place developments;
- The tower will comprise of residential apartments, an art gallery, ground floor retail and retain the historic Eliza Tinsley building facade; and
- Amenity spaces will include, but not limited to:
  - Pool, steam room and sauna
  - Gym
  - Yoga/Pilates/Wellness area
  - Cinema
  - Private dining
  - Wine tasting/cellar
  - Residences lounge/reading room
  - Outdoor terraces
  - Meeting Room
  - Virtual Golf

Brisbane, Australia

Project Name: Queen's Wharf

Development Address: Queen's Wharf

District: Central Business District, Brisbane

Property Website: www.destinationbrisbaneconsortium.com.au

Approximate Saleable Floor Area (sq. ft.): 1,582,000

Number of Residential Units:
Towers 4, 5 and 6: approximately 2,000

Number of Hotel Rooms:
3 hotels over 800 rooms

Launch/Expected Launch Time: Tower 4: FY2020
Towers 5 and 6: Planning

Expected Completion: Tower 4: FY2024
Towers 5 and 6: Planning

Building Floors (including retail area):
Tower 4: 64 storeys
Tower 5: max. 63 storeys
Tower 6: max. 50 storeys

Planning and Design:
The project comprises both the integrated resort component and the residential component and encompasses approximately 2,940,000 sq. ft., with approximately 1,290,000 sq. ft. being over land and approximately 1,650,000 sq. ft. being over river, consisting of three residential towers comprising approximately 2,000 apartments, 3 world class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district.

Geographical Environment:
Given the CBD location of the project, the surrounding uses include a broad range of tourism, and education activities, in addition to the commercial and retail activities of the CBD itself. These include:

- Cultural Precinct (opposite the site, adjoining the Victoria Bridge) – which includes the Queensland Performing Arts Centre (QPAC), Queensland Conservatorium, Queensland Museum and Science Centre, the State Library, the QAGOMA and the Brisbane Entertainment and Convention Centre (BECC);
- South Bank (directly opposite the site on the southern bank of the Brisbane River) – the parklands, retail and dining throughout the precinct (focused on Little Stanley Street and the waterfront) and the entertainment facilities within and surrounding the parklands;
- QUT (adjoining the site to the south-east) – QUT is located to the south-east of the site, and will be connected to the QWBIRD by the proposed boardwalk and upgraded Bicentennial Bikeway;
- Queen Street Mall – the retail heart of the CBD; and
- CBD – the core of the city, providing for principal business and administration functions, complemented by a wider range of uses including retail, entertainment, education and residential.

Project Highlight:
The renewal of Queen's Wharf Brisbane represents a once-in-a-generation opportunity to shape the future vibrancy and success of almost 20% of the city centre, to deliver integrated mixed-use development on a scale rarely seen in Australia, to unlock the river front of the 'river city', and, significantly, an opportunity to breathe life into what is arguably the greatest collection of heritage buildings and places in Australia.

Remarks:
The Group has a 50% stake of the residential component and a 25% stake of the integrated resort component (excluding the Ritz-Carlton hotel) of the project.

Major Projects

ASTORIA CREST 傲凱

Hong Kong, China

Project Name: Astoria Crest

Development Address:
229 Hai Tan Street (for Upper Floors)
231 Hai Tan Street (for Ground Floor Shop)

District: Cheung Sha Wan, Kowloon

Property Website: www.astoriacrest.com.hk

Approximate Saleable Floor Area (sq. ft.): 20,000

Approximate Net Lettable Floor Area (sq. ft.): 3,900

Number of Residential Units:
87 (including 15 reserved units for URA)

Completion: FY2020

Building Floors (including retail area): 27

Greening Rate:
Around 40%

Geographical Highlight:
- Within walking distance of Nam Cheong Station and Sham Shui Po Station;
- Convenient access to Hong Kong International Airport;
- Close proximity to West Kowloon Cultural District; and
- Kowloon school network (40 primary schools).

Project Highlight:
Clubhouse with gym, function room and flat roof.

Hong Kong, China

Project Name: The Garrison

Development Address:
28 Mei Tin Road

District: Sha Tin

Property Website: www.thegarrison.com.hk

Approximate Saleable Floor Area (sq. ft.): 29,000

Approximate Net Lettable Floor Area (sq. ft.): 5,100

Number of Residential Units: 118

Completion: FY2020

Building Floors (including retail area): 23

Project Highlight:
Located in a prime location in the centre of Tai Wai, The Garrison is a rare new supply in the downtown area in recent years. It only takes around 4 minutes' walk to the Tai Wai MTR station, the meeting point of three MTR lines, enjoying the convenience of the East Rail Line and the Ma On Shan Line while being the interchange station of the Shatin to Central Link which is about to be completed. It is only one stop away from large-scale integrated shopping malls including Festival Walk in Kowloon Tong and New Town Plaza in Sha Tin, where international brands and restaurants are located with its convenient transportation. It is definitely the best choice for residential or investment because of its prime location in the quality School Net 88 of Sha Tin District and a number of international schools and higher education institutions in place.

Major Projects

Singapore

Project Name: Artra

Development Address: 10 Alexandra View

District: Central Business District

Property Website: www.artra.sg

Approximate Saleable Floor Area (sq. ft.): 409,000

Approximate Net Lettable Floor Area (sq. ft.): 21,600

Number of Residential Units: 400

Expected Completion: FY2021

Building Floors (including retail area):
44 storeys with 2 levels of basement car park

Geographical Environment:
- Close to Alexandra Park Connector and Singapore Botanic Gardens;
- Right next to Redhill MRT Station, supermarket & commercial units at 1st storey, and childcare centre at 2nd storey;
- Shopping: China Town, Raffles Place, Marina Bay, Orchard Area;
- School: Gan Eng Seng Primary School, Queensway Primary School, Alexandra Primary School, Henderson Secondary School, Bukit Merah Secondary School, Crescent Girls' School; and
- Other auxiliary facilities: Singapore General Hospital.

Project Highlight:
- Friendly amenities include shops, gourmet, supermarket and childcare;
- Excellent recreational facilities such as 50-meter lap pool, leisure pool, leisure tennis court, sky fitness, sky jacuzzi, sky terraces and roof terrace;
- All units are north-south facing within an elegant 44-storey tower;
- Every master bedroom is fully-fitted with a walk-in wardrobe, well-appointed, thoughtful and spacious two-bedroom plus study, three-bedroom and three-bedroom plus study layouts; and
- Large premium three-bedroom plus study and 5-bedroom plus family layouts with private lift lobby.

Awards:
Green Mark Gold

Remarks:
The Group has a 70% stake in this project.

Singapore

Project Name: Holland Road

Development Address: Holland Road

District: District 10, Singapore

Approximate Saleable Floor Area (sq.ft.): 240,000

Number of Residential Units: 320

Expected Launch Time: FY2021

Expected Completion: FY2023

Building Floors: 12

Geographical Environment:
Close to Orchard and Singapore Botanic Garden and is limited by Holland Village, Farrer Road, and Dempsey Cluster, which are known among both locals and expats.

Project Highlight:
- The project is poised to be the new residential landmark of luxury. This is made even more alluring by the fact that it is one of the rare residences with freehold status in the highly coveted locale of District 10;
- Abundant with wondrous gardens, designed with the "a home-in-the-garden" concept;
- Enjoy the privilege of wide vantage views of the city and tranquil surroundings;
- Minutes away from Orchard Road, the world-renowned shopping destination;
- Close proximity to one-north, a 200-hectare vibrant research and business park; and
- Home to numerous reputable schools.

Remarks:
The Group has a 80% stake in this project.

Major Projects

London, the United Kingdom

HORNSEY
TOWN HALL

Project Name: Hornsey Town Hall

Development Address:
Hornsey Town Hall, The Broadway, Crouch End

District: Haringey, London

Property Website: www.hornsey-townhall.co.uk

Approximate Saleable Floor Area (sq. ft.): 108,000

Number of Residential Units: 135

Number of Hotel Rooms: 68

Expected Completion: FY2022

Building Floors: 7

Geographical Environment:
Located in the heart of Crouch End, this iconic art deco building with its landscaped town hall square is positioned around the Town Hall Square. It is adjacent to shops and restaurants on a busy high street with good transport links to Central London.

Project Highlight:
- Grade II* listed historic Town Hall and Broadway Annex;
- 68-room hotel;
- Three new residential buildings encompassing a range of studio, 1,2 & 3 bedroom homes;
- Landscaped public square with new courtyards and gardens;
- Arts centre and event space for world class performances;
- Co-working, office and flexible workspaces;
- Restaurants, cafes and a rooftop bar; and
- 24-hour concierge and security.

Major Projects

ASPEN

CANARY WHARF

London, the United Kingdom

Project Name: Aspen at Consort Place

Development Address:
50 Marsh Wall, 63-69, 68-70 & 74 Manilla Street

District: Canary Wharf, London

Approximate Saleable Floor Area (sq. ft.): 390,000

Approximate Net Lettable Floor Area (sq. ft.): 6,700

Number of Residential Units: 495

Number of Hotel Rooms: 231 (Dorsett Hotel)

Expected Completion: FY2024

Building Floors (including retail area): 65

Geographical Environment:
Located in the Canary Wharf area in London, Consort Place is a mixed-use development. The availability of local transport, underground, buses and Crossrail (starting 2020), make Consort Place easily accessible from various London prime locations.

Project Highlight:
- Anticipated to be the 3rd tallest residential development in Canary Wharf once completed;
- Stunning views across London city and beyond;
- Close proximity to London's financial centre;
- Dorsett hotel with 231 rooms;
- State-of-the-art facilities to include gym vitality pool, multi use media room and sky lounge;
- 24-hour concierge and security;
- Health centre, café and restaurants;
- Children's play space and new public realm;
- Historic public house; and
- Easy access to South Quay DLR, London Underground, Crossrail and River Bus.

Meadow Side

Manchester, the United Kingdom

Project Name: MeadowSide

Development Address:
Aspin Lane, Manchester

District: Central Business District, Manchester

Property Website: www.meadowside-manchester.com

Approximate Saleable Floor Area (sq. ft.): 557,000

Number of Residential Units: 756

Launch/Expected Launch Time: Plots 2 and 3: FY2018
Plot 4: Planning
Plot 5: FY2019

Expected Completion: Plot 2 and 3: FY2022
Plot 4: Planning
Plot 5: FY2021

Building Floors (including retail area):
Plot 2 – 22
Plot 3 – 17
Plot 4 – 40
Plot 5 – 12

Geographical Environment:
Development sits around one of the only green spaces within the city centre, is within walking distance of the central business district and major transport hubs. A range of 1, 2 and 3 bedroom apartments are available along with penthouses and residents communal areas, including a gym and private lounge.

Project Highlight:
- Four distinctive buildings embracing a central park, providing quality park-side living with a mix of 1-3 bed apartments, townhouses and penthouses;
- Slick glass facades up to 40 storeys high;
- High specification interiors and hotel style amenities, 24-hour concierge, beautifully designed boutique lobby, private gym and private dining;
- 5-min walk to Manchester Victoria Station;
- Around one of the biggest green spaces in Manchester city centre; and
- Neighbouring the most inspiring, eclectic and creative areas of the city, NOMA and the Northern Quarter.

NEW CROSS
-CENTRAL-
MANCHESTER

Manchester, the United Kingdom

Project Name: New Cross Central

Development Address:
56 Marshall Street

District: New Cross, Manchester

Property Website: https://newcrosscentral.com/

Approximate Saleable Floor Area (sq.ft.): 62,000

Number of Residential Units: 80

Expected Launch Time: FY2021

Expected Completion: FY2022

Building Floors: 8

Geographical Environment:
At the centre of an up-and-coming exciting neighbourhood in Manchester, NOMA & Northern Quarter and within close proximity to Victoria Railway Station and Piccadilly Gardens Skytrain Station.

Project Highlight:

- New Cross Central is inspired by the history and character of Manchester. Homes are housed in a robust red brick exterior paying homage to the iconic buildings around the city. Inside, there are exposed concrete walls that are influenced by the ray beauty of industrial Manchester;
- 5-min walk to the heart of the Northern Quarter of Manchester; and
- Surrounded by independent shops, restaurants and bars.

Major Projects

Manchester, the United Kingdom

Project Name: Northern Gateway

District: New Cross, Lower Irk Valley and Collyhurst

Approximate Saleable Floor Area (sq. ft.): more than 3,000,000*

Number of Residential Units: more than 15,000

Project Status: obtained master planning in FY2019

Expected Launch Time:
- New Cross Central : FY2021
- Victoria Riverside : FY2021
- Others : Planning

Expected Completion:
- New Cross Central : FY2022
- Victoria Riverside : FY2024
- Others : Planning

Geographical Environment:
- The vision is to create a series of distinct yet clearly connected communities making the most of the area's natural resources including the River Irk and its location close to the city centre; and
- Unlock the residential potential of more than 390 acres of land that sweeps north from Victoria Station taking in the neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst.

Project Highlight:
More than 15,000 new homes over the next 15 to 20 years with an emphasis on design quality and sustainability, open space and green walking and cycling routes.

* Approximate saleable residential floor areas may vary subject to master planning.

Directors' Report

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its Subsidiaries are engaged in property development and investment, hotel operations and management, car park operations and facilities management, gaming operations and management, and treasury management. These divisions are the basis on which the Group reports its primary segment information.

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal Subsidiaries, associates and joint ventures at 31 March 2020 are set out in notes 52, 19 and 20 to the consolidated financial statements, respectively.

BUSINESS REVIEW

The Group's revenue is derived primarily from business activities conducted in Hong Kong, the PRC, Australia, Malaysia, Singapore, the UK and Europe. An analysis of the Group's performance for the Year by operating segment is set out in note 6 to the consolidated financial statements.

A fair review of the Group's business, including the important events affecting the Group that have occurred since the end of the financial year and the likely future developments and an analysis of the Group's performance using financial key performance indicators, is set out in the "Management Discussion and Analysis", "Chairman and Chief Executive Officer's Statement" and "Managing Director's Report" of this Annual Report. Principal risks and uncertainties facing the Group are set out in the "Chairman and Chief Executive Officer's Statement" and "Managing Director's Report". Details about the Group's financial risk management are set out in note 5 to the consolidated financial statements.

The Group is committed to support sustainability of the environment and endeavours to comply with laws and regulations regarding environmental protection and to adopt measurement to achieve efficient use of resources, energy saving and waste reduction. A discussion of the Group's environmental policies and performance is set out in the upcoming independent "Environmental, Social and Governance Report", which will be released shortly and posted on the website of the Stock Exchange and the Company for inspection and download.

The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

The Group is committed to establishing a close and caring relationship with our employees, customers and suppliers and enhancing cooperation with our business partners. Details are set out in the upcoming independent "Environmental, Social and Governance Report", which will be released shortly and posted on the website of the Stock Exchange and the Company for inspection and download.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 119.

The Board has recommended the payment of a final dividend for the year ended 31 March 2020 of HK15 cents (2019: HK18 cents) per ordinary share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid to the Shareholders whose names appear on the Company's Register of Members on 24 September 2020. The Proposed Final Dividend will be paid in the form of a scrip dividend with 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 (i) Shareholders' approval of the Proposed Final Dividend at the 2020 AGM; and (ii) the Stock Exchange granting listing of and permission to deal in the new shares to be allotted 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 24 September 2020. 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 on or around 5 October 2020. Dividend warrants and/or new share certificates will be posted on or around 6 November 2020.

CLOSURE OF REGISTER OF MEMBERS

Details of the periods of closure of the Company's Register of Members are as follows:

(a) For determining the entitlement to attend and vote at the 2020 AGM

The 2020 AGM is scheduled to be held on Tuesday, 15 September 2020. For determining the entitlement to attend and vote at the 2020 AGM, the Register of Members of the Company will be closed from Thursday, 10 September 2020 to Tuesday, 15 September 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2020 AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9 September 2020.

(b) For determining the entitlement to the Proposed Final Dividend

The Proposed Final Dividend is subject to the approval of Shareholders at the 2020 AGM. For determining the entitlement of the Proposed Final Dividend, the Register of Members of the Company will also be closed from Tuesday, 22 September 2020 to Thursday, 24 September 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at the above address for registration not later than 4:30 p.m. on Monday, 21 September 2020.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 32.

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to Shareholders at 31 March 2020 amounted to approximately HK$129,271,000 (2019: HK$11,886,000), representing the retained profits of the Company.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2020. The decrease in fair value of investment properties, which has been debited directly to consolidated statement of profit or loss, amounted to HK$20,865,000.

Details of these and other movements during the Year in the investment properties of the Group are set out in note 15 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group spent approximately HK$1,622,393,000 on development and refurbishment.

Details of these and other movements during the Year in the property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group at 31 March 2020 are set out on pages 240 to 269.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 38 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company, through its wholly-owned subsidiary, Singford Holdings Limited, repurchased a total of 50,097,000 Shares on the Stock Exchange and details of which are as follow:

Month of repurchases	Number of Shares repurchased	Price per Share Highest HK$	Price per Share Lowest HK$	Aggregate consideration paid HK$
June 2019	1,500,000	3.60	3.52	5,324,800
July 2019	6,959,000	3.90	3.61	26,151,450
August 2019	9,511,000	3.74	3.35	33,386,980
September 2019	4,855,000	3.34	3.28	16,115,630
November 2019	46,000	3.58	3.52	163,120
December 2019	8,230,000	3.96	3.64	31,166,290
February 2020	4,324,000	3.52	3.34	14,839,990
March 2020	14,672,000	3.46	2.43	43,279,680

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

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

NOTES AND PERPETUAL CAPITAL NOTES

Details of the Notes and Perpetual Capital Notes are set out in notes 36 and 40 to the consolidated financial statements. The proceeds of the Notes and Perpetual Capital Notes help the Group in maintaining a robust financial position and a good liquidity position.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every director of the Company and its Subsidiaries shall be entitled to be indemnified by the relevant company against all costs, fees, losses, expenses and liabilities incurred by him or her in the course of his or her duties or in relation thereto pursuant to their respective articles of associations. Such provisions were in force during the course of the Year and remained in force as at the date of this report.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Tan Sri Dato' David CHIU (Chairman and Chief Executive Officer)
Mr. Cheong Thard HOONG
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS
Ms. Wing Kwan Winnie CHIU

Independent Non-executive Directors

Mr. Kwok Wai CHAN
Mr. Kwong Siu LAM
Mr. Lai Him Abraham SHEK

Pursuant to the provisions of the Articles and the Listing Rules, Tan Sri Dato' David CHIU, Mr. Dennis CHIU and Mr. Kwok Wai CHAN shall retire at the 2020 AGM and are eligible to offer themselves for re-election in the 2020 AGM.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2020 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company or any of its Subsidiaries was a party and in which a Director nor a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors (not being the Independent Non-executive Directors) are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

A. The Company

A.1 Long position in the ordinary shares

Name of Director	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital[iv]
David CHIU	Beneficial owner	21,423,223	0.90%
	Interest of spouse	585,322[i]	0.02%
	Interest of controlled corporations	1,127,414,025[i]	47.58%
Cheong Thard HOONG	Beneficial owner	13,284,950	0.56%
	Joint interest	464,754[ii]	0.02%
Dennis CHIU	Beneficial owner	4,306	0.00%
	Interest of controlled corporations	5,754,094[iii]	0.24%
Wing Kwan Winnie CHIU	Beneficial owner	72,545	0.00%

Notes:

(i) 1,127,397,003 shares were held by Sumptuous Assets Limited and 17,022 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 585,322 shares were held by Ms. Nancy CHIU NG, spouse of Tan Sri Dato' David CHIU.

(ii) 464,754 shares were held by Mr. Cheong Thard HOONG jointly with his spouse, Ms. Pei Chun TENG.

(iii) 5,754,094 shares were held by Max Chain Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.

(iv) The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2020.

A.2 Debentures

As at 31 March 2020, Tan Sri Dato' David CHIU was deemed to have an interest in the 3.75% USD Medium Term Notes 2021 issued by the Company in the principal amount of USD12,000,000 of which USD10,000,000 was held by Tan Sri Dato' David CHIU and USD2,000,000 was held by his spouse, Ms. Nancy CHIU NG and he has an interest in the 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD9,000,000 of which USD5,000,000 was held by Tan Sri Dato' David CHIU and USD4,000,000 was held by his spouse, Ms. Nancy CHIU NG.

As at 31 March 2020, Mr. Cheong Thard HOONG was deemed to have an interest in the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD1,000,000 of which USD300,000 was held by Mr. Cheong Thard HOONG and USD700,000 was held by Mr. Cheong Thard HOONG jointly with his spouse, Ms. Pei Chun TENG.

As at 31 March 2020, Ms. Wing Kwan Winnie CHIU has an interest in the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD400,000 and the 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD1,000,000.

B. Associated corporations

B.1 Long position in the ordinary shares

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares interested	Approximate % of the relevant issued share capital
Cheong Thard HOONG	BCG	Beneficial owner	653,429	3.30%[i]
Craig Grenfell WILLIAMS	BCG	Beneficial owner	217,810	1.10%[i]
	Care Park	Beneficiary of a discretionary trust	825[ii]	8.25%[iii]

Notes:

(i) The percentage represents the number of ordinary shares interested divided by BCG issued shares as at 31 March 2020.

(ii) These shares in Care Park were held by Chartbridge Pty Ltd in its capacity as the trustee of the Craig Williams Family Trust, and Mr. Craig Grenfell WILLIAMS, as a beneficiary of the Craig Williams Family Trust, was deemed to be interested in these shares.

(iii) The percentage represents the number of ordinary shares interested divided by Care Park's issued shares as at 31 March 2020.

Save as disclosed above, as at 31 March 2020, none of the Directors or chief executive of the Company had or is deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into by the Company are disclosed under the section headed "Share Option Schemes" below and in note 47 to the consolidated financial statements.

SHARE OPTION SCHEMES

(A) FECIL Share Option Schemes

FECIL Share Option Schemes were adopted for the purpose of providing incentives and rewards to employees or executives or officers of the Company or any of its Subsidiaries (including Executive and Non-executive Directors) and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its Subsidiaries. Under FECIL Share Option Schemes, the Directors may grant options to eligible employees including directors of the Company and its Subsidiaries, to subscribe for shares of the Company.

The Company's old share option scheme adopted on 28 August 2002 was expired on 28 August 2012. In order to continue to provide incentives and rewards to the eligible employees and participants, the Company adopted a new share option scheme pursuant to a resolution passed by the Shareholders on 31 August 2012 for a period of 10 years commencing on the adoption date.

As at 31 March 2020, there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed during the Year.

As at the date of this annual report, the total number of Shares available for issue under FECIL Share Option Schemes is 156,975,707, representing approximately 6.68% of the issued share capital of the Company as at the date of this annual report. Further information on FECIL Share Option Schemes and the options granted by the Company is set out in note 47 to the consolidated financial statements.

(B) Dorsett Share Option Scheme

Dorsett Share Option Scheme was adopted for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Eligible participants of Dorsett Share Option Scheme include directors of Dorsett (including executive directors, non-executive directors and independent non-executive directors) and employees of Dorsett and the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the board of Dorsett considers, in its sole discretion, have contributed or will contribute to the Group.

The share options under Dorsett Share Option Scheme, save for those lapsed on 10 October 2015 in accordance with the Dorsett Share Option Scheme, were cancelled upon acceptance of the offer under Rule 13 of The Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission made by or on behalf of Willow Bliss Limited, a wholly-owned Subsidiary, to the holders of Dorsett Share Option Scheme at a nominal value of HK$0.01 for each share option under Dorsett Share Option Scheme.

As at 31 March 2020, there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company or any of its Subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2020, so far as was known to the directors and chief executive at the Company, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Company as recorded in the register at the Company required to be kept under Section 336 were as follows:

Name of substantial Shareholder	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital[iii]
Sumptuous Assets Limited	Beneficial owner	1,127,397,003[i] (long position)	47.58%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.55%
	Interest of controlled corporations	140,942,693[ii] (long position)	5.95%
	Interest of spouse	1,624,301[ii] (long position)	0.07%

Notes:

(i) The interests of Sumptuous Assets Limited were also disclosed as the interests of Tan Sri Dato' David CHIU in the above section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures". Tan Sri Dato' David CHIU is a director of Sumptuous Assets Limited.

(ii) 140,942,693 shares were held by various companies under Mr. Deacon Te Ken CHIU's estate and 1,624,301 shares were held by Mrs. Ching Lan JU CHIU, spouse of Mr. Deacon Te Ken CHIU. Mr. Deacon Te Ken CHIU passed away on 17 March 2015 and his interests in the ordinary shares of the Company forms part of his estate.

(iii) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2020.

Save as disclosed above, as at 31 March 2020, no other persons were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately HK$8,731,000.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of total purchases and the aggregate revenue attributable to the Group's five largest customers was less than 30% of total turnover during the Year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. As at 31 March 2020, the number of employees of the Group was approximately 4,400.

The emoluments of the Directors are recommended/determined by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted FECIL Share Option Schemes as an incentive to Directors and eligible participants, details of the schemes are set out in note 47 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 100 to 112.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Memorandum and Articles of Association of the Company and the Companies Law, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The Company and certain of its Subsidiaries, as guarantors, and City Sight Limited ("City Sight"), its Subsidiary, as borrower, entered into a facility agreement (the "Facility Agreement") with a group of banks, as lenders, on 19 September 2018 and a term loan facility in the aggregate amount of HK$1,700 million was granted to City Sight. The final maturity date is 37 months from the date of the Facility Agreement.

Pursuant to the Facility Agreement, the following specific performance covenants were imposed on the Controlling Shareholder:

(a) Sumptuous Assets Limited shall own, directly or indirectly, at least 40% of the beneficial interest in the Company, carrying at least 40% of the voting right; and

(b) Chiu Family (as defined in the Facility Agreement) shall own, directly or indirectly, more than 51% of the beneficial interest in Sumptuous Assets Limited, carrying more than 51% of the voting right, free from any security.

During the Year, the above specific performance covenants under the Facility Agreement have been complied with. For details, please refer to the announcement of the Company dated 19 September 2018.

AUDITOR

A resolution will be submitted to the 2020 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
David CHIU
Chairman and Chief Executive Officer

30 June 2020

Corporate Governance Report

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2020.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Company recognizes the importance of maintaining good corporate governance practices. The Board sets policies and implements corporate governance practices appropriate to the conduct of the Group's business.

The Company has applied the principles as set out in the CG Code during the year ended 31 March 2020. In the opinion of the Board, the Company has complied with the code provisions (the "Code Provisions") set out in the CG Code during the year ended 31 March 2020, except for the deviation from Code Provisions A.2.1 and E.1.2. Key corporate governance principles and practices of the Company as well as details of the foregoing non-compliance and deviation of Code Provisions are summarized below.

A. THE BOARD

A.1 Responsibilities and Delegation

The Board is responsible for the management and control of the business and affairs of the Group, and oversees the Group's business strategic direction and performance, with the objectives of promoting the success of the Group and enhancing Shareholder value. Directors carry out their duties in good faith and in the interests of the Company and its Shareholders. They have access to relevant information as well as the advice and services of the Company Secretary and senior management. They are also able to seek independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The Board reserves for its decision on all major policy, strategy, financial and risk management and control matters. The day-to-day management, administration and operations of the Group are delegated to the Executive Committee and senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board or Executive Committee prior to any significant transactions entered into by the senior management team.

A.2 Board Composition

The Board currently comprises eight Directors, five are Executive Directors and three are Independent Non-executive Directors. The composition of the Board is set out in the "Corporate Information" section of this annual report. The respective profiles of the current Directors and the relationship among them are disclosed in the "Profile of Directors and Senior Management" section of this annual report.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The Independent Non-executive Directors are expressly identified in all corporate communications of the Company.

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three Independent Non-executive Directors. Pursuant to Rule 3.21 of the Listing Rules, the audit committee of a listed issuer must comprise a minimum of three members. Pursuant to Rule 3.25 of the Listing Rules, the remuneration committee of a listed issuer must comprise a majority of Independent Non-executive Directors. Following the appointment of Mr. Lai Him Abraham SHEK as an Independent Non-executive Director on 3 June 2019 to fill the vacancy left by the late Mr. Peter Man Kong WONG, the Company has met the Listing Rules requirements of appointing Independent Non-executive Directors representing at least one-third of the Board with one of them possessing appropriate professional qualifications and accounting and related financial management expertise. In addition, the Company has received from each of the Independent Non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of them are independent.

The composition of the Board reflects the necessary balance of skills and experience appropriate to the requirements of the business of the Group and to the exercising of independent judgement. All Directors bring a wide range of valuable business and financial expertise, experiences and professionalism to the Board for its effective functioning. Independent Non-executive Directors are invited to serve on the Audit, Remuneration and Nomination Committees of the Company.

A.3 Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that 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.

The Board also considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

A.4 Appointment, Re-Election and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles.

Each Director, including the Independent Non-executive Directors, is engaged for a term of 3 years, subject to renewal expiry of the term. They are also subject to re-election in accordance with the Articles.

In accordance with clauses 106 and 107 of the Articles, Mr. Dennis CHIU (Executive Director) and Mr. Kwok Wai CHAN (Independent Non-executive Director) shall retire by rotation at the 2020 AGM. Both of the above retiring Directors, being eligible, will offer themselves for re-election at the 2020 AGM.

In accordance with the second part of clause 115(B) of the Articles, a Director appointed as an Executive Chairman or as Managing Director or Joint Managing Director shall not while holding such office be subject to retirement by rotation or taken into account in determining the rotation retirement of Directors. In order to uphold good corporate governance practices, Tan Sri Dato' David CHIU, the Chairman of the Company, voluntarily retires from his office and offers himself for re-election at the 2020 AGM notwithstanding that he is not required to do so by Article 115(B).

The Board recommended the re-appointment of the above three retiring Directors standing for re-election at the 2020 AGM. The Company's circular, sent together with this annual report, contains detailed information of the above three retiring Directors, as required by the Listing Rules.

A.5 Training and Continuing Development for Directors

Each newly appointed Director receives comprehensive introduction on the first occasion of his/her appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors are arranged whenever necessary. In addition, reading material on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their study and reference.

During the year ended 31 March 2020, the Company has provided (i) reading materials on regulatory updates to all its Directors, namely, Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Ms. Wing Kwan Winnie CHIU, Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK; and (ii) regular briefing to its Directors on corporate governance and updates on the Listing Rules. Besides, Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK attended other seminars and training sessions arranged by other professional firms/institutions.

A.6 Board Meetings

A.6.1 Board Practices and Conduct of Meetings

Schedules for regular Board meetings are normally agreed with the Directors in advance in order to facilitate them to attend. In addition to the above, notice of at least 14 days is given for each regular Board meeting. For other Board meetings, reasonable notice is generally given.

Draft agenda of each Board meeting is usually sent to all Directors together with the notice in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting. Board papers together with appropriate information are usually sent to the Directors at least 3 days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The Chief Financial Officer and Company Secretary and other relevant senior management normally attend regular Board meetings and, where necessary, other Board meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group.

The Company Secretary is responsible to keep minutes of all Board meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection.

According to the current Board practice, any material transaction, which involves a conflict of interest for a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Articles contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

A.6.2 Directors' Attendance Records

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 March 2020 are set out below:

	Attendance/Number of Meetings				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Tan Sri Dato' David CHIU	4/4	N/A	1/1	1/1	0/1
Mr. Cheong Thard HOONG	4/4	N/A	N/A	N/A	1/1
Mr. Dennis CHIU	4/4	N/A	N/A	N/A	0/1
Mr. Craig Grenfell WILLIAMS	4/4	N/A	N/A	N/A	0/1
Ms. Wing Kwan Winnie CHIU[i]	4/4	N/A	N/A	N/A	1/1
Mr. Kwok Wai CHAN	4/4	3/3	1/1	1/1	1/1
Mr. Kwong Siu LAM	4/4	3/3	N/A	1/1	1/1
Mr. Lai Him Abraham SHEK[ii]	4/4	3/3	1/1	1/1	1/1

Notes:

(i) Ms. Wing Kwan Winnie CHIU was appointed as an Executive Director with effect from 3 June 2019. Subsequent to her appointment, four Board Meetings and an Annual General Meeting were held during the year ended 31 March 2020.

(ii) Mr. Lai Him Abraham SHEK was appointed as an Independent non-executive Director with effect from 3 June 2019. Subsequent to his appointment, four Board Meetings, three Audit Committee Meetings, one Remuneration Committee Meeting, one Nomination Committee Meeting and an Annual General Meeting were held during the year ended 31 March 2020.

In addition, the Chairman of the Board also held meeting with the Independent Non-executive Directors without the presence of Executive Directors during the Year.

A.7 Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions in the Company. Following specific enquiry made by the Company, all the Directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2020.

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

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

A.8 Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in the Code Provision D.3.1 of the CG Code. During the Year under review, the Board has performed such corporate governance functions as follows: (i) reviewed and developed the Company's corporate governance policies and practices in response to the implementation of the CG Code, (ii) reviewed and monitored the training and continuous professional development of Directors and senior management, (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements, (iv) reviewed and monitored the compliance of the Model Code, and (v) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

B. BOARD COMMITTEES

The Board has established 4 Board committees, namely, the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (except for the written terms of reference of the Executive Committee). All the Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of the Board Committees follow in line with, so far as applicable, those of the Board meetings set out above.

All Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expenses.

B.1 Executive Committee

The Executive Committee currently comprises a total of 6 members, namely, Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Ms. Wing Kwan Winnie CHIU and Mr. Wai Hung Boswell CHEUNG. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision. It monitors the execution of the Company's strategic plans and operations of all business units of the Company and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.

B.2 Audit Committee

The Audit Committee comprises a total of 3 members, being the 3 Independent Non-executive Directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK. The chairman of the Audit Committee is Mr. Kwok Wai CHAN who possesses the appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The primary duties of the Audit Committee include monitoring the Group's financial reporting system, reviewing financial statements, risk management and internal control procedures. It also acts as an important link between the Board and the Company's auditor in matters within the terms of reference of the Audit Committee.

During the year ended 31 March 2020, the Audit Committee has performed the following major works:

- Review and discussion of the annual financial statements and annual results for the year ended 31 March 2019, the related accounting principles and practices adopted by the Company and the relevant audit findings;
- Review and discussion of the interim financial statements and interim results for the six months ended 30 September 2019 and the related accounting principles and practices adopted by the Company;
- Review and discussion of financial reporting and risk management and internal control of the Group;
- Discussion and recommendation of the re-appointment of external auditor; and
- Review of the arrangements for employees to raise concerns about possible improprieties.

The external auditor was invited to attend the meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. Besides, there is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

The attendance records of each Committee member at the Audit Committee meetings held during the year ended 31 March 2020 are set out in section A.6.2 above.

B.3 Remuneration Committee

The Remuneration Committee comprises a total of 3 members, being 1 Executive Director, namely Tan Sri Dato' David CHIU, and 2 Independent Non-executive Directors, namely Mr. Kwok Wai CHAN and Mr. Lai Him Abraham SHEK. The chairman of the Remuneration Committee is Mr. Kwok Wai CHAN. Accordingly, the majority of the members are Independent Non-executive Directors.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group's policy and structure for the overall remuneration of the Directors and the senior management (i.e. the model described in the Code Provision B.1.2(c)(ii) is adopted). The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Group as well as market practice and conditions.

During the year ended 31 March 2020, the Remuneration Committee has performed the following major works:

- Review and determination of the remuneration packages of the Executive Directors and senior management;
- Determination of the remuneration package of the newly appointed Executive Director, Ms. Wing Kwan Winnie CHIU; and
- Recommendation on the remuneration package of the newly appointed Independent Non-executive Director, Mr. Lai Him Abraham SHEK.

The attendance records of each Committee member at the Remuneration Committee meeting held during the year ended 31 March 2020 are set out in section A.6.2 above.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the senior management for the year ended 31 March 2020 falls within the band from HK$1,000,000 to HK$2,000,000.

Details of the remuneration of each of the Directors for the year ended 31 March 2020 are set out in note 14 to the consolidated financial statements.

B.4 Nomination Committee

The Nomination Committee comprises a total of 4 members, being 1 Executive Director, namely Tan Sri Dato' David CHIU, and 3 Independent Non-executive Directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK. The chairman of the Nomination Committee is Tan Sri Dato' David CHIU. Accordingly, the majority of the members are Independent Non-executive Directors.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and to make relevant recommendations to the Board; to consider the retirement and re-election of the Directors and to make relevant recommendations to the Board; and to assess the independence of the Independent Non-executive Directors.

In selecting candidates for directorship of the Company, the Nomination Committee may make reference to certain criteria such as the Company's needs, the diversity on the Board, the integrity, experience, skills, professional knowledge of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

The Company also recognizes and embraces the benefit of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board diversity. To comply with the provision of A.5.6 of the CG Code, a Board diversity policy was adopted by the Company in 2013 and modified in 2018, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board diversity policy and assessing the Board composition under diversified perspective (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board. In November 2018, the Company has also established a Director nomination policy setting out the approach and procedures adopted for the nomination and selection of Directors.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following: character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; requirements of independent non-executive directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules; and commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

During the year ended 31 March 2020, the Nomination Committee has performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company;
- Recommendation of the re-appointment of those Directors standing for re-election at the 2019 annual general meeting of the Company;
- Assessment of the independence of all the Independent Non-executive Directors; and
- Recommendation on the appointment of Ms. Wing Kwan Winnie CHIU and Mr. Lai Him Abraham SHEK as Executive Director and Independent Non-executive Director respectively.

The attendance records of each Committee member at the Nomination Committee meeting held during the year ended 31 March 2020 are set out in section A.6.2 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2020.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, through its Audit Committee, has the responsibility to ensure that the Group maintains an effective risk management and internal control systems. The Board oversees the Group's design, implementation and monitoring of the risk management and internal control systems and acknowledges that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management framework is the responsibility of the Board and is overseen by the Audit Committee. The framework comprises the following elements:

Risk management philosophy and risk appetite

Everyone within the Group is responsible for the risk management of the Group. Risk management is embedded into the business operations and decision-makings. In pursuing the Group's objectives, the Group has categorized the risks according to the different business lines and defined the nature and extent of risks that the Group is willing to undertake.

Risk governance structure

The Group has established an enterprise risk management structure in line with the "Three Lines of Defense" model that defines the three layers of roles and responsibilities of oversight, risk monitoring and review, and risk and control ownership.

The Group's business and functional units are the first line of defense and are responsible for the day-to-day risk management and control processes. The second line of defense is led by a designated risk management taskforce responsible for the design, implementation and monitoring of the risk management system, and provide confirmation to the Audit Committee on the effectiveness of risk management. The third line of defense comprises the Audit Committee and the Group' outsourced internal auditor who is responsible for the independent assessment of the effectiveness of our risk management and internal control systems. The external auditor of the Group further complements the third line of defense by independently auditing material internal controls over the Group's financial reporting processes. Both the internal auditor and the external auditor would report on material control weakness to the Audit Committee on a regular basis.

Risk management process

The Group has established the risk management process that includes risk identification, risk assessment and prioritization, risk owner appointment, risk treatment and upward reporting and monitoring of identified risks to the Group and the Audit Committee. Management's input on changes of risk exposures across the business lines was solicited through a structured risk identification and update questionnaire to refresh the Group's risk universe. Identified risks were further assessed and evaluated by a scale rating process by management across the business lines to evaluate their impact to the Group and likelihood of their occurrence as a result of changes in internal and external factors, future events or otherwise. The risks were then prioritized based on the evaluation results and further interviews with senior management for confirmation. The top risks for each of the business lines of the Group, as well as whether these risks are being effectively managed; and if not, the need for establishing further actions, were reported through the risk management report. A corporate risk register has also been complied to track and document the identified risks, risk owners, mitigating actions and control measures, and facilitates continuous update of risk treatments.

The Group has completed an annual review on the effectiveness of the risk management and internal control systems during the year ended 31 March 2020 which include the identification and follow up on the significant risks, as well as the related controls designed to mitigate the risks and associated action plans.

The Board, through the confirmation from management, considered the risk management and internal control systems effective and adequate with no significant areas of concern that may affect the Group being identified. The Group has also commenced the review for next fiscal year and will continue to build on the established risk management process further enhance its approach to manage risks. Emerging risks, including the epidemic (including coronavirus) outbreak, social unrest in Hong Kong and US-China tradewar etc., would be considered and assessed for actions to manage the impact on the Group.

Handling and dissemination of inside information

The Company has developed its disclosure policy to provide the general guideline on handling confidential information, monitoring of information disclosure and response to queries to its directors, officers, senior management and the relevant employees. The Company has executed supervision programs to confirm the strict prohibition from unauthorized access to and use of inside information.

Internal audit function

The Board is responsible for maintaining an adequate internal control system to safeguard the interests of Shareholders and the Group's assets. With the help of an outsourced internal auditor, the senior management reviews and evaluates the control process, monitors any risk factors on a regular basis and reports to the Audit Committee on any findings and measures to address the variances and identified risks.

E. COMPANY SECRETARY

During the year ended 31 March 2020, Mr. Wai Hung Boswell CHEUNG, the Company Secretary, has taken no less than 15 hours of relevant professional training.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, about its reporting responsibilities for the Company's financial statements for the year ended 31 March 2020 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to Deloitte Touche Tohmatsu in respect of audit services and non-audit services for the year ended 31 March 2020 are analyzed below:

Type of services provided by the external auditor	Fees paid/payable HK$
Audit services – audit fee for the year ended 31 March 2020	13,384,000
Non-audit services	
– professional fee in connection with the review of interim account, the issue of Perpetual Capital Notes, major acquisition for acquisition of land by public tender and tax advisory services	3,664,000
TOTAL:	17,048,000

G. COMMUNICATION WITH SHAREHOLDERS

The Company believes that effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of its corporate information, which enables the Shareholders and investors to make the best investment decision.

Extensive information on the Group's activities, business strategies and developments is provided in the Company's annual reports, interim reports and other corporate communications. In addition, the Company maintains a website at www.fecil.com.hk, as a communication platform with the Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access. The Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: 16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong
(For the attention of Chief Financial Officer)

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

In addition, the Shareholders are encouraged to attend general meetings of the Company, which provide a valuable forum for dialogue and interaction with the management. The Board and Board Committee members and appropriate senior staff of the Group are available at the meeting to answer any questions raised by the Shareholders.

Pursuant to Code Provision E.1.2 of the CG Code, the Chairman should attend the annual general meeting of the Company. Due to unavoidable business engagement, the Chairman was unable to attend the annual general meeting of the Company held on 12 September 2019. The Chairman had arranged for other directors and management, who are well-versed in the Company's business and affairs, to attend the meeting and communicate with the Shareholders.

H. SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. Besides, the Shareholders may convene an extraordinary general meeting or put forward proposals at Shareholders' meetings pursuant to the Articles as follows:

(i) Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may request the Board to convene an extraordinary general meeting by sending a written requisition to the Board at the Company's principal place of business in Hong Kong. The objects of the meeting must be stated in the written requisition.

(ii) If a Shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's registered office or principal place of business in Hong Kong. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement (as the case may be) to the Company's principal place of business in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. The Shareholders' information may be disclosed as required by law.

During the Year under review, the Company has not made any changes to its Articles. An up-to-date version of the Articles is available on the websites of the Company and the Stock Exchange. The Shareholders may refer to the Articles for further details of the rights of Shareholders.

All resolutions put forward at Shareholders' meetings will be voted by way of poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fecil.com.hk) after each Shareholders' meeting.

I. DIVIDEND POLICY

The Company has adopted a dividend policy with effect from November 2018 whereby the Board believes that a clear dividend policy is good for corporate governance and is committed to a dividend policy of providing consistent dividend streams to shareholders, with a dividend payout ratio of 30% to 40%, while maintaining a healthy balance sheet and retaining flexibility to meet the businesses financial needs.

Independent Auditor's Report

Deloitte. 德勤

To the shareholders of Far East Consortium International Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Far East Consortium International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 119 to 239, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgements and estimation associated with determining the fair values. The investment properties are located in Australia, Hong Kong, the People's Republic of China and Singapore. The investment properties were carried at HK$7,243,208,000 as at 31 March 2020 and represents approximately 17% of total assets in the consolidated financial statements of the Group as at 31 March 2020. As disclosed in note 8 to the consolidated financial statements, changes in fair value of investment properties of HK$20,865,000 was recognised in the consolidated statement of profit or loss for the year then ended 31 March 2020. As disclosed in note 15 to the consolidated financial statements, all of the Group's investment properties are held at fair value based on the valuations performed by independent qualified professional valuers (the "Valuers"). The valuations of investment properties are dependent on certain key inputs that require significant judgments and estimates by the directors of the Company, including market unit rate and capitalisation rate.	Our procedures in relation to the valuation of investment properties included: • Evaluating the competence, capabilities and objectivity of the Valuers and obtaining an understanding of their scope of work and their terms of engagements; • Obtaining an understanding and assessing the reasonableness of the valuation techniques and significant assumptions used by the management and Valuers based on the relevant accounting requirements and industry norms; • Evaluating the reasonableness of the key inputs, including market rent, gross development value, market unit rate and capitalisation rate adopted by the management and the Valuers, on a sample basis, by comparing the key inputs to relevant market data based on our knowledge of the property markets; and • Assessing the accuracy of the information provided by the management to the Valuers by agreeing the rental income and tenancy summary to the respective underlying tenancy agreements, on a sample basis.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognised from sales of properties	
We identified revenue recognition as a key audit matter as it is quantitatively significant to the consolidated statement of profit or loss. There are judgments involved in determining the appropriate point at which to recognise revenue from sales of properties and whether the Group should recognised the revenue from sales of properties over time or at a point in time. Revenue from sales of property is recognised when (or as) a performance obligation is satisfied, i.e. when 'control' of the property underlying the particular performance obligation is transferred to the customer. As disclosed in note 4, revenue from sales of properties is recognised over time when the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise the revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group recognised revenue of HK$4,776,345,000 for the year ended 31 March 2020.	Our procedures in relation to revenue recognised from sales of properties included: • Assessing management's process and control over the appropriate point in time at which revenue from sales of properties is recognised and whether the Group should recognised the revenue from sales of properties over time or at a point in time; • Assessing the enforceability right to payment by checking to the terms of contracts, on a sample basis, and the applicable laws governing the contracts; • Evaluating the reasonableness of the management's estimation of the budgeted contract revenue and budgeted contract costs, on a sample basis, by checking to contracts and supporting document for revenue from sales of properties recognised over time; • Assessing the accuracy of the calculation of the stage of completion based on accumulated actual cost incurred to date over the total budgeted cost, on a sample basis; and • Evaluating the terms set out in the sales and purchase agreements, on a sample basis, for the revenue from sales of properties recognised at the point in time and obtaining evidence regarding the delivery of completed properties, including, where relevant, completion certificates and delivery notices, to assess whether the control of the completed properties have been transferred to buyers and the Group has present right to payment.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Tan Wei Ming.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 June 2020

Consolidated Statement of Profit or Loss

For the year ended 31 March 2020

	NOTES	2020 HK$'000	2019 HK$'000
Revenue	7	7,450,604	6,842,319
Cost of sales and services		(4,742,094)	(3,835,645)
Depreciation of hotel and car park assets		(449,158)	(397,075)
Gross profit		2,259,352	2,609,599
Other income		143,111	65,880
Other gains and losses	8	(15,517)	978,918
Administrative expenses			
– Hotel operations and management		(441,905)	(463,766)
– Others		(409,314)	(363,396)
Pre-operating expenses			
– Hotel operations and management		(27,601)	(1,541)
Selling and marketing expenses		(193,773)	(165,509)
Share of results of associates		(11,485)	17,803
Share of results of joint ventures		2,878	2,122
Finance costs	9	(468,425)	(367,624)
Profit before tax		837,321	2,312,486
Income tax expense	10	(286,340)	(543,761)
Profit for the year	11	550,981	1,768,725
Attributable to:			
Shareholders of the Company		365,853	1,713,659
Owners of perpetual capital notes		98,564	–
Other non-controlling interests		86,564	55,066
		185,128	55,066
		550,981	1,768,725
Earnings per share	12		
Basic (HK cents)		15.5	74.0
Diluted (HK cents)		15.5	74.0

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2020

	2020 HK$'000	2019 HK$'000
Profit for the year	550,981	1,768,725
Other comprehensive (expense) income for the year		
Item that will not be reclassified to profit or loss:		
Fair value change on equity instruments at fair value through other comprehensive income ("FVTOCI")	(402,838)	(298,100)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	(1,559,653)	(775,077)
Fair value change on debt instruments FVTOCI	(255,663)	–
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	(28,359)	–
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	–	23,154
Other comprehensive expense for the year	(2,246,513)	(1,050,023)
Total comprehensive (expense) income for the year	(1,695,532)	718,702
Total comprehensive (expense) income attributable to:		
Shareholders of the Company	(1,840,709)	675,718
Owners of perpetual capital notes	73,696	–
Other non-controlling interests	71,481	42,984
	145,177	42,984
	(1,695,532)	718,702

Consolidated Statement of Financial Position

At 31 March 2020

	NOTES	2020 HK$'000	2019 HK$'000
Non-current Assets			
Investment properties	15	7,243,208	5,426,396
Property, plant and equipment	16	11,160,856	9,690,089
Prepaid lease payments	17	–	483,454
Goodwill	18	68,400	68,400
Interests in associates	19	1,237,775	1,061,726
Interests in joint ventures	20(a)	791,846	661,069
Investment securities	21	492,852	1,081,626
Derivative financial instruments	29	37,222	2,366
Deposits for acquisition of property, plant and equipment		88,045	94,426
Amounts due from associates	46	62,864	66,831
Amounts due from joint ventures	46	58,572	64,808
Amount due from an investee company	46	119,995	119,995
Loan receivables	22	259,651	233,253
Pledged deposits	23	20,409	15,280
Deferred tax assets	37	93,653	49,640
		21,735,348	19,119,359
Current Assets			
Properties for sale	24		
Completed properties		1,966,189	2,754,840
Properties under development		9,983,444	9,695,682
Other inventories		11,146	11,222
Prepaid lease payments	17	–	13,782
Debtors, deposits and prepayments	25	379,091	467,846
Customers' deposits under escrow	26	147,527	196,665
Loan receivables	22	9,269	20,244
Contract assets	27	1,103,698	215,565
Contract costs	28	283,787	360,748
Amounts due from joint ventures	46	349,392	114,494
Amounts due from associates	46	24,717	24,452
Tax recoverable		160,697	68,940
Investment securities	21	2,534,548	3,340,828
Derivative financial instruments	29	–	4,646
Pledged deposits	23	51,600	20,660
Restricted bank deposits	23	120,932	175,725
Deposit in a financial institution	23	6,880	1,561
Bank balances and cash	23	2,911,726	2,470,604
		20,044,643	19,958,504

Consolidated Statement of Financial Position

At 31 March 2020

	NOTES	2020 HK$'000	2019 HK$'000
Current Liabilities			
Creditors and accruals	30	1,264,635	1,531,578
Contract liabilities	31	310,598	974,166
Obligations under finance leases	32	–	6,697
Lease liabilities	34	77,253	–
Amounts due to related companies	46	751	623
Amounts due to associates	46	6,897	28,057
Amounts due to shareholders of non-wholly owned subsidiaries	35	395,126	7,786
Derivative financial instruments	29	3,397	–
Tax payable		368,283	313,698
Bank and other borrowings	33	6,505,953	4,235,896
		8,932,893	7,098,501
Net Current Assets		11,111,750	12,860,003
Total Assets less Current Liabilities		32,847,098	31,979,362
Non-current Liabilities			
Obligations under finance leases	32	–	12,476
Lease liabilities	34	547,086	–
Amount due to a shareholder of a non-wholly owned subsidiary	35	–	392,024
Notes and bonds	36	3,548,124	3,509,499
Bank borrowings	33	13,405,809	13,602,647
Deferred tax liabilities	37	903,317	795,228
Other liabilities		129,028	35,226
		18,533,364	18,347,100
Net Assets		14,313,734	13,632,262
Capital and Reserves			
Share capital	38	236,942	235,169
Share premium		4,534,687	4,479,650
Reserves		6,346,903	8,698,257
Equity attributable to shareholders of the Company		11,118,532	13,413,076
Owners of perpetual capital notes	40	2,904,535	–
Other non-controlling interests		290,667	219,186
		3,195,202	219,186
Total Equity		14,313,734	13,632,262

The consolidated financial statements on pages 119 to 239 were approved and authorised for issue by the Board of Directors on 30 June 2020 and are signed on its behalf by:

DAVID CHIU
DIRECTOR

CHEONG THARD HOONG
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Attributable to owners of the Company														
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	FVTOCI reserve HK$'000	Exchange reserve HK$'000	Share options reserve HK$'000	Hedging reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Owners of perpetual capital notes HK$'000	Other non-controlling interests HK$'000	Sub-total HK$'000	Total HK$'000
At 1 April 2018	230,179	4,297,682	28,458	54,727	–	(28,339)	1,241	(22,170)	1,057,764	7,436,984	13,056,526	–	176,202	176,202	13,232,728
Profit for the year	–	–	–	–	–	–	–	–	–	1,713,659	1,713,659	–	55,066	55,066	1,768,725
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(762,995)	–	–	–	–	(762,995)	–	(12,082)	(12,082)	(775,077)
Fair value adjustment on cross currency swap contracts designated as cash flows hedge	–	–	–	–	–	–	–	23,154	–	–	23,154	–	–	–	23,154
Fair value change on equity instruments at fair value through other comprehensive income	–	–	–	–	(298,100)	–	–	–	–	–	(298,100)	–	–	–	(298,100)
Other comprehensive (expense) income for the year	–	–	–	–	(298,100)	(762,995)	–	23,154	–	–	(1,037,941)	–	(12,082)	(12,082)	(1,050,023)
Total comprehensive (expense) income for the year	–	–	–	–	(298,100)	(762,995)	–	23,154	–	1,713,659	675,718	–	42,984	42,984	718,702
Dividends recognised as distribution (note 13)	–	–	–	–	–	–	–	–	–	(506,247)	(506,247)	–	–	–	(506,247)
Shares issued in lieu of cash dividend	6,202	231,613	–	–	–	–	–	–	–	–	237,815	–	–	–	237,815
Shares issued upon exercise of share options	150	4,917	–	–	–	–	(1,241)	–	–	–	3,826	–	–	–	3,826
Repurchase of ordinary shares	(1,362)	(54,562)	1,362	–	–	–	–	–	–	–	(54,562)	–	–	–	(54,562)

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Attributable to owners of the Company															
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	FVTOCI reserve HK$'000	Exchange reserve HK$'000	Share options reserve HK$'000	Hedging reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Owners of perpetual capital notes HK$'000	Other non-controlling interests HK$'000	Sub-total HK$'000	Total HK$'000
At 31 March 2019	235,169	4,479,650	29,820	54,727	(298,100)	(791,334)	-	984	1,057,764	8,644,396	13,413,076	-	219,186	219,186	13,632,262
Profit for the year	-	-	-	-	-	-	-	-	-	365,853	365,853	98,564	86,564	185,128	550,981
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(1,519,702)	-	-	-	-	(1,519,702)	(24,868)	(15,083)	(39,951)	(1,559,653)
Fair value change on equity instruments at fair value through other comprehensive income	-	-	-	-	(402,838)	-	-	-	-	-	(402,838)	-	-	-	(402,838)
Fair value change on debt instruments at fair value through other comprehensive income	-	-	-	-	(255,663)	-	-	-	-	-	(255,663)	-	-	-	(255,663)
Reclassification adjustment on disposal of debt instruments at fair value through other comprehensive income during the year	-	-	-	-	(28,359)	-	-	-	-	-	(28,359)	-	-	-	(28,359)
Other comprehensive expense for the year	-	-	-	-	(686,860)	(1,519,702)	-	-	-	-	(2,206,562)	(24,868)	(15,083)	(39,951)	(2,246,513)
Total comprehensive (expense) income for the year	-	-	-	-	(686,860)	(1,519,702)	-	-	-	365,853	(1,840,709)	73,696	71,481	145,177	(1,695,532)
Dividends recognised as distribution (note 13)	-	-	-	-	-	-	-	-	-	(514,912)	(514,912)	-	-	-	(514,912)
Issuance of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	-	2,830,839	-	2,830,839	2,830,839
Shares issued in lieu of cash dividend	6,040	196,715	-	-	-	-	-	-	-	-	202,755	-	-	-	202,755
Repurchase of ordinary shares	(4,267)	(141,678)	4,267	-	-	-	-	-	-	-	(141,678)	-	-	-	(141,678)
At 31 March 2020	236,942	4,534,687	34,087	54,727	(984,960)	(2,311,036)	-	984	1,057,764	8,495,337	11,118,532	2,904,535	290,667	3,195,202	14,313,734

Other reserve mainly comprise (a) credit balance of HK$1,038,709,000 recognised in respect of the group reorganisation in 1991, representing the excess of the value of the net assets of the subsidiaries acquired and the nominal value of the shares issued by the Company for the acquisition; (b) credit balance of HK$440,192,000 recognised in the year ended 31 March 2010 in respect of the gain on decrease in interest in a former non-wholly owned listed subsidiary, Dorsett Hospitality International Limited ("Dorsett"); (c) a debit balance of HK$3,097,000 and HK$1,416,000 recognised in the year ended 31 March 2013 and 31 March 2017 in respect of the excess of the consideration paid over the net assets attributable to the additional interest in an indirect subsidiary, Care Park Group Pty Limited, acquired; (d) a credit balance of HK$6,415,000 recognised in the year ended 31 March 2014 in respect of the excess of the net assets attributable to the additional interest in an indirect subsidiary, Dorsett, acquired over the consideration; (e) a debit balance of HK$746,000 recognised in the year ended 31 March 2015 in respect of the excess of consideration paid over the net assets attributable to the additional interest in an indirect subsidiary, Dorsett, acquired; (f) credit balance of HK$23,568,000 representing the difference between the Group's interest in the net assets acquired from shareholders of non-wholly owned subsidiaries and the consideration paid for the acquisition of remaining interests in Dorsett and the transfer of the net amount of HK$445,861,000 previously recognised for Dorsett in other reserve, to retained profits arising from the acquisition in the year ended 31 March 2016.

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	2020 HK$'000	2019 HK$'000
Operating activities		
Profit before tax	837,321	2,312,486
Adjustments for:		
Share of results of joint ventures	(2,878)	(2,122)
Share of results of associates	11,485	(17,803)
Depreciation of property, plant and equipment	462,467	407,698
Interest income	(10,462)	(16,654)
Finance costs	468,425	367,624
Change in fair value of investment properties	20,865	(672,530)
Change in fair value of financial assets at FVTPL	96,854	63,837
Gain on disposal of debts instruments at FVTOCI	(28,359)	–
Change in fair value of derivative financial instruments	(20,899)	(144,738)
Gain on dissolution of subsidiaries	–	(36,552)
Gain on disposal of associates	–	(51,677)
Loss (gain) on disposal of property, plant and equipment	452	(509)
Bargain purchase gain	–	(108,000)
Allowance for credit loss	4,990	12,278
Operating cash flows before movements in working capital	1,840,261	2,113,338
Increase in properties for sale	(107,566)	(2,896,967)
Increase in other inventories	(276)	(2,675)
Increase in loan receivables	(16,763)	(161,934)
Increase in derivative financial instruments	–	(2,099)
Increase in contract assets	(1,063,117)	(215,565)
Decrease in debtors, deposits and prepayments	55,349	434,953
Decrease in customers' deposits under escrow	43,422	–
Decrease (increase) in investment held for trading	59,084	(55,818)
Decrease in creditors and accruals	(177,250)	(231,056)
Decrease in contract costs	19,874	202,866
Decrease in contract liabilities	(654,818)	(545,930)
Cash used in operations	(1,800)	(1,360,887)
Income tax paid	(252,051)	(268,781)
Net cash used in operating activities	(253,851)	(1,629,668)

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	NOTES	2020 HK$'000	2019 HK$'000
Investing activities			
Acquisition of subsidiaries, net of bank balances and cash acquired	39(a)	–	(277,327)
Acquisition and development expenditures of property, plant and equipment		(1,409,170)	(1,132,721)
Capital investment in associates		(310,130)	(141,329)
Capital investment in joint ventures		(199,997)	(125,100)
Development expenditures and additional cost of investment properties		(2,075,345)	(553,445)
Acquisition of investment properties through acquisition of subsidiaries, net of bank balances and cash acquired	39(b)	–	(533,493)
Purchase of equity instruments at FVTOCI		–	(1,366,163)
Purchase of equity instruments at FVTPL		(10,372)	–
Placement of structure deposits		–	(166,205)
Withdrawal of structure deposits		–	270,936
Purchase of debt instruments at FVTOCI		(6,987,173)	(2,407,336)
Purchase of investment funds		(629,634)	(1,492,366)
Proceeds from sale of debt instruments at FVTOCI		5,025,722	2,641,401
Proceeds from sale of debt instruments at FVTPL		1,917,049	–
Proceeds from sale of investment funds		1,190,482	1,311,203
Proceeds from disposal of associates		–	51,677
Proceeds from disposal of investments properties		–	49,120
Proceeds from disposal of property, plant and equipment		5,739	711
Placement of pledged deposits		(52,207)	(29,573)
Release of pledged deposits		16,138	15,656
Placement of restricted bank deposits		(11,971)	(175,632)
Release of restricted bank deposits		66,764	1,547,760
Repayment from associates		272	3,298
Advance to joint ventures		(240,257)	(116,193)
Deposit refunded for acquisition of property, plant and equipment		6,381	–
Dividend and distribution received from associates and a joint venture		5,745	41,707
Bank interest received		10,462	16,654
Net cash used in investing activities		(3,681,502)	(2,566,760)

	2020 HK$'000	2019 HK$'000
Financing activities		
Advance from shareholders of non-wholly owned subsidiaries	12,164	122,087
Payment for repurchase of shares	(141,678)	(54,562)
Proceeds from issue of shares	–	3,826
Proceeds on issue of notes, net of transaction cost	77,217	–
Repayment of bonds	–	(1,012,905)
New bank and other borrowings raised	10,780,182	11,931,345
Repayments of bank and other borrowings	(7,851,733)	(6,444,568)
Repayments of lease liabilities	(96,494)	–
Repayments of other liabilities	(26,736)	–
Payments of finance lease obligations	–	(5,972)
Advance from (repayment to) related companies	128	(17,691)
(Repayment to) advance from associates	(19,888)	2,509
Advance from other liabilities	122,020	33,109
Issuance of perpetual capital notes, net of transaction cost	2,830,839	–
Repayment to a joint venture	–	(3,177)
Dividends paid	(312,157)	(268,432)
Interest paid	(807,101)	(621,132)
Net cash from financing activities	4,566,763	3,664,437
Net increase (decrease) in cash and cash equivalents	631,410	(531,991)
Cash and cash equivalents brought forward	2,472,165	3,043,562
Effect of foreign exchange rate changes	(184,969)	(39,406)
Cash and cash equivalents carried forward	2,918,606	2,472,165
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	2,911,726	2,470,604
Deposit in a financial institution	6,880	1,561
	2,918,606	2,472,165

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

1. GENERAL

Far East Consortium International Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands. The ultimate controlling shareholder is Tan Sri Dato' David CHIU. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company and its subsidiaries are together referred to as the Group. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2020 annual report issued by the Company.

The principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, gaming and related operations and securities and financial product investments. The details of the principal subsidiaries are set out in note 52.

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases* ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group applied HKFRS 16 from 1 April 2019. The Group applied the modified retrospective approach and has not restated comparative amounts with the cumulative effect recognised at the date of initial application. Right-of-use assets relating to the Group's operating leases are measured at the amount of lease liabilities on initial application by applying HKFRS 16.C8(b)(ii) transition, adjusted by the amount of any prepaid or accrued lease liabilities.

For leases that were classified as finance leases before the date of initial application measured under HKAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately. For these leases, the Group accounts for the right-of-use asset and the lease liability applying HKFRS 16 from the date of initial application.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, *Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 Leases (continued)

As a lessee (continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 2.10% to 4.00% in Hong Kong, Shanghai, Singapore, United Kingdom, Hungary, Czech Republic, Australia, New Zealand and Malaysia.

	Note	At 1 April 2019 HK$'000
Operating lease commitments disclosed as at 31 March 2019		412,222
Lease liabilities discounted at relevant incremental borrowing rates		350,361
Add: Extension options reasonably certain to be exercised		200,072
Less: Recognition exemption – short-term leases		(9,013)
Recognition exemption – low value assets		(65)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16		541,355
Add: Obligations under finance leases recognised at 31 March 2019	(b)	19,173
Lease liabilities as at 1 April 2019		560,528
Analysed as		
Current		41,351
Non-current		519,177
		560,528

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 Leases (continued)

As a lessee (continued)

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	Notes	Right-of-use assets HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		541,355
Reclassified from prepaid lease payments	(a)	497,236
Amounts included in property, plant and equipment under HKAS 17		
– Leasehold lands	(b)	863,769
– Assets previously under finance leases	(c)	23,664
Unfavourable terms of operating leases arising from business combination	(d)	(20,974)
		1,905,050
By class:		
Leasehold lands		1,385,268
Leased properties		496,118
Office equipment		23,664
		1,905,050

Notes:

(a) Upfront payments for leasehold lands in the People's Republic of China, Malaysia and Singapore for own used properties were classified as prepaid lease payments as at 31 March 2019. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK$13,782,000 and HK$483,454,000 respectively were reclassified to right-of-use assets.

(b) Leasehold lands in Hong Kong for own used properties were included in property, plant and equipment as at 31 March 2019. Upon application of HKFRS 16, the carrying amount of HK$863,769,000 was reclassified to right-of-use assets.

(c) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 April 2019 amounting to HK$23,664,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK$6,697,000 and HK$12,476,000 to lease liabilities as current and non-current liabilities respectively at 1 April 2019.

(d) The Group previously recognised other liabilities by applying HKFRS 3 *Business Combinations* relating to unfavourable terms of an operating lease relating to a leasehold land in the Czech Republic. The carrying amount as at 1 April 2019 was derecognised by adjusting the right-of-use assets.

Effective from 1 April 2019, leasehold lands which were classified as properties for sale are measured under HKFRS 16 at cost less accumulated depreciation and any impairment.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 Leases (continued)

As a lessee (continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported at 31 March 2019 HK$'000	Adjustments HK$'000	Carrying amounts under HKFRS 16 at 1 April 2019 HK$'000
Non-current Assets				
Property, plant and equipment	(a), (b), (c), (d)	9,690,089	1,017,617	10,707,706
Prepaid lease payments	(a)	483,454	(483,454)	–
Current Assets				
Prepaid lease payments	(a)	13,782	(13,782)	–
Current Liabilities				
Lease liabilities	(a), (c)	–	41,351	41,351
Obligations under finance leases	(c)	6,697	(6,697)	–
Non-current Liabilities				
Lease liabilities	(a), (c)	–	519,177	519,177
Obligations under finance leases	(c)	12,476	(12,476)	–
Other liabilities	(d)	35,226	(20,974)	14,252

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 March 2020, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 April 2019 as disclosed above.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 Leases (continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 April 2019. The application has had no material impact on the Group's consolidated statement of financial position at 1 April 2019.

Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The application has had no material impact on the Group's consolidated statement of financial position at 1 April 2019.

The directors consider the application of HKFRS 16 as a lessor, has had no material impact on the Group's consolidated financial statements for the year ended 31 March 2020.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendment to HKFRS 16	Covid-19 – Related Rent Concessions[6]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[5]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[5]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020[5]

1 Effective for annual periods beginning on or after 1 January 2021

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for annual periods beginning on or after 1 January 2020

5 Effective for annual periods beginning on or after 1 June 2022

6 Effective for annual periods beginning on or after 1 June 2020

In addition to the above new HKFRSs and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, "the Amendments to References to the Conceptual Framework in HKFRS Standard" will be effective for the Group's annual period beginning on 1 April 2020.

Except as mentioned below, the directors of the Company do not anticipate that the application of any of the other new HKFRSs and amendments to HKFRSs will have a material impact on the Group's consolidated financial statements in the foreseeable future.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

Amendments to HKFRS 3 Definition of a Business

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

The Group will apply the amendments prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after first annual reporting period beginning on or after 1 April 2020 with early application permitted.

The optional concentration test and the amended definition of a business are not expected to have a significant impact to the Group.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of "obscuring" material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from "could influence" to "could reasonably be expected to influence"; and
- include the use of the phrase "primary users" rather than simply referring to "users" which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 April 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 April 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specially, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interest in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted after reattribution of relevant equity component and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiaries' net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata based on the carrying amount of each asset in the unit.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit, the amount of goodwill disposed of is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value adjusted to exclude any prepaid or accrued operating lease income. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The Group transfers a property from inventories to investment property when there is a change in use to hold the property to earn rentals or capital appreciation rather than for sale in the ordinary course business, which is evidenced by inception of an operating lease to another party. The difference between the fair value and the carrying amount at the date of transfer is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (other than right-of-use assets)

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purpose (other than freehold land and properties under development) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Properties, other than right-of-use assets, in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of property, plant and equipment other than properties under development and construction-in-progress less their residual values over their estimated useful lives, using the straight-line method. No depreciation is provided on buildings and hotel under development which have not been in use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of properties, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset is recognised in profit or loss.

The Group transfers a property from inventories to property, plant and equipment where there is a change in use, evidenced by intention of owner-occupation rather than for sale in the ordinary course business.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" (upon application of HKFRS 16) or "prepaid lease payments" (prior to the application of HKFRS 16) in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment losses on property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets other than goodwill and contract costs are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (continued)

Right-of-use assets are presented within line item of property, plant and equipment

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the relevant right-of-use asset) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (prior to 1 April 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Properties for sale

Properties for sale consist of completed properties and properties under development. Properties under development which are intended to be sold upon completion of development and completed properties for sale are classified as current assets.

Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets upon the application of HKFRS 16, properties under development and completed properties are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price less estimated cost to completion and costs necessary to make the sales.

Properties under development for sale are transferred to completed properties upon completion.

Other inventories

Other inventories, comprising food and beverage, are stated at the lower of cost and net realisable value. Costs of other inventories are determined on a first-in-first-out basis.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade debtors, other receivables, customers' deposits under escrow, amounts due from related companies, debts instruments classified as at FVTOCI, pledged deposits, restricted bank deposits, deposit in a financial institution, bank balances, loan receivables), contract assets and lease receivables which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade debtors, lease receivables and contract assets and the ECL on these assets are assessed based on past due analysis and individually respectively.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 (since 1 April 2019) or HKAS 17 (prior to 1 April 2019).

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, loan receivables and customers' deposits under escrow are each considered a separate group with further disaggregation as appropriate.
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade debtors and contract assets, where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

A financial instrument issued by a group entity, which includes no contractual obligation for the Group to deliver cash or other financial assets to the holders is classified as an equity instrument and is initially recorded at the proceeds received.

Perpetual capital notes issued by the Group that have the above characteristics are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition, it is a part of portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including creditors, amounts due to related companies, amounts due to shareholders of non-wholly owned subsidiaries, notes and bonds, bank and other borrowings, and other liabilities are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period with changes in fair value recognising in profit or loss immediately .

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative standalone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Sales of properties

Revenue from properties sales is recognised over time when the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue from properties sales is recognised at a point in time when the completed property is delivered and transferred to customers, being at the point that the customer obtains the control of the completed property.

For the progress towards complete satisfaction of a performance obligation that is recognised over time, revenue is recognised based on the stage of completion of the contract using the input method. The Group's sales contracts with customers include payment schedules which require stage payments over the construction period once certain specified milestones are reached.

A contract asset is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade debtors when the rights become unconditional.

The Group receives deposits from customers when they sign the sale and purchase agreement.

Deposits received on properties sold prior to the date of revenue recognition are recorded as contract liabilities under current liabilities.

Hotel operations and management, car park operations and facilities management, property management services

As the customers simultaneously receive and consume the benefit provided by the Group's performance as the Group performs, the Group recognises the service fee received or receivable from the customers as its revenue over time based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Gaming and related operations

Gaming revenue is the aggregate net difference between gaming wins and losses. The Group accounts for gaming revenue on a portfolio basis given the similar characteristics of wagers by recognising net win per gaming day.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Gaming and related operations (continued)

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (property sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items, receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributable to non-controlling interests as appropriate).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

Effective 1 April 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits schemes

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Equity-settled share-based payment transactions

Equity-settled share-based payments to employee are measured at the fair value of the equity instruments at the grant date.

Share options granted to employees

The fair value determined at the grant date of the equity-settled share-based payments equity is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimates of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/loss before tax" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale except for freehold land, which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of giving rise to a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Critical judgement in applying accounting policies

Revenue recognised from sales of properties over time

Certain revenue from sales of properties is recognised over time when the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise the revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the buyer and thus the property unit does not have an alternative use to the Group. Significant management's judgements were involved in determining whether there is an enforceable right to payment which depends on the terms of sales contract and the interpretation of the applicable laws governing the sales contracts. Management, in interpreting the applicable laws and exercising its judgements, has identified sales contracts in Singapore and Malaysia has enforceable right to payment for performance completed to date while sales contracts in Hong Kong, PRC, United Kingdom and Australia have no such rights.

Deferred taxation on investment properties

For the purposes of measuring deferred taxes, arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that (a) the Group's investment properties in Hong Kong and Singapore are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, (b) the Group's investment properties in the PRC and Australia are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, except for freehold land in Australia which are recovered entirely through sales. Therefore, in determining the Group's deferred taxation on investment properties in Hong Kong and Singapore, the directors of the Group have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The presumption that the carrying amounts of the Group's investment properties situated on the land in the PRC and Australia are recovered entirely through sale has been rebutted except for freehold land in Australia and the deferred tax on the changes in fair value of those investment properties is recognised according to the relevant tax rules.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(ii) Key sources of estimation uncertainty

Fair value measurement and valuation processes

Certain of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the management of the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The management of the Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the management of the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company for appropriate actions to be taken.

Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities, including the investment properties and financial instruments are disclosed in notes 15 and 49.

Deferred tax

As 31 March 2020, a deferred tax asset of HK$74,837,000 (2019: HK$68,021,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. The reliability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the foreseeable future such that the deferred tax assets can be utilised. The management of the Group determine whether deferred tax assets would be recognised based on profit projections of the respective group entities and the expected reversal of taxable temporary differences in the coming years. The Group reviews the probability of utilising tax losses in future at the end of each reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the year in which such a recognition or reversal takes place.

No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams.

5. CAPITAL RISK MANAGEMENT

It is the Group's policy to maintain a strong capital base so as to safeguard the Group's ability to continue as a going concern and to sustain future development of the Group's business. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which includes bank borrowings, notes and bonds, net of bank balances and cash, restricted bank deposits, pledged deposits, customers' deposits under escrow and deposit in a financial institution), and equity attributable to shareholders of the Company, comprising issued share capital and share premium and retained profits.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall structure through issuance of new shares, raising new debts and repayment of existing debts, if necessary.

6. SEGMENT INFORMATION

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

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

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results

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

	Segment revenue		Segment profit (loss)	
	2020 HK$'000	2019 HK$'000	2020 HK$'000	2019 HK$'000
Property development				
– Australia	1,368,695	572,064	103,796	133,586
– Hong Kong ("HK")	1,195,573	1,323,178	425,428	357,019
– Malaysia	23,199	20,705	5,831	2,778
– Other regions in People's Republic of China excluding HK ("PRC")	294,960	743,670	308,111	637,132
– Singapore	1,951,357	1,150,194	436,822	235,694
– United Kingdom ("UK")	1,192	1,425	(1,660)	(1,583)
	4,834,976	3,811,236	1,278,328	1,364,626
Property investment				
– Australia	9,669	4,242	28,013	2,241
– HK	39,844	38,276	32,220	191,853
– PRC	16,608	21,572	(20,036)	(12,468)
	66,121	64,090	40,197	181,626
Hotel operations and management				
– Australia	56,215	–	(55,018)	–
– HK	472,195	846,830	(87,042)	228,005
– Malaysia	189,979	227,375	12,798	21,073
– PRC	187,964	263,488	(53,500)	280,889
– Singapore	82,842	93,623	4,101	28,324
– UK	234,891	253,249	68,310	55,031
– Europe (other than UK)	121,448	133,057	(12,500)	6,500
	1,345,534	1,817,622	(122,851)	619,822

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

	Segment revenue		Segment profit (loss)	
	2020 HK$'000	2019 HK$'000	2020 HK$'000	2019 HK$'000
Car park operations and facilities management				
– Australia and New Zealand	674,258	668,772	5,048	37,443
– Europe	73,757	43,190	(11,542)	1,805
– Malaysia	11,767	8,496	6,821	7,517
	759,782	720,458	327	46,765
Gaming operations				
– Australia	48,568	62,432	48,549	62,425
– Czech Republic	222,655	196,864	30,685	9,617
	271,223	259,296	79,234	72,042
Securities and financial product investments	136,061	131,715	74,554	64,327
Provision of mortgage services				
– Australia	27,466	34,415	33,571	238,761
– Hong Kong	9,441	3,487	8,835	4,364
	36,907	37,902	42,406	243,125
Segment revenue/segment profit	7,450,604	6,842,319	1,392,195	2,592,333
Bargain purchase gain			–	108,000
Unallocated corporate income and expenses			(86,449)	(20,223)
Finance costs			(468,425)	(367,624)
Profit before tax			837,321	2,312,486
Income tax expense			(286,340)	(543,761)
Profit for the year			550,981	1,768,725

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, directors' emoluments, gain on disposal of associates, gain on dissolution of subsidiaries, bargain purchase gain and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. SEGMENT INFORMATION (continued)

(b) 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 corporate assets which are mainly bank balances and cash and deposit in a financial institution.

	2020 HK$'000	2019 HK$'000
Property development		
– Australia	6,475,475	5,145,514
– HK	1,891,078	2,521,993
– Malaysia	404,347	524,652
– PRC	2,528,983	2,446,147
– Singapore	5,317,486	5,780,657
– UK	1,845,815	1,117,764
	18,463,184	17,536,727
Property investment		
– Australia	257,809	270,049
– HK	3,870,967	2,464,766
– PRC	4,567	5,566
	4,133,343	2,740,381
Hotel operations and management		
– Australia	1,534,962	1,537,990
– HK	4,357,103	3,236,558
– Malaysia	845,504	851,487
– PRC	1,582,534	2,007,458
– Singapore	758,811	586,652
– UK	1,151,748	1,200,863
– Europe (other than UK)	269,321	290,935
	10,499,983	9,711,943
Car park operations and facilities management		
– Australia and New Zealand	1,398,166	894,177
– Europe	398,331	446,390
– Malaysia	138,384	137,797
	1,934,881	1,478,364

6. SEGMENT INFORMATION (continued)

(b) Segment assets (continued)

	2020 HK$'000	2019 HK$'000
Gaming operations		
– Australia	493,943	1,091,762
– Czech Republic	298,508	308,965
	792,451	1,400,727
Securities and financial product investments	2,230,900	3,019,617
Provision of mortgage services		
– Australia	542,814	478,695
– HK	258,569	233,947
	801,383	712,642
Segment assets	38,856,125	36,600,401
Unallocated corporate assets	2,923,866	2,477,462
Total assets	41,779,991	39,077,863

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers determined based on the operating location and (ii) the Group's non-current assets by location of assets, excluding investment securities, derivative financial instruments, amounts due from associates, amounts due from joint ventures, amount due from an investee company, loan receivables, pledged deposits and deferred tax assets.

	Revenue from external customers		Non-current assets	
	2020 HK$'000	2019 HK$'000	2020 HK$'000	2019 HK$'000
Australia and New Zealand	2,184,870	1,341,925	4,595,519	3,864,363
Czech Republic	344,103	329,921	533,829	544,063
HK	1,853,114	2,343,485	7,801,882	5,521,502
Malaysia	224,945	256,576	907,434	978,109
PRC	499,532	1,028,730	3,446,615	3,264,554
Singapore	2,034,199	1,243,818	1,789,089	1,704,597
UK	284,080	278,709	1,310,631	1,309,885
Europe (other than UK)	25,761	19,155	205,131	298,487
	7,450,604	6,842,319	20,590,130	17,485,560

6. SEGMENT INFORMATION (continued)

(d) Other information

The following table sets out amounts included in the measure of segment profit or loss or segment assets:

	2020								
	Property development HK$'000	Property investment HK$'000	Hotel operations and management HK$'000	Gaming operations HK$'000	Car park operations and facilities management HK$'000	Securities and financial product investments HK$'000	Provision of mortgage services HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:									
Allowance for credit loss	-	(2,732)	(841)	-	(1,417)	-	-	-	(4,990)
Depreciation of properties, plants and equipments	(3,280)	(2,840)	(327,724)	(14,160)	(109,405)	-	-	(5,058)	(462,467)
Change in fair value of investment properties	51,327	(43,398)	(28,794)	-	-	-	-	-	(20,865)
Change in fair value of financial assets at FVTPL	-	-	(7,359)	-	-	(89,495)	-	-	(96,854)
Change in fair value of derivative financial instruments	-	32,857	(8,248)	-	-	(3,710)	-	-	20,899
Share of results of associates	(2,564)	(1,054)	(7,867)	-	-	-	-	-	(11,485)
Share of results of joint ventures	(8,310)	496	-	-	698	-	9,994	-	2,878
Interests in associates	972,895	264,880	-	-	-	-	-	-	1,237,775
Interests in joint ventures	422,983	5,471	225,675	-	1,060	-	136,657	-	791,846
Acquisition in property, plant and equipment	1,102,769	4,687	171,104	-	340,553	-	-	3,280	1,622,393
Investment securities	5	-	21,904	470,944	-	2,150,375	384,172	-	3,027,400
Contract costs	283,787	-	-	-	-	-	-	-	283,787

	2019								
	Property development HK$'000	Property investment HK$'000	Hotel operations and management HK$'000	Gaming operations HK$'000	Car park operations and facilities management HK$'000	Securities and financial product investments HK$'000	Provision of mortgage services HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:									
Allowance for credit loss	(410)	(5,632)	(4,097)	-	(2,139)	-	-	-	(12,278)
Depreciation and amortisation	(3,562)	(1,931)	(344,384)	(17,916)	(34,817)	-	-	(5,088)	(407,698)
Change in fair value of investment properties	274,016	117,050	281,464	-	-	-	-	-	672,530
Change in fair value of financial assets at FVTPL	-	-	1,832	-	-	(65,669)	-	-	(63,837)
Change in fair value of derivative financial instruments	-	14,985	8,423	-	-	(2,517)	123,847	-	144,738
Share of results of associates	(2,132)	19,935	-	-	-	-	-	-	17,803
Share of results of joint ventures	893	-	-	-	1,229	-	-	-	2,122
Interests in associates	792,796	268,930	-	-	-	-	-	-	1,061,726
Interests in joint ventures	363,704	-	117,325	-	3,557	-	176,483	-	661,069
Acquisition in property, plant and equipment	30,301	2,541	1,325,189	298,465	63,343	-	-	229	1,720,068
Investment securities	5	-	16,611	1,065,010	-	2,981,450	359,378	-	4,422,454
Contract costs	360,748	-	-	-	-	-	-	-	360,748

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

7. REVENUE

Revenue represents the aggregate amount of proceeds from sale of properties, gross rental from leasing of properties, income from hotel operations and management, car park operations and facilities management, gaming operations, provision of property management services, interest income and dividend income from financial instruments and other operations as set out as follows:

	2020 HK$'000	2019 HK$'000
Sales of properties	4,776,345	3,755,246
Hotel revenue		
– room revenue	1,107,069	1,512,783
– food and beverage	199,614	243,267
Car park income		
– parking revenue	684,143	634,800
– management fee	76,493	86,698
Gaming revenue	196,554	196,864
Provision of property management services	19,415	24,506
Other operations	12,435	775
Revenue from contracts with customers	7,072,068	6,454,939
Leasing of properties – operating lease (note 15)	157,001	155,331
Loan interest income	9,441	3,487
Interest income and dividend income from financial instruments	212,094	228,562
	7,450,604	6,842,319
Timing of revenue recognition from contracts with customers		
– At a point in time	3,246,164	3,052,838
– Over time	3,825,904	3,402,101
	7,072,068	6,454,939

The disaggregation of revenue by geographical location is consistent with the segment disclosures under note 6.

7. REVENUE (continued)

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

	For the year ended 31 March 2020					
	Segment revenue HK$'000	Leasing of properties and car park income HK$'000	Food and beverage HK$'000	Gaming HK$'000	Interest and dividend income HK$'000	Consolidation HK$'000
Sales of properties	4,834,976	(58,631)	–	–	–	4,776,345
Hotel operations	1,345,534	(52,518)	(193,172)	7,225	–	1,107,069
Car park operations	759,782	854	–	–	–	760,636
Gaming operations	271,223	–	(18,877)	(7,225)	(48,567)	196,554
Provision of property management services	–	19,415	–	–	–	19,415
Food and beverage	–	–	199,614	–	–	199,614
Other operations	–	–	12,435	–	–	12,435
Revenue from contracts with customers	7,211,515	(90,880)	–	–	(48,567)	7,072,068
Leasing of properties	66,121	90,880	–	–	–	157,001
Provision of mortgage services	36,907	–	–	–	(27,466)	9,441
Interest income and dividend income from financial instruments	136,061	–	–	–	76,033	212,094
Total revenue	7,450,604	–	–	–	–	7,450,604

	For the year ended 31 March 2019				
	Segment revenue HK$'000	Leasing of properties and car park income HK$'000	Food and beverage HK$'000	Interest and dividend income HK$'000	Consolidation HK$'000
Sales of properties	3,811,217	(55,971)	–	–	3,755,246
Hotel operations	1,817,622	(60,816)	(244,023)	–	1,512,783
Car park operations	720,458	1,040	–	–	721,498
Gaming operations	259,296	–	–	(62,432)	196,864
Provision of property management services	–	24,506	–	–	24,506
Food and beverage	–	–	243,267	–	243,267
Other operations	19	–	756	–	775
Revenue from contracts with customers	6,608,612	(91,241)	–	(62,432)	6,454,939
Leasing of properties	64,090	91,241	–	–	155,331
Provision of mortgage services	37,902	–	–	(34,415)	3,487
Interest income and dividend income from financial instruments	131,715	–	–	96,847	228,562
Total revenue	6,842,319	–	–	–	6,842,319

7. REVENUE (continued)

Performance obligations for contracts with customers

Sales of properties recognised at point in time

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers other than sales of properties in Singapore and Malaysia. Revenue from sales of such residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

In different location, the Group receives 5% to 20% of the contract value as deposits from customers when they sign the sale and purchase agreement. Such deposits result in contract liabilities being recognised throughout the property construction period.

The Group considers the deposits do not contain significant financing component and accordingly the amount of consideration is not adjusted for the effects of the time value of money.

Sales of properties recognised over time

Revenue from sales of properties in Singapore and Malaysia is recognised over time because the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the buyer and thus the property unit does not have an alternative use to the Group. Revenue for these sales of properties is recognised based on the stage of completion of the contract using input method.

The Group's sales contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 5% to 20% of total contract sum, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

7. REVENUE (continued)

Performance obligations for contracts with customers (continued)

Hotel revenue

The hotel room revenue from customers are recognised over time using output method when the service and facilities are provided. The Group allows an average credit period is not more than 30 days to travel agents and corporate customers.

Car park income

The car park revenue from customers are recognised over time using output method when the service and facilities are provided.

Gaming revenue

Gaming revenue is the aggregate net difference between gaming wins and losses.

Provision of property management services

Revenue from property management service is recognised over time as income when the services and facilities are provided.

Food and beverage

For income from food and beverages, revenue is recognised when the food and beverage are delivered to the customer.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at the reporting period and the expected timing of recognising revenue are as follow:

	Sales of properties	
	2020 HK$'000	2019 HK$'000
Within one year	**4,483,934**	3,121,906
More than one year but not more than two years	**1,808,038**	5,426,810
More than two years	**8,566,966**	6,176,401
	14,858,938	14,725,117

The amount disclosed above do not include contracts for property management services and car park management fee in which the Group bills a fixed amount each month according to the terms.

As at 31 March 2020 and 31 March 2019, contracts with customers with unsatisfied performance obligations for the income from gaming operations, hotel revenue, parking revenue have original expected duration of one year or less.

Lease revenue

During the years ended 31 March 2020 and 2019, all income from lease of properties are fixed lease payments.

8. OTHER GAINS AND LOSSES

	2020 HK$'000	2019 HK$'000
Change in fair value of investment properties	(20,865)	672,530
Change in fair value of financial assets at FVTPL	(96,854)	(63,837)
Gain on disposal of debts instruments at FVTOCI	28,359	–
Change in fair value of derivative financial instruments	20,899	144,738
Net foreign exchange gains	58,386	41,027
Gain on disposal of associates	–	51,677
Gain on dissolution of subsidiaries	–	36,552
Allowance for credit loss	(4,990)	(12,278)
(Loss) gain on disposal of property, plant and equipment	(452)	509
Bargain purchase gain (note 39(a))	–	108,000
	(15,517)	978,918

9. FINANCE COSTS

	2020 HK$'000	2019 HK$'000
Interest on:		
Bank borrowings	613,220	550,497
Other loans	18,857	21,955
Interest on lease liabilities	20,950	–
Interest on notes and bonds	148,555	143,768
Amortisation of front-end fee	17,620	11,527
Others	20,369	32,528
Total interest costs	839,571	760,275
Less: amounts capitalised to:		
– properties for sale (properties under development)	(343,678)	(337,388)
– owners' occupation (property, plant and equipment)	(27,468)	(55,263)
	468,425	367,624

Borrowing costs capitalised during the year which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 2.04% to 4.0% (2019: 1.99% to 4.50%) per annum to expenditure on the qualifying assets.

10. INCOME TAX EXPENSE

	2020 HK$'000	2019 HK$'000
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	83,608	78,970
PRC Enterprise Income Tax ("PRC EIT")	54,819	92,045
PRC Land Appreciation Tax ("PRC LAT")	40,015	94,226
Australia Income Tax	17,141	16,685
Malaysia Income Tax	4,780	4,049
Singapore Income Tax	6,507	5,241
UK Income Tax	–	8,293
Czech Republic Income Tax	6,421	4,528
	213,291	304,037
Under(over)provision in prior years:		
Hong Kong Profits Tax	318	17,934
PRC EIT	31,958	10,890
Australia Income Tax	(8,279)	(2,038)
Malaysia Income Tax	149	182
UK Income Tax	(8,282)	–
Singapore Income Tax	24	3
	15,888	26,971
Deferred taxation (note 37)	57,161	212,753
	286,340	543,761

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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

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%, 19% and 19% of the estimated assessable profits for both years, respectively.

10. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to profit before tax per the consolidated statement of profit or loss as follows:

	Hong Kong HK$'000	PRC HK$'000	Australia HK$'000	Malaysia HK$'000	Singapore HK$'000	Others HK$'000	Consolidated HK$'000
2020							
Profit before tax	44,707	204,163	87,035	17,704	421,045	62,667	837,321
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 30%	
Tax at the applicable income tax rate	7,377	51,041	26,110	4,249	71,578	12,391	172,746
Tax effect of expenses not deductible for tax purpose	83,289	5,141	8,564	2,205	13,280	7,001	119,480
Tax effect of income not taxable for tax purpose	(37,170)	(1,187)	(2,513)	(568)	(13,846)	(1,640)	(56,924)
PRC LAT	–	40,015	–	–	–	–	40,015
Tax effect of deductible temporary difference not recognised	–	–	5,907	–	–	–	5,907
Utilisation of tax losses previously not recognised	(4,031)	–	(262)	–	–	(8,663)	(12,956)
Tax effect of PRC LAT	–	(10,002)	–	–	–	–	(10,002)
Utilisation of deductible temporary differences previously not recognised	(4,239)	–	–	(2,256)	–	–	(6,495)
Tax effect of tax losses not recognised	26,182	17,117	–	356	1,660	81	45,396
Tax effect of share of results of associates	1,472	–	769	–	–	–	2,241
Tax effect of share of results of a joint venture	(82)	–	(715)	–	–	–	(797)
Recognition of tax effect of PRC LAT previously not recognised	–	(31,958)	–	–	–	–	(31,958)
(Over)underprovision in prior years	318	31,958	(8,279)	149	24	(8,282)	15,888
Others	(508)	(1,400)	(2,593)	1,575	7,044	(319)	3,799
Income tax expense for the year	72,608	100,725	26,988	5,710	79,740	569	286,340

	Hong Kong HK$'000	PRC HK$'000	Australia HK$'000	Malaysia HK$'000	Singapore HK$'000	Others HK$'000	Consolidated HK$'000
2019							
Profit before tax	571,958	895,395	464,169	19,176	187,566	174,222	2,312,486
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 30%	
Tax at the applicable income tax rate	94,373	223,849	139,251	4,602	31,886	33,984	527,945
Tax effect of expenses not deductible for tax purpose	55,622	11,308	30,710	2,275	9,430	1,546	110,891
Tax effect of income not taxable for tax purpose	(64,425)	(10,236)	(93,818)	(605)	(2,283)	(25,041)	(196,408)
PRC LAT	–	94,226	–	–	–	–	94,226
Utilisation of tax losses previously not recognised	(19,204)	(1,589)	(212)	–	(430)	–	(21,435)
Tax effect of PRC LAT	–	(23,557)	–	–	–	–	(23,557)
Tax effect of taxable temporary difference previously not recognised	–	13,538	132	–	–	–	13,670
Utilisation of tax effect of deductible temporary differences previously not recognised	(1,022)	–	–	(2,071)	–	–	(3,093)
Tax effect of tax losses not recognised	13,495	12,265	–	455	–	–	26,215
Tax effect of share of results of associates	(3,289)	–	640	–	–	–	(2,649)
Tax effect of share of results of a joint venture	(350)	–	–	–	–	–	(350)
Recognition of deferred tax assets for unused tax losses	(10,000)	–	–	–	–	–	(10,000)
(Over)underprovision in prior years	17,934	10,890	(2,038)	182	3	–	26,971
Others	(21)	(1,789)	842	(223)	(1,714)	4,240	1,335
Income tax expense for the year	83,113	328,905	75,507	4,615	36,892	14,729	543,761

Details of the deferred taxation are set out in note 37.

11. PROFIT FOR THE YEAR

	2020 HK$'000	2019 HK$'000
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense		
– Overtime	1,443,992	854,492
– At point of time	1,973,078	1,589,434
	3,417,070	2,443,926
Auditor's remuneration	13,384	16,261
Depreciation of property, plant and equipment (including depreciation of leased properties of HK$89,931,000 (2019: Nil))	462,467	397,311
Amortisation of prepaid lease payments	–	10,387
Amortisation of contract cost	148,200	94,781
Staff costs (included HK$480,089,000 (2019: HK$477,927,000) in cost of sales and services)		
– Directors' emoluments (note 14(a))	23,210	20,788
– Other staffs	861,816	872,819
	885,026	893,607
Share of taxation of associates (included in share of results of associates)	1,337	1,556
and after crediting:		
Rental income, net of outgoings of HK$42,731,000 (2019: HK$30,758,000)	115,014	124,573
Bank interest income	10,462	16,654

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the consolidated profit for the year attributable to the shareholders of the Company of HK$365,853,000 (2019: HK$1,713,659,000) and the number of shares calculated as follows:

	2020 HK$'000	2019 HK$'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,358,214	2,317,488
Effect of dilutive potential ordinary shares – Company's share options	–	391
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,358,214	2,317,879

13. DIVIDENDS

	2020 HK$'000	2019 HK$'000
Dividends recognised as distribution during the year:		
2020 interim dividend of HK4.0 cents per share (2019: 2019 interim dividend of HK4.0 cents per share)	94,843	93,491
2019 final dividend of HK18.0 cents per share (2019: 2018 final dividend of HK18.0 cents per share)	420,069	412,756
	514,912	506,247

The 2020 interim dividend and 2019 final dividend was declared in 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$3.766 and HK$3.276 per share respectively. Shares are issued during the year on the shareholders' election for shares are set out in note 38. These new shares rank pari passu to the existing shares of the Company.

A final dividend for the year ended 31 March 2020 of HK15.0 cents (2019: HK18.0 cents) per share, totalling of HK$353,732,000 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and chief executive's emoluments

The emoluments paid and payable to each of the directors and chief executive of the Company for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance ("CO"), is as follows:

Name of directors	Fees HK$'000	Salaries, bonuses and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2020				
Executive Directors:				
David CHIU	25	2,040	2	2,067
Dennis CHIU	25	2,673	–	2,698
Craig Grenfell WILLIAMS	25	3,359	129	3,513
Cheong Thard HOONG	25	9,814	18	9,857
Wing Kwan Winnie CHIU (appointed on 3 June 2019)	21	4,414	18	4,453
Independent Non-executive Directors:				
Kwok Wai CHAN	220	–	–	220
Lai Him Abraham SHEK (appointed on 3 June 2019)	182	–	–	182
Kwong Siu LAM	220	–	–	220
	743	22,300	167	23,210

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' and chief executive's emoluments (continued)

Name of directors	Fees HK$'000	Salaries, bonuses and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2019				
Executive Directors:				
David CHIU	25	2,120	12	2,157
Dennis CHIU	25	2,912	4	2,941
Craig Grenfell WILLIAMS	25	5,124	145	5,294
Cheong Thard HOONG	25	9,693	18	9,736
Independent Non-executive Directors:				
Kwok Wai CHAN	220	–	–	220
Peter Man Kong WONG (deceased on 11 March 2019)	220	–	–	220
Kwong Siu LAM	220	–	–	220
	760	19,849	179	20,788

Tan Sri Dato' David CHIU is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as Chief Executive.

The fee paid or payable to Executive Directors and Independent Non-executive Directors shown above were mainly for their services in connection with their services as directors of the Company.

The salaries, bonuses, other benefits and retirement benefits scheme contributions paid or payable to Executive Directors shown above were mainly for their services in connection with the management of the affairs of the Group.

Performance related incentive payment was paid/payable to Cheong Thard HOONG of HK$1,211,600 (2019: HK$1,159,400) and Craig Grenfell WILLIAMS of HK$1,195,000 (2019: HK$2,887,500) respectively and included in salaries and other benefits, which was determined with reference to their performances.

Neither the chief executive nor any of the directors waived any emoluments in the years ended 31 March 2020 and 31 March 2019.

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, four (2019: three) were directors whose emoluments are disclosed above. The remuneration of the remaining one (2019: two) individual is as follows:

	2020 HK$'000	2019 HK$'000
Salaries and other benefits	3,505	6,461
Retirement benefits scheme contributions	120	36
	3,625	6,497

The emolument of highest paid employee who is not a director of the Company was within the following band:

	2020 Number of employee	2019 Number of employee
HK$2,500,001 to HK$3,000,000	–	1
HK$3,000,001 to HK$4,000,000	1	1
	1	2

No emolument was paid to the directors and the highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

15. INVESTMENT PROPERTIES

	Completed properties HK$'000	Properties under development HK$'000	Total HK$'000
At 1 April 2018	3,229,437	–	3,229,437
Additions	51,909	501,536	553,445
Acquired on acquisition of subsidiaries	1,132,950	–	1,132,950
Reclassify from completed properties for sale	16,343	–	16,343
Disposals	(49,120)	–	(49,120)
Increase in fair value	671,916	614	672,530
Exchange alignment	(112,589)	(16,600)	(129,189)
At 31 March 2019	4,940,846	485,550	5,426,396
Additions	8,558	2,066,787	2,075,345
Reclassify from completed properties for sale	52,644	–	52,644
(Decrease) increase in fair value	(63,390)	42,525	(20,865)
Exchange alignment	(233,072)	(57,240)	(290,312)
At 31 March 2020	4,705,586	2,537,622	7,243,208

15. INVESTMENT PROPERTIES (continued)

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 18 years. The rental payment of leases of offices and retail stores are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

During the year ended 31 March 2020, the Group transferred certain completed properties for sale to investment properties at fair value of HK$52,644,000 (2019: completed properties for sale to investment property of fair value HK$16,343,000).

For the year ended 31 March 2020, the total cash outflow for acquiring leasehold land included in investment properties amounted to HK$2,066,787,000.

The fair value of the completed investment properties in Hong Kong and outside Hong Kong at 31 March 2020, 31 March 2019 and at the date of transfer have been arrived at on the basis of a valuation carried out on those date by the following independent firm of qualified professional valuers not connected to the Group:

Location of the investment properties	Independent qualified professional valuers	Qualification
Australia	CBRE Valuations Pty Limited Colliers International (WA) Pty Ltd	Member of the Australian Property Institute
HK/PRC	Cushman & Wakefield Limited Knight Frank Petty Ltd.	Member of the Hong Kong Institute of Surveyors
Singapore	Savills Valuation and Professional Services (S) Pte. Ltd. Knight Frank Pte. Ltd.	Member of the Singapore Institute of Surveyors and Valuers

15. INVESTMENT PROPERTIES (continued)

In determining the fair value of the relevant properties, the Group engages independent qualified professional valuers ("Valuers") to perform the valuation. The management of the Company works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management of the Company report the findings of the valuation to the board of directors of the Company periodically to explain the cause of fluctuations in the fair value of the investment properties.

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

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

The fair value measurement of Group's major investment properties and information about the fair value hierarchy at 31 March 2020 and 31 March 2019 are as follows:

The key inputs used in valuing the investment properties under the income capitalisation approach were the capitalisation rates used and market rent. A slight increase in the capitalisation rate used would result in a significant decrease in the fair value of the investment properties, and vice versa.

The key inputs used in valuing the investment properties under the direct comparison approach under the residual value approach were the market unit rate and gross development value respectively. A significant increase in the market unit rate and gross development value would result in a significant increase in the fair value of the investment properties and investment properties under development respectively, and vice versa.

15. INVESTMENT PROPERTIES (continued)

Details of the significant unobservable input are as follows:

Class of property	Carrying amount 2020 HK$'000	2019 HK$'000		
Completed investment properties				
Income capitalisation approach			Capitalisation rates	Market rent
Office portion in HK	504,800	508,200	2.125% – 2.375% per annum (2019: 2% to 2.375% per annum)	HK$29 to HK$40 per square foot (2019: HK$29 to HK$41.3 per square feet)
Retail portion in HK	1,268,329	1,300,174	2.5% – 3.5% per annum (2019: 2.5% to 3.5% per annum)	HK$13.5 to HK$207 per square foot (2019: HK$14 to HK$243.5 per square feet)
Car park in HK	8,500	–	3.2% per annum	HK$1,500 per car park
Retail portion in the PRC	1,328,710	1,433,250	4.5% – 6.5% per annum (2019: 4.5% to 6.5% per annum)	Renminbi ("RMB") 37 to RMB266 per square metre (2019: RMB37 to RMB266 per square metre)
Office portion in the PRC	49,050	60,840	4.5% per annum (2019: 4.5% per annum)	RMB56 per square metre (2019: RMB56 per square metre)
Retail portion in Australia	257,809	270,049	4.5% to 12.5% per annum (2019: 4.5% to 12.5% per annum)	Australian Dollar ("A$") 500 to A$6,000 per square metre (2019: A$711 to A$2,200 per square metre)
Direct comparison approach				Market unit rate
Car park in the PRC	92,650	86,580	N/A	RMB262,000 to RMB263,000 per car park (2019: RMB262,000 per car park)
Retail portion in Singapore	132,980	148,803	N/A	Singapore Dollar ("S$") 38,006 per square metre (2019: S$40,031 per square metre)
Residential in Singapore	1,062,758	1,132,950	N/A	S$42,873 per square metre (2019: S$42,871 per square metre)
	4,705,586	4,940,846		

15. INVESTMENT PROPERTIES (continued)

Class of property	Carrying amount 2020 HK$'000	2019 HK$'000		
Investment properties under development measured at fair value				Gross development value
Residential value approach				
Office, retail and carpark in HK	1,430,182	–	N/A	Gross development value of HK$15,500 per square foot for office Gross development value of HK$22,000 per square foot for retail Gross development value of HK$1,900,000 per car park
Residential in the PRC	1,107,440	485,550	N/A	Gross development value of RMB8,040 to RMB8,050 per square metre (2019: RMB7,756 per square metre)
	2,537,622	485,550		

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold lands HK$'000	Leased properties HK$'000	Owned Properties: Completed HK$'000	Owned Properties: Under development HK$'000	Leasehold improvements, furniture, fixtures and equipment HK$'000	Total HK$'000
COST						
At 1 April 2018	–	–	8,396,982	283,415	1,479,593	10,159,990
Additions	–	–	95,651	1,035,512	62,971	1,194,134
Acquired on acquisition of subsidiaries	–	–	525,934	–	–	525,934
Transfer from properties under development for sales	–	–	–	446,557	–	446,557
Disposals	–	–	–	–	(4,517)	(4,517)
Exchange alignment	–	–	(189,341)	(59,244)	(58,447)	(307,032)
At 31 March 2019	–	–	8,829,226	1,706,240	1,479,600	12,015,066
Adjustments upon application of HKFRS 16	1,597,510	496,118	(1,076,011)	–	–	1,017,617
At 1 April 2019 (restated)	1,597,510	496,118	7,753,215	1,706,240	1,479,600	13,032,683
Additions	1,047,842	213,223	252,928	4,672	103,728	1,622,393
Transfer upon completion	–	–	975,424	(975,424)	–	–
Disposals	–	–	–	–	(9,387)	(9,387)
Exchange alignment	(40,955)	(85,043)	(592,308)	(73,130)	(87,507)	(878,943)
At 31 March 2020	2,604,397	624,298	8,389,259	662,358	1,486,434	13,766,746
DEPRECIATION AND IMPAIRMENT						
At 1 April 2018	–	–	1,286,867	–	698,119	1,984,986
Provided for the year	–	–	219,581	–	177,730	397,311
Disposals	–	–	–	–	(4,315)	(4,315)
Exchange alignment	–	–	(25,638)	–	(27,367)	(53,005)
At 31 March 2019	–	–	1,480,810	–	844,167	2,324,977
Adjustments upon application of HKFRS 16	212,242	–	(212,242)	–	–	–
At 1 April 2019 (restated)	212,242	–	1,268,568	–	844,167	2,324,977
Provided for the year	42,760	89,931	214,050	–	115,726	462,467
Disposals	–	–	–	–	(3,196)	(3,196)
Exchange alignment	(8,954)	(8,047)	(77,614)	–	(83,743)	(178,358)
At 31 March 2020	246,048	81,884	1,405,004	–	872,954	2,605,890
CARRYING VALUES						
At 31 March 2020	2,358,349	542,414	6,984,255	662,358	613,480	11,160,856
At 31 March 2019	–	–	7,348,416	1,706,240	635,433	9,690,089

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The owned properties are depreciated on a straight-line basis over their useful lives ranging from 25 to 50 years or the remaining term of the lease of land, whichever is the shorter. The leasehold lands and leased properties are depreciated over the terms of the leases. Other items of property, plant and equipment are depreciated on a straight-line basis at the rates of 10% to 20% per annum. No depreciation is provided on freehold land and buildings under development.

The Group is in the process of obtaining the title of certain completed hotel properties located outside Hong Kong with carrying amount of HK$109,069,000 (2019: HK$111,058,000).

In addition, the Group owns several hotels and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

	Leasehold lands HK$'000	Leased properties HK$'000	Office equipment HK$'000	Total HK$'000
As at 1 April 2019				
Carrying amount	1,385,268	496,118	23,664	1,905,050
As at 31 March 2020				
Carrying amount	2,358,349	542,414	21,000	2,921,763
For the year ended 31 March 2020				
Depreciation charge	42,760	89,931	2,664	135,355
Expense relating to short-term leases				18,862
Additions to right-of-use assets				1,261,065
Total cash outflow for leases				1,163,198

The Group leases various car parks, offices, land and office equipment for its operations. Lease contracts are entered into for fixed term of 1 to 66 years. The Group has extension options in a number of leases for car parks. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension options held are exercisable only by the Group and not by the respective lessors. The Group assessed that it is reasonably certain to exercise the extension options of a majority of the car parks at the date of initial application of HKFRS 16. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group as lessee (continued)

Right-of-use assets (included in the property, plant and equipment) (continued)

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Group. During the year ended 31 March 2020, there is no such triggering event.

The Group regularly entered into short-term leases for slot machines for gaming, motor vehicles and office equipment. As at 31 March 2020, the portfolio of short-term leases is similar to the portfolio of leases for which short-term lease expense was recognised during the current year.

17. PREPAID LEASE PAYMENTS

	2019 HK$'000
Balance at beginning of the year	533,321
Amortisation	(10,387)
Exchange alignment	(25,698)
Balance at end of the year	497,236

The carrying value represents leasehold land outside HK:

Long-term leases with lease period of 99 years	283,569
Medium-term leases with lease period of 35 years	213,667
	497,236

	2019 HK$'000
Analysed for reporting purposes as:	
Non-current asset	483,454
Current asset	13,782
	497,236

Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK$13,782,000 and HK$483,454,000 respectively were reclassified to right-of-use assets.

18. GOODWILL

Goodwill arose from the acquisition of 73.75% equity interest in certain subsidiaries, which are engaged in car park operations, in previous year.

The management determines that there is no impairment on the carrying amount of the goodwill based on the estimated cash generated from the car park operations in Australia. The calculation uses cash flow projections based on financial budgets approved by the management covering a 5-years period, and at a discount rate of 17% (2019: 17%) per annum. The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeding its recoverable amount.

19. INTERESTS IN ASSOCIATES

	2020 HK$'000	2019 HK$'000
Unlisted investments, at cost	**1,009,870**	824,459
Share of post-acquisition results, net of dividends received	**227,905**	237,267
	1,237,775	1,061,726

Particulars of principal associates, which are incorporated and operating in Hong Kong except otherwise indicated, at the end of the reporting period are as follows:

Name of associate	Class of shares held	Registered capital/ Proportion of nominal value of issued capital held by the Company indirectly 2020	2019	Principal activities
Bermuda Investments Limited	Ordinary	**25%**	25%	Property investment
Omicron International Limited*	Ordinary	**30%**	30%	Investment holding
Peacock Estates Limited	Ordinary	**25%**	25%	Property investment
Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd+	Ordinary	**25%**	25%	Property development and investment

* Incorporated in the British Virgin Islands and operating in HK
\+ Incorporated and operating in Australia

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

19. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates

Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd ("DBC") is regarded as the material associate of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this associate is set out below and represents amounts shown in the associate's consolidated financial statements prepared in accordance with IFRSs, equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of DBC for the year ended 31 March 2020 was as follows:

	2020 HK$'000	2019 HK$'000
Current assets	734,356	742,238
Non-current assets	3,621,199	2,856,811
Current liabilities	(302,172)	(121,389)
Non-current liabilities	(158,586)	(317,476)

	2020 HK$'000	2019 HK$'000
Revenue	–	–
Loss after tax	(11,855)	(4,874)
Total comprehensive expense for the year	(11,855)	(4,874)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2020 HK$'000	2019 HK$'000
Net assets of the associate	3,894,797	3,160,184
Proportion of the Group's ownership interest in the associate	25%	25%
Carrying amount of the Group's interest in the associate	973,699	790,046

Aggregate information of associates that are not individually material:

	2020 HK$'000	2019 HK$'000
The Group's share of (loss) profit after tax	(8,521)	19,022
The Group's share of total comprehensive (expense) income	(8,521)	19,022
Aggregate carrying value of the Group's interest in these associates	264,076	271,680

19. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

The Group has discontinued to recognise its share of losses of certain associates. The amounts of unrecognised share of losses of those associates, extracted from the relevant management accounts of the associates, both for the year and cumulatively, are as follows:

	2020 HK$'000	2019 HK$'000
The unrecognised share of losses for the year	–	–
Cumulative unrecognised share of losses	(51,153)	(51,153)

20. INTERESTS IN JOINT VENTURES

(a) Joint ventures

	2020 HK$'000	2019 HK$'000
Unlisted investments, at cost	785,333	655,059
Share of post-acquisition results, net of dividends/ distributions received	6,518	6,015
Less: impairment	(5)	(5)
	791,846	661,069

Particulars of the Group's principal joint ventures at the end of the reporting period are as follows:

Name of entity	Country of registration/ incorporation and operation	Proportion of registered capital held by the Company indirectly 2020	2019	Principal activities
Guangdong Xin Shi Dai Real Estate Limited	PRC	50%	50%	Property development
QWB Residential Precinct Holdings Pty Ltd	Australia	50%	50%	Property development and investment
BC Group Holdings Limited	Cayman Islands	50.66%	50.66%	Provision of mortgage services
Destination Gold Coast Consortium Pty Ltd	Australia	33%	33%	Hotel management
Destination Gold Coast Investments Pty Ltd	Australia	25%	25%	Hotel management
Cuscaden Homes Pte Limited	Singapore	10%	10%	Hotel management

The Group and the other joint venturers are contractually agreed sharing of control and have rights to the net assets of these entities. The decisions about the relevant activities of these entities required unanimous consent of the Group and the other joint venturers. Accordingly, these investments are accounted for as joint ventures.

20. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures

(i) QWB Residential Precinct Holdings Pty Limited (the "QWB Residential") is regarded as a material joint venture of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this joint venture is set out below and represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with IFRSs, equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of QWB Residential for the year ended 31 March 2020 was as follows:

	2020 HK$'000	2019 HK$'000
Current assets	14,357	14,997
Non-current assets	460,888	426,736
Current liabilities	(61,521)	(12,073)
The above amounts of assets include the following:		
Cash and cash equivalents	11,498	14,257
Revenue	–	–
Loss after tax	(5)	–
Total comprehensive expense for the year	(5)	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2020 HK$'000	2019 HK$'000
Net assets of the joint venture	413,724	429,660
Proportion of the Group's ownership interest in the joint venture	50%	50%
Carrying amount of the Group's interest in the joint venture	206,862	214,830

20. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(ii) BC Group Holdings Limited ("BC Group") is regarded as a material joint venture of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this joint venture is set out below and represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with IFRSs, equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of BC Group for the year ended 31 March 2020 was as follows:

	2020 HK$'000	2019 HK$'000
Current assets	474,213	338,519
Non-current assets	4,753,373	3,553,987
Current liabilities	(133,217)	(114,458)
Non-current liabilities	(5,007,269)	(3,731,390)
The above amounts of assets and (liabilities) include the following:		
Cash and cash equivalents	369,572	268,774
Loan receivables	4,657,899	3,488,280
Notes	(4,972,163)	(3,685,180)
Revenue	119,093	4,145
Expenses	(100,236)	(9,285)
Income tax expense	(10,395)	–
Profit (loss) and total comprehensive income (expense) for the year	8,462	(5,140)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2020 HK$'000	2019 HK$'000
Net assets of the joint venture	87,100	46,658
Proportion of the Group's ownership interest in the joint venture	50.66%	50.66%
The Group's share of net assets of the joint venture	44,125	23,637
Goodwill	142,336	142,336
Carrying amount of the Group's interest in the joint venture	186,461	165,973

20. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(iii) *Aggregate information of joint ventures that are not individually material:*

	2020 HK$'000	2019 HK$'000
The Group's share of loss after tax	(1,409)	–
The Group's share of total comprehensive expense	(1,409)	–
Aggregate carrying value of the Group's interest in these joint ventures	398,523	280,266

(b) Joint operation

(i) During the year ended 31 March 2015, a subsidiary of the Group as developer (the "Developer") has entered into development agreement ("Agreement") with Urban Renewal Authority ("URA") in form of joint operation to engage in residential/commercial property development and sales in Hong Kong. Under the Agreement, the Developer is mainly responsible for the development of the project. Units in the development will be sold or disposed of by URA in accordance with the terms and conditions of the Agreement and sales proceeds arising therefrom will be distributed between URA and the Developer pursuant to the terms and conditions of the Agreement.

The material amounts included in the consolidated financial statements arising from the joint operation are as follow:

	2020 HK$'000	2019 HK$'000
Analysis of financial position:		
Properties for sales/under development of sales	24,365	258,667
Deposit receivable from stakeholders	25	47,894
Account payables, other payables and accruals	(10,765)	(18,439)
Analysis of profit or loss:		
Revenue	421,115	–
Cost of sales	(246,758)	–

20. INTERESTS IN JOINT VENTURES (continued)

(b) Joint operation (continued)

(ii) During the year ended 31 March 2012, the Group entered into an agreement with a related company to jointly develop certain portion of the Group's freehold land with fair value, as agreed between the parties, of Malaysian Ringgit ("MYR") 65,000,000. The related company is responsible for the provision of technical, commercial and financial management of the development on the land and marketing the properties on completion of their development and bears all the related cost and expenses of the development. The development activities and the sales of the completed properties are directed by the related company's board of directors, of which the Group and the related company have equal number of representatives throughout the joint operation period. The Group and the related company will share the profit or loss (representing revenue from sale less the fair value of the land, development costs and marketing expenses of the completed properties) from the development on a 50:50 basis.

Assets with a carrying amount of MYR8,800,000, equivalent to HK$15,816,000 (2019: MYR8,800,000, equivalent to HK$16,965,000) are recognised in the consolidated financial statements as at 31 March 2020 in relation to the joint operations, representing the cost of the freehold land and included in properties for development under current assets. Income and expenses of the joint operation for the year are insignificant.

21. INVESTMENT SECURITIES

	2020 HK$'000	2019 HK$'000
(i) Financial assets at FVTPL		
(a) *Investments held for trading*		
Listed equity securities	20,790	79,874
(b) *Debt instruments at FVTPL*		
Listed debt securities	474,634	2,076,376
Unlisted debt securities	242,602	409,959
	717,236	2,486,335
(c) *Equity instruments at FVTPL*		
Unlisted equity securities	21,909	14,483
(d) *Investment funds*	215,302	774,618
(ii) Financial assets at FVTOCI		
(a) *Debt instruments at FVTOCI*		
Listed debt securities	1,435,031	–
Unlisted debt securities	146,189	–
	1,581,220	–
(b) *Equity instruments at FVTOCI*		
Unlisted equity securities	–	2,133
Equity securities listed overseas	470,943	1,065,011
	470,943	1,067,144
Total	3,027,400	4,422,454

	2020 HK$'000	2019 HK$'000
Analysed for reporting purposes as:		
Non-current assets	492,852	1,081,626
Current assets	2,534,548	3,340,828
	3,027,400	4,422,454

Other than the investment held for trading, the classification of investment securities under current and non-current is based on the realisation plan of the investment securities protected by the management taking into consideration of the Group's cash needs in coming next twelve months.

Investment securities that are denominated in A$, Euro ("EUR"), British Pounds ("GBP"), United States Dollar ("US$") and S$, amounted to A$13,488,000 (equivalent to HK$448,644,000) (2019: A$68,315,000 (equivalent to HK$379,831,000)), EUR17,446,000 (equivalent to HK$148,979,000) (2019: EUR9,669,000 (equivalent to HK$84,994,000)), GBP6,670,000 (equivalent to HK$63,834,000) (2019: GBP10,258,000 (equivalent to HK$104,630,000)), US$228,755,000 (equivalent to HK$1,770,564,000) (2019: US$323,485,000 (equivalent to HK$2,536,122,000 and S$14,880,000 (equivalent to HK$80,971,000) (2019: S$2,000,000 (equivalent to HK$11,580,000)) respectively. All other investment securities are denominated in functional currency of the respective group entities.

22. LOAN RECEIVABLES

	2020 HK$'000	2019 HK$'000
Loan receivables	268,920	253,497
Less: Amount due within one year and classified under current assets	(9,269)	(20,244)
Amount due after one year	259,651	233,253

Loan receivables represent mortgage loans secured by the properties of the borrowers.

Included in loan receivables is an amount of HK$8,330,000 (2019: HK$170,829,000) which bear interest ranging at prime rate minus 1.5% for first two years and prime rate plus 0.5% for the remaining period; an amount of HK$23,987,000 (2019: HK$46,750,000) are interest-free for the first 3 years and bear interest at prime rate per annum and are repayable by instalment thereafter; an amount of HK$235,810,000 (2019: HK$26,368,000) which bear interest ranging from prime rate minus 3% to prime rate plus 2% for whole loan period and the remaining balance of HK$793,000 (2019: HK$9,550,000) are unsecured, interest-free and repayable on demand.

23. PLEDGED DEPOSITS, RESTRICTED BANK DEPOSITS, DEPOSIT IN A FINANCIAL INSTITUTION, BANK BALANCES AND CASH

Pledged deposits included in non-current assets carry interest at rates ranging from 0.00% to 2.45% (2019: 0.00% to 3.19%) per annum. These deposits are pledged to secure bank loans repayable after one year.

The pledged deposits shown under current assets carry interest at market rates ranging from 0.00% to 3.25% (2019: 0.00% to 3.27%) per annum. These deposits, with maturity dates ranging from 1 to 6 months, are pledged to secure bank borrowings repayable within one year.

Restricted bank deposits, carry interest at market rates ranging from 0.30% to 1.63% (2019: 0.35% to 1.55%), represent custody deposits paid in banks in relation to certain banking facility arrangements of the Group and deposits can be solely applied for settlement of development cost of designated property projects.

Deposit in a financial institution carries interest at a rate of 0.00% to 0.25% (2019: 0.00% to 0.55%) per annum.

Bank deposits with maturity of less than three months and bank balances carry interest at market rates ranging from 0.00% to 2.00% (2019: 0.00% to 2.5%) per annum.

Bank balances and cash that are denominated in A$, EUR, GBP, S$ and US$, amounted to A$19,527,000 (equivalent to HK$93,339,000) (2019: A$1,164,000 (equivalent to HK$6,471,000)), EUR2,007,000 (equivalent to HK$17,141,000) (2019: EUR4,000,000 (equivalent to HK$35,157,000)), GBP11,027,000 (equivalent to HK$105,527,000) (2019: GBP7,346,000 (equivalent to HK$74,928,000)), S$1,025,000 (equivalent to HK$5,578,000) (2019: S$13,748,000 (equivalent to HK$79,605,000)) and US$132,466,000 (equivalent to HK$1,025,288,000) (2019: US$50,821,000 (equivalent to HK$398,433,000)) respectively. All other bank balances and cash are denominated in functional currency of the respective group entities.

24. PROPERTIES FOR SALE

Included in properties for sale are properties with carrying value of HK$7,685,565,000 (2019: HK$10,735,435,000) which are not expected to be realised within the next twelve months.

25. DEBTORS, DEPOSITS AND PREPAYMENTS

	2020 HK$'000	2019 HK$'000
Trade debtors		
Contracts with customers	117,778	135,174
Lease receivables	11,443	9,398
Less: allowance for credit loss	(5,763)	(5,763)
	123,458	138,809
Utility and other deposits	63,909	78,852
Prepayment and other receivables	138,241	195,492
Other tax recoverable	53,483	34,693
Deposit and stamp duty paid for the acquisition of property	–	20,000
	379,091	467,846

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

	2020 HK$'000	2019 HK$'000
0–60 days	97,290	112,476
61–90 days	8,742	6,857
Over 90 days	17,426	19,476
	123,458	138,809

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.

As at 31 March 2020, included in the Group's trade and lease receivables balances are debtors with an aggregate carrying amount of HK$26,168,000 (2019: HK$24,487,000) which are past due at the reporting date. Out of the past due balances, HK$17,426,000 (2019: HK$18,344,000) has been past due 90 days or more and is not considered as in default as the default risk of these debtors is low after considering the credit worthiness and past payment history of these debtors and forward-looking information available at the end of the reporting period. The Group has no significant concentration risk on trade and lease receivables as the amount spread over a large number of counterparties and customers. The Group does not hold any collateral over these balances. Details of impairment assessment of trade and other receivables for the year ended 31 March 2020 are set out in note 49.

26. CUSTOMERS' DEPOSITS UNDER ESCROW

The amount represents the portion of the sales proceeds that have been settled by the buyers of properties and are being held in the escrow accounts. During the construction period, the amount is earmarked for payment of certain properties under development and repayment of relevant bank loans. The fund are remitted to the Group upon the issuance of the relevant certificates by the relevant government authorities.

27. CONTRACT ASSETS

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

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

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

28. CONTRACT COSTS

Contract costs capitalised as at 31 March 2020 relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of selling and marketing expenses in the consolidated statement of profit or loss in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was HK$148,200,000 (2019: HK$94,781,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year.

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts relating to the sale of completed properties and services as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

29. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2020 HK$'000	2019 HK$'000	2020 HK$'000	2019 HK$'000
Held for trading derivatives that are not designated in hedge accounting relationships:				
Interest rate swap contracts	–	–	(3,128)	–
Cross currency swap contracts	37,222	4,465	(269)	–
Asset from profit guarantee arrangement	–	2,547	–	–
	37,222	7,012	(3,397)	–
Analysed for reporting purpose as:				
Current	–	4,646	(3,397)	–
Non-current	37,222	2,366	–	–
	37,222	7,012	(3,397)	–

30. CREDITORS AND ACCRUALS

	2020 HK$'000	2019 HK$'000
Trade creditors		
– Construction cost and retention payable	666,631	939,681
– Others	74,838	122,873
	741,469	1,062,554
Construction cost and retention payable for capital assets	31,343	36,038
Rental deposits and rental receipts in advance	56,319	73,728
Other payable and accrued charges	435,504	359,258
	1,264,635	1,531,578

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

	2020 HK$'000	2019 HK$'000
0–60 days	700,139	1,005,701
61–90 days	3,623	13,502
Over 90 days	37,707	43,351
	741,469	1,062,554

31. CONTRACT LIABILITIES

	2020 HK$'000	2019 HK$'000
Sales of properties	310,598	974,166

As at 1 April 2018, contract liabilities amounted to HK$1,520,096,000.

The Group receives amounts ranging from 5% to 20% of the contract value as deposits from customers when they sign the sale and purchase agreement. The amount is expected to be settled within the Group's normal operating cycle and is classified as current based on the Group's earliest obligation to transfer the properties to customers.

During the year ended 31 March 2020, the Group has recognised revenue of HK$877,578,000 (2019: HK$1,204,973,000) that was included in the contract liabilities balance at the beginning of the year.

32. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments 2019 HK$'000	Present value of minimum lease payments 2019 HK$'000
Amounts payable under finance leases:		
Within one year	7,763	6,697
In more than one year but not more than five years	13,610	12,476
	21,373	19,173
Less: Future finance charges	(2,200)	–
Present value of lease obligations	19,173	19,173
Less: Amount due within one year shown under current liabilities		(6,697)
Amount due after one year		12,476

It is the Group's policy to lease certain of its motor vehicles and equipment under finance leases. The average lease terms range from 1 to 5 years. The average borrowing rates for the year ended 31 March 2019 was 6.71% per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's finance lease obligations, determined based on the present value of the estimated future cash flow discounted using the prevailing market rate, at the end of the reporting period approximates to their carrying amount.

Upon application of HKFRS 16, the current and non-current portion of obligations under financial leases amounting to HK$6,697,000 and HK$12,476,000 respectively were reclassified to lease liabilities.

33. BANK AND OTHER BORROWINGS

	2020 HK$'000	2019 HK$'000
Bank loans	19,015,955	17,034,260
Other loans	929,007	835,824
	19,944,962	17,870,084
Less: front-end fee	(33,200)	(31,541)
	19,911,762	17,838,543
Analysed for reporting purpose as:		
Secured	16,557,962	15,050,084
Unsecured	3,387,000	2,820,000
	19,944,962	17,870,084
Current liabilities	6,505,953	4,235,896
Non-current liabilities	13,405,809	13,602,647
	19,911,762	17,838,543
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:		
Revolving loans without specified repayment terms and loan repayable within one year	5,608,728	3,199,157
More than one year, but not exceeding two years	6,417,747	4,222,741
More than two years, but not exceeding five years	7,511,073	10,180,824
More than five years	407,414	267,362
	19,944,962	17,870,084

The carrying amounts of the borrowings include an amount of HK$1,965,284,000 (2019: HK$1,813,162,000) that contains a repayment on demand clause, HK$908,876,000 (2019: HK$1,044,413,000) of that amount is not repayable within one year based on scheduled repayment dates. However, the full HK$1,965,284,000 (2019: HK$1,813,162,000) has been shown under current liabilities as the counterparties have discretionary rights to demand immediate repayment.

33. BANK AND OTHER BORROWINGS (continued)

Currencies	Interest rates	2020 HK$'000	2019 HK$'000
HK$	Hong Kong Interbank Offered Rates ("HIBOR") plus 0.75% to 2.1% (2019: HIBOR plus 0.75% to 2.1%)	10,528,031	7,765,979
RMB	88% of over 5 years People's Bank of China Prescribed Interest Rate ("PBOC PIR") to 100% of 3 to 5 years PBOC PIR (2019: 5 years or above PBOC PIR)	491,820	564,560
S$	Singapore Swap Offered Rate ("S$ SOR") plus 0.68% to 1.1% (2019: S$ SOR plus 0.68% to 1.1%)	3,399,361	4,152,610
MYR	Malaysia Base Lending Rates ("Malaysia BLR") minus 1.50% to plus 1.50% (2019: Malaysia BLR minus 1.50% to plus 1.50%)	160,750	190,260
A$	Australia Bank Bill Swap Reference Rate ("Australia BBSW") plus 1.40% to 1.80% (2019: Australia BBSW plus 1.40% to 1.55%)	3,995,130	3,960,251
GBP	London Interbank Offered Rate ("LIBOR") plus 1.85% to 2.75% (2019: LIBOR plus 2.00% to 2.75%)	1,044,740	792,562
US$	LIBOR plus 1.35% (2019: LIBOR plus 1.35%)	29,325	218,658
EUR	Czech Republic Lombard Rate (Czech Republic LR) plus 1.95% to 3.1% (2019: Czech Republic LR plus 1.95% to 3.1%)	295,805	225,204
		19,944,962	17,870,084

Bank and other borrowings that are denominated in A$, US$ and EUR, amounted to A$144,346,000 (equivalent to HK$689,974,000) (2019: A$144,697,000 (equivalent to HK$804,513,000)), US$3,784,000 (equivalent to HK$29,325,000) (2019: US$28,676,000 (equivalent to HK$224,818,000)) and EUR34,639,000 (equivalent to HK$295,805,000) (2019: EUR25,620,000 (equivalent to HK$225,204,000)) respectively. All other bank and other borrowings are denominated in functional currency of the respective group entities.

34. LEASE LIABILITIES

	2020 HK$'000
Lease liabilities payable:	
Within one year	77,253
Within a period of more than one year but not more than two years	74,362
Within a period of more than two years but not more than five years	148,169
More than five years	324,555
	624,339
Less: Amount due for settlement with 12 months shown under current liabilities	(77,253)
Amount due for settlement after 12 months shown under non-current liabilities	547,086

35. AMOUNTS DUE TO SHAREHOLDERS OF NON-WHOLLY OWNED SUBSIDIARIES

Included in the amounts due to shareholders of non-wholly owned subsidiaries is an amount due to a shareholder of a non-wholly owned subsidiary, included under non-current liabilities in prior year, for financing the property development project in Singapore. The amount is unsecured, interest-free and due to a shareholder of FEC Skyline Pte. Ltd. ("FEC Skyline"), a 70% subsidiary of the Company. In accordance with the contractual terms of the shareholders' agreements, the amount is repayable only when FEC Skyline has available cash, which represent cash proceeds received from the business after payment of operating expenses as provided in the annual budget including but not limited to bank loans and/or other financial institutions which are due for repayment together with the accrued interest. The expected repayment date of the amount due to a shareholder of a non-wholly owned subsidiary is in August 2020 and the difference between the principal amount of the advance and its fair value at initial recognition amounting to HK$19,681,000 has been included in the non-controlling interest as deemed capital contribution arising from interest-free loan advanced by a non-controlling shareholder during the year ended 31 March 2017.

The remaining amounts due to shareholders of non-wholly owned subsidiaries under current liabilities are unsecured, interest-free and either repayable on demand or without fixed terms of repayment.

36. NOTES AND BONDS

	2029 Notes HK$'000	2023 Notes HK$'000	2021 Notes HK$'000	2018 Bonds HK$'000	Total HK$'000
At 1 April 2018	–	1,163,337	2,335,621	907,995	4,406,953
Redemption upon maturity	–	–	–	(907,995)	(907,995)
Interest charged during the year	–	54,783	92,235	–	147,018
Interest paid during the year	–	(11,496)	(76,849)	–	(88,345)
Interest payable due within 12 months and included in other payable	–	(41,107)	(11,502)	–	(52,609)
Exchange adjustments	–	1,489	2,988	–	4,477
At 31 March 2019	–	1,167,006	2,342,493	–	3,509,499
Issue of new notes	80,000	–	–	–	80,000
Less: transaction costs directly attributable to issue	(2,783)	–	–	–	(2,783)
Interest charged during the year	2,503	54,590	91,462	–	148,555
Interest paid during the year	(2,040)	(32,251)	(81,794)	–	(116,085)
Interest payable due within 12 months and included in other payable	(306)	(20,172)	(5,805)	–	(26,283)
Exchange adjustments	19	(14,898)	(29,900)	–	(44,779)
At 31 March 2020	77,393	1,154,275	2,316,456	–	3,548,124

36. NOTES AND BONDS (continued)

2029 Notes

On 5 September 2019, the Company issued notes with aggregate principal amount of HK$80,000,000 with maturity date on 5 September 2029 (the "2029 Notes") to independent third party. The 2029 Notes bear interest at 5.1% per annum payable semi-annually. As at 31 March 2020, the aggregate principal amount of the 2029 Notes outstanding was HK$80,000,000.

2023 Notes

On 6 November 2017, the Company issued notes with aggregate principal amount of US$150,000,000 with maturity date on 13 May 2023 (the "2023 Notes") to independent third party. The 2023 Notes bear interest at 4.5% per annum payable semi-annually. As at 31 March 2020, the aggregate principal amount of the 2023 Notes outstanding was US$150,000,000 (equivalent to HK$1,161,000,000) (2019: US$150,000,000 (equivalent to HK$1,176,000,000)).

2021 Notes

On 8 September 2016, the Company issued notes with aggregate principal amount of US$300,000,000 with maturity date on 8 September 2021 (the "2021 Notes") to independent third party. The 2021 Notes bear interest at 3.75% per annum payable semi-annually. As at 31 March 2020, the aggregate principal amount of the 2021 Notes outstanding was US$300,000,000 (equivalent to HK$2,322,000,000) (2019: US$300,000,000 (equivalent to HK$2,352,000,000)).

2018 Bonds

On 3 April 2013, Dorsett issued bonds with aggregate principal amount of RMB850,000,000 (equivalent to HK$1,062,500,000) at the issue price of 100% of the principal amount with maturity date on 3 April 2018 (the "2018 Bonds") to independent third parties. The 2018 Bonds were fully redeemed upon maturity.

The principal terms of 2029 Notes, 2023 Notes, 2021 Notes and 2018 Bonds:

a) Other than during the closed period and subject to the terms of the paying agency agreement in respect of the 2029 Notes, 2023 Notes, 2021 Notes and 2018 Bonds, the bonds are transferable without restrictions.

b) Unless previously redeemed or purchased and cancelled, the Company and Dorsett will redeem each 2029 Notes, 2023 Notes, 2021 Notes and 2018 Bonds at 100% at its principal amount together with unpaid accrued interest on the maturity date.

c) At any time the Company and Dorsett may, having given not less than 15 nor more than 30 days' notice to the 2021 Notes noteholders or 30 nor more than 60 days' notice to the 2023 Notes noteholders and bondholders in accordance with the terms and conditions of the 2023 Notes, 2021 Notes and 2018 Bonds (which notice shall be irrevocable) redeem all, and not some only, of the 2023 Notes, 2021 Notes and 2018 Bonds at their principal amount together with interest accrued to the date fixed for redemption on the redemption date as a result of any change in, or amendment to, the applicable tax laws or regulations of the Cayman Islands or Hong Kong.

36. NOTES AND BONDS (continued)

d) When a change of control occurs with respect to the Company and Dorsett, the noteholder of 2023 Notes, 2021 Notes and bondholder of 2018 Bonds will have the right at such holder's option, to require the Company and Dorsett to redeem all or some only of that 2023 Notes and 2021 Notes at 100% and 2018 Bonds at 101% of their principal amount together with interest accrued to the date fixed for redemption.

e) The 2029 Notes, 2023 Notes, 2021 Notes and 2018 Bonds will constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the 2029 Notes, 2023 Notes, 2021 Notes and 2018 Bonds) unsecured obligations of the Company and Dorsett and shall at all times rank pari passu and without any preference or priority among themselves.

Details of the issue of the 2023 Notes, 2021 Notes and 2018 Bonds were disclosed in the Company's circular dated 7 November 2018, 25 August 2016 and Dorsett's circular dated 25 March 2013, respectively.

37. DEFERRED TAXATION

The major deferred tax liabilities (assets) recognised by the Group, and movements thereon during the current and prior years are as follows:

	Accelerated tax depreciation HK$'000	Revaluation of investment properties HK$'000	Revaluation of assets HK$'000	Fair value adjustments on business combination HK$'000	Tax losses HK$'000	Others HK$'000 (note)	Total HK$'000
At 1 April 2018	88,578	176,330	76,450	34,261	(69,793)	244,976	550,802
Charge (credit) to profit or loss	(2,411)	147,369	–	(4,950)	236	72,509	212,753
Acquisition of subsidiaries	–	–	–	15,921	–	–	15,921
Exchange alignment	83	(17,246)	(6,002)	(319)	1,536	(11,940)	(33,888)
At 31 March 2019	86,250	306,453	70,448	44,913	(68,021)	305,545	745,588
Charge (credit) to profit or loss	(1,867)	8,010	–	(1,245)	(14,051)	66,314	57,161
Exchange alignment	(441)	(234)	(7,886)	(852)	7,235	9,093	6,915
At 31 March 2020	83,942	314,229	62,562	42,816	(74,837)	380,952	809,664

Note: Others represent the temporary difference arising from the deduction of the interest expenses, development expenditure of overseas subsidiaries at the development stage and the EIT effects of unpaid PRC LAT.

For the purposes of presentation of the consolidated statement of financial position, certain deferred tax (assets) liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2020 HK$'000	2019 HK$'000
Deferred tax assets	(93,653)	(49,640)
Deferred tax liabilities	903,317	795,228
	809,664	745,588

37. DEFERRED TAXATION (continued)

The Group recognises deferred tax in respect of the change in fair value of the investment properties located in the PRC and Australia, as these properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in these investment properties over the time, i.e. through usage of such properties for rental purpose except for freehold land which is always presumed to be recovered entirely through sales. No deferred tax recognised in respect of the charge in fair value of the investment properties located in Hong Kong and Singapore, as those properties were recovered through sales.

At 31 March 2020, the Group has unused tax losses of HK$1,715,284,000 (2019: HK$1,447,678,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK$331,086,000 (2019: HK$292,873,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$1,384,198,000 (2019: HK$1,154,805,000) due to the unpredictability of future profit streams.

At 31 March 2020, the Group has deductible temporary difference in relation to accelerated accounting depreciation of property, plant and equipment amounted to HK$380,369,000 (2019: HK$395,769,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for on the temporary differences attributable to profits of the subsidiaries of the PRC generated after 1 January 2008, Australia and Singapore of HK$3,791,780,000 (2019: HK$3,875,961,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

38. SHARE CAPITAL

	Number of ordinary shares of HK$0.10 each	Nominal value HK$'000
Authorised	4,000,000,000	400,000
Issued and fully paid:		
At 1 April 2018	2,301,786,140	230,179
Share repurchase	(13,619,000)	(1,362)
Issue of shares in lieu of cash dividends (i)	62,023,162	6,202
Issue upon exercise of share option at HK$2.55 per share	1,500,000	150
At 31 March 2019	2,351,690,302	235,169
Share repurchase	(42,672,000)	(4,267)
Issue of shares in lieu of cash dividends (ii)	60,402,907	6,040
At 31 March 2020	2,369,421,209	236,942

38. SHARE CAPITAL (continued)

(i) On 14 February 2019 and 11 October 2018, the Company issued and allotted 16,412,149 and 45,611,013 new fully paid shares of HK$0.10 each at HK$3.262 and HK$4.040 respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2019 interim dividend and 2018 final dividend pursuant to the scrip dividend scheme announced by the Company on 28 December 2018 and 3 September 2018 respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(ii) On 18 February 2020 and 31 October 2019, the Company issued and allotted 9,928,874 and 50,474,033 new fully paid shares of HK$0.10 each at HK$3.766 and HK$3.276 respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2020 interim dividend and 2019 final dividend pursuant to the scrip dividend scheme announced by the Company on 28 December 2019 and 3 September 2019 respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(iii) During the year ended 31 March 2020, the Company, through its subsidiary, repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share purchased	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration paid HK$'000
July 2019	5,550,000	3.84	3.52	21,090
August 2019	9,693,000	3.90	3.36	34,604
September 2019	2,727,000	3.57	3.49	9,299
October 2019	4,855,000	3.34	3.31	15,633
February 2020	8,276,000	3.94	3.55	30,042
March 2020	11,571,000	3.49	2.91	31,010

During the year ended 31 March 2019, the Company, through its subsidiary, repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share purchased	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration paid HK$'000
May 2018	5,000,000	4.38	4.67	21,800
August 2018	3,700,000	4.00	4.40	15,540
September 2018	2,150,000	3.78	4.18	8,084
January 2019	2,769,000	3.26	3.50	9,138

The shares were cancelled during the year and accordingly the issued share capital and the share premium was reduced by the nominal value of these shares and the premium paid on repurchase respectively.

All the shares issued during the two years ended 31 March 2020 rank pari passu in all respects with the existing shares in the Company.

During the year, except the amount disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

39. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of business

On 30 April 2018, the Group acquired the entire share capital of TWC, a company incorporated in United States of America. The principal activity of TWC is hospitality and gaming business. The acquisition was accounted for using the purchase method.

	Carrying amount in the acquiree's financial records HK$'000	Fair value adjustment HK$'000	Fair value of net assets HK$'000
Net assets acquired:			
Property, plant and equipment	445,986	79,948	525,934
Debtors, deposits and prepayments	64,486	–	64,486
Bank balances and cash	55,339	–	55,339
Creditors and accruals	(38,733)	–	(38,733)
Bank borrowings	(153,825)	–	(153,825)
Deferred tax liabilities	(3,278)	(12,643)	(15,921)
	369,975	67,305	437,280
Bargain purchase gain			(108,000)
Consideration satisfied by cash			329,280
Net cash outflow arising on acquisition:			
Cash consideration			329,280
Cost incurred in connection with the acquisition			3,386
Bank balances and cash acquired			(55,339)
			277,327

The bargain purchase gain represents the excess of the acquirer's interest in the net fair value of assets attributable by the sale by the shareholders of the acquiree in anticipation of the change in the gaming regulatory and operating environment in Czech Republic.

Had the acquisition been completed on 1 April 2018, the directors of the Company would not have expected a material impact to the group revenue and profit for the year as the revenue and losses contributed by TWC from 1 April up to 30 April 2018 (date of acquisition) was insignificant to the Group.

39. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of assets

In July 2018, the Group acquired the entire share capital of Highest Reach Investments Limited, which indirectly owned a property known as 21 Anderson Royal Oak Residence, located at 21 Anderson Road in Singapore. The assets acquired and liabilities assumed did not constitute a business as defined under HKFRS 3 *Business Combinations* and therefore, the acquisition was accounted for as assets acquisition.

The asset acquired and liabilities assumed in the transaction are as follows:

	HK$'000
Investment properties	1,132,950
Debtors, deposits and prepayments	419
Bank balance and cash	42,650
Creditors and accruals	(4,405)
Bank borrowings	(595,471)
Net assets of the subsidiaries acquired	576,143
Total consideration satisfied by:	
Cash consideration paid	576,143
Net cash outflow arising on acquisition:	
Cash consideration paid	576,143
Cash and cash equivalents acquired	(42,650)
	533,493

40. 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 US$250,000,000, US$50,000,000 and US$60,000,000 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 US$1,000,000,000 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 Group and FEC Finance 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 Group and FEC Finance.

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

During the year, the Group entered into new lease agreement for the use of leased properties for five years, the Group recognised HK$213,223,000 of right-of-use assets and lease liabilities.

41. MAJOR NON-CASH TRANSACTIONS

(i) The Company issued shares in lieu of cash dividend payable to the Company's shareholders totalling HK$202,755,000 (2019: HK$237,815,000).

(ii) BC Group was set up as a holding company and is integral to the whole restructuring scheme involving certain associates of the Group during the year ended 31 March 2019. As part of the scheme, the Group's interests in certain associates were disposed to BC Group for a consideration of A$8,900,000 resulting in a gain on disposal of associates of HK$51,677,000 being recognised in the profit or loss during the year ended 31 March 2019. On the same day, the call options (as amended) held by the Group in the associates were exercised, entitling the Group to subscribe for shares in BC Group for an amount equivalent to the market value of the call options held by the Group in the associates. In addition, the Group recognised a fair value gain on the call options of HK$123,847,000 in the profit or loss with the corresponding amount debited as deemed cost of the Group's interest in BC Group. Upon completion of the restructuring, the Group holds 50.66% equity interest in BC Group and the investment is classified as interests in joint ventures by the Group based on the decision making arrangement of the shareholders' deed where decision on operating and financial policies or activities of BC Group and its subsidiaries requires unanimous consent of the Group and other shareholders. BC Group and its subsidiaries are principally involved in the provision of mortgage services.

(iii) During the year, the Group entered into new lease agreement for the use of leased properties for five years and recognised HK$213,223,000 of right-of-use assets and lease liabilities.

42. CHARGE ON ASSETS AND RESTRICTIONS OF ASSETS

Bank borrowing of HK$16,557,962,000 (2019: HK$15,050,084,000) and finance lease liabilities of HK$15,783,000 (2019: HK$19,173,000) outstanding at the end of the reporting period are secured by a fixed charge over the following assets of the Group and together with a floating charge over other assets of the property owners and benefits accrued to those properties:

	2020 HK$'000	2019 HK$'000
Investment properties	**4,971,580**	2,416,776
Property, plant and equipment (excluding right-of-use assets)	**6,124,724**	5,612,513
Right-of-use assets	**1,510,185**	–
Prepaid lease payments	**–**	497,236
Properties for sale	**8,263,088**	11,774,893
Bank deposits	**72,009**	35,940
Investment securities	**824,953**	1,073,723
	21,766,539	21,411,081

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

Restrictions or covenants on leases

In addition, lease liabilities of HK$608,556,000 are recognised with related right-of-use assets of HK$567,015,000 as at 31 March 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

43. CAPITAL COMMITMENTS

	2020 HK$'000	2019 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**1,186,814**	877,949
Commitment to provide credit facility to a joint venture	**94,000**	65,000
Others	**17,528**	28,273
	1,298,342	971,222

44. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group's investment properties and certain properties for sales temporary rented out have committed leases for next 1 to 18 years.

Minimum lease payments receivables on leases are as follows:

	2020 HK$'000
Within one year	104,456
In the second year	66,737
In the third year	31,992
In the fourth year	24,876
In the fifth year	22,201
More than five years	77,905
	328,167

At as 31 March 2019, the Group had contracted with tenants for the future minimum lease payments under non-cancellable operating leases which fall due:

	2019 HK$'000
Within one year	118,639
In the second to fifth year inclusive	200,400
More than five years	83,839
	402,878

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as the lease is denominated in the functional currencies of group entities. The lease contract do not contain any residual value guarantee or any options for the lessees to purchase the property at the end of lease term.

44. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessee

At 31 March 2019, the Group had commitments for future minimum lease payments for premises under non-cancellable operating leases which fall due:

	2019 HK$'000
Within one year	100,550
In the second to fifth year inclusive	255,380
More than five years	56,292
	412,222

Leases are negotiated for an average term of two years and rentals are fixed over the lease period.

45. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2020 HK$'000	2019 HK$'000
Provision of building management service by associates	3,851	2,342
Provision of consultancy service to joint ventures	–	2,307
Provision of underwriting service to joint ventures	420	35,736

Details of the balances with associates, joint ventures, shareholders of non-wholly owned subsidiaries, an investee company and a related company as at the end of the reporting period are set out in the consolidated statement of financial position and the relevant notes.

The related companies are companies controlled by certain executive directors or their close family members who have significant influence over the Group through their direct and indirect equity interest in the Company.

(b) The Group has entered into three hotel management services contracts for the provision of hotel management services to certain companies in Malaysia which are controlled by a director of the Company. During the year ended 31 March 2020, hotel management services income of HK$2,409,000 (2019: HK$1,914,000) was received under these contracts.

(c) Remunerations paid and payable to the members of key management, who are the directors and the five highest paid individuals, during the year are disclosed in note 14.

46. AMOUNTS DUE FROM/TO RELATED PARTIES

The amounts due from/to associates, joint ventures, an investee company and related companies are set out in the consolidated statement of financial position. The amounts are unsecured, interest-free and either repayable on demand or without fixed terms of repayment. The related companies are companies controlled by certain executive directors or their close family members who have significant influence over the Group through their direct and indirect equity interest in the Company.

In respect of the amounts classified under non-current assets, the Group does not expect repayment within the next twelve months from the end of the reporting period.

In respect to the amounts classified under non-current liabilities, the Group is not required to settle the balance within twelve months from the end of the reporting period.

47. SHARE OPTION SCHEMES

On 31 August 2012, the Company adopted a new share option scheme and the old share option scheme of the Company adopted on 28 August 2002 was expired on 28 August 2012 (collectively referred to as the "FECIL Share Option Schemes"). The FECIL Share Option Scheme were approved by the Company for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the FECIL Share Option Schemes, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Without prior approval from the Company's shareholders, the total number of shares to be issued under the FECIL Share Option Scheme is not permitted to exceed 10% of the shares of the Company then in issue; and the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue.

Options granted will be taken up upon payment of HK$1 by the grantee. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the Directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Share options were granted by the Company on 25 August 2006, 8 May 2009 and 27 March 2013, at an initial exercise price at HK$3.290, HK$1.500 and HK$2.550 per share respectively to directors and employees of the Company and its subsidiaries.

47. SHARE OPTION SCHEMES (continued)

Details of options granted are as follows:

Options granted on 27 March 2013	Vesting period	Exercise period	Exercise price HK$
Tranche 1	27.3.2013 to 28.2.2014	2.3.2014 to 28.2.2020	2.550
Tranche 2	27.3.2013 to 28.2.2015	2.3.2015 to 28.2.2020	2.550
Tranche 3	27.3.2013 to 29.2.2016	2.3.2016 to 28.2.2020	2.550
Tranche 4	27.3.2013 to 28.2.2018	2.3.2018 to 28.2.2020	2.550

The movements in the options granted to employees in aggregate during the two years ended 31 March 2019 and 31 March 2020 are as follows:

Option type	Date of grant	At 1.4.2018	Exercised during the year	At 31.3.2019 and 31.3.2020
Tranche 1	27.3.2013	225,000	(225,000)	–
Tranche 2	27.3.2013	300,000	(300,000)	–
Tranche 3	27.3.2013	375,000	(375,000)	–
Tranche 4	27.3.2013	600,000	(600,000)	–
		1,500,000	(1,500,000)	–
Weighted average exercisable price		2.550	2.550	–
Number of options exercisable at the end of the year		1,500,000		

At 31 March 2020 and 2019, the number of options which remained outstanding under the FECIL Share Option Schemes was nil.

Total consideration received by the Group for exercising the options granted amount to approximately HK$3,826,000 for the year ended 31 March 2019.

The weighted average closing price of the Company's share immediately before the date(s) on which the options were exercised was HK$4.00 for the year ended 31 March 2019.

48. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiary is required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

The Group makes defined contributions to the Employees Provident Fund for qualifying employees in Malaysia under which the Group is required to make fixed contributions under the defined contribution plans to separate entities. The Group has no legal or constructive obligations of further contributions to make up any deficiencies of fund assets to cover all employees benefits relating to their services to the Group.

The Group makes defined contribution to the Singapore Central Provident Fund which the Group is required to make a certain percentage of the salaries of the employees in Singapore, whereby the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefits plan.

The Group makes contribution to independent superannuation master funds for employees in Australia, based on a certain percentage of the employee's salaries and wages. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contribution.

The Group operates defined contribution schemes in respect of its employees in the United Kingdom. Contribution are made based on a certain percentage of salaries of the employees in the United Kingdom to the defined contribution scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension costs of the defined contribution schemes represent the contributions accrued to the scheme in respect of the accounting period.

Total retirement benefits expenses charged to profit or loss amounted to HK$46,523,000 in the current year (2019: HK$52,892,000).

49. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2020 HK$'000	2019 HK$'000
Financial assets		
Debt instruments as FVTOCI	1,581,220	–
Equity instruments at FVTOCI	470,943	1,067,144
Financial assets at FVTPL	975,237	3,355,310
Financial assets at amortised cost	5,476,196	3,823,541
Derivative financial instruments	37,222	7,012
	8,540,818	8,253,007
Financial liabilities		
Derivative financial instruments	3,397	–
Financial liabilities at amortised cost	25,464,307	23,146,380
	25,467,704	23,146,380

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

The Group's major financial instruments included investment securities, borrowings, trade receivables, trade payables, contract assets, bank balances and cash, notes and bonds. The risks associated with these financial instruments include market risk (interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits, variable-rate borrowings and variable rate debt instruments. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk but would consider doing so in respect of significant exposure should the need arise.

In addition, the Group is also exposed to fair value interest rate as most of the debt instruments are at fixed rate. The sensitivity analysis for fair value interest rate risk for debt instruments measured at fair value are presented under market price risk.

Interest rate sensitivity analysis

The sensitivity analysis considers only borrowings and variable rate debt instruments which have significant impact on the consolidated financial statements. The analysis is prepared assuming that the borrowings and debt instruments at FVTOCI outstanding at the end of the reporting periods were outstanding for the whole year. 50 basis points and 100 basis points represent the best estimation of the possible change in the interest rates over the period until the end of next reporting period for borrowing and debt instruments at FVTOCI respectively.

If interest rates had been increased/decreased by 50 basis points (2019: 50 basis points) and all other variables were held constant, the Group's profit after tax, due to the impact of variable-rate borrowings, would have decreased/increased by HK$55,547,000 (2019: HK$42,716,000) and the interest capitalised would have increased/decreased by HK$44,012,000 (2019: HK$36,255,000).

If interest rates had been increased/decreased by 100 basis points and all other variables were held constant, the Group's profit after tax due to the impact of variable rate debts instruments at FVTOCI, would have increased/decreased by HK$1,410,000.

In the management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Foreign currency risk

Certain group entities have transactions denominated in foreign currencies which expose the Group to foreign currency risk. The Group manages the foreign currency risk by entering certain forward foreign exchange contracts closely monitoring the movement of the foreign currency rate.

The carrying amount of the Group's foreign currency denominated monetary items, at the end of the reporting period are as follows:

	Assets		Liabilities	
	2020 HK$'000	2019 HK$'000	**2020 HK$'000**	2019 HK$'000
A$	**543,616**	386,423	**703,511**	805,841
US$	**2,805,985**	2,948,076	**3,538,862**	3,772,971
EUR	**169,163**	120,151	**298,713**	225,204
S$	**86,551**	91,910	**2**	–
GBP	**172,308**	179,557	**10,502**	–

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

Inter-company balances

	Assets		Liabilities	
	2020 HK$'000	2019 HK$'000	2020 HK$'000	2019 HK$'000
A$	6,412,827	5,099,965	703,920	755,722
RMB	320,414	308,249	1,341,683	1,431,252
EUR	302,532	–	–	–
S$	1,194,189	1,140,154	53,691	53,695
GBP	1,176,985	1,170,488	–	–

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk is mainly on currencies other than US$ versus HK$ exposures since these two currencies are pegged HK$ under the Linked Exchange Rate System. The following tables details the Group's sensitivity to a 10% (2019: 10%) weakening in the functional currencies of the respective group entities against the relevant foreign currencies, while all other variables are held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies at the year end. For a 10% strengthening in the functional currencies of the respective group entities against the relevant foreign currencies, there would be an equal and opposite impact on profit and other comprehensive income.

	Increase (decrease) in profit after tax	
	2020 HK$'000	2019 HK$'000
A$	(11,193)	(29,359)
US$	(61,195)	(68,879)
EUR	(10,817)	(8,772)
S$	7,184	7,629
GBP	12,944	14,365

	Increase (decrease) in other comprehensive income	
	2020 HK$'000	2019 HK$'000
A$	570,891	434,424
RMB	(102,127)	(112,300)
EUR	30,253	–
S$	114,050	108,696
GBP	117,699	117,049

In the management's opinion, the sensitivity analysis is unrepresentative of the foreign currency risk as the year end exposure does not reflect the exposure during the year.

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Price risk

The Group is exposed to equity price risk, fair value interest rate risk and other price risk arising from financial assets at FVTPL and financial assets at FVTOCI.

Price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and debt price risk at the end of the reporting period.

If the price of the respective equity and investment funds have been 5% (2019: 5%) higher/lower:

- profit after tax would have increased/decreased by HK$1,783,000 (2019: HK$3,939,000) as a result of the changes in fair value of equity securities at FVTPL.
- profit after tax would have increased/decreased by HK$8,989,000 (2019: HK$32,340,000) as a result of the changes in fair value of investment funds at FVTPL.
- FVTOCI reserve would have increased/decreased by HK$23,547,000 (2019: HK$53,355,000) as a result of the changes in fair value of financial assets at equity securities at FVTOCI.

If market interest rate had been 50 basis points (2019: 50 basis points) higher/lower with all other variables hold constant:

- profit after tax would have decreased/increased by HK$31,975,000 (2019: HK$140,947,000) as a result of the changes in fair value of debt securities at FVTPL.
- FVTOCI reserve would have decreased/increased by HK$86,728,000 as a result of the changes in fair value of financial assets at debt securities at FVTOCI.

No analysis for the impact of credit risk exposure as the management expected the impact is not significant.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets, pledged/restricted bank deposits, bank balances, amounts due from related parties, other receivables, loan receivables, customers' deposit under escrow, debt instruments at FVTPL and debt instruments at FVTOCI. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables and contract assets are mitigated because they are secured over properties.

Except for debt securities at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised below:

For the Group's investments in debt securities, the investment committee are responsible for the credit risk assessment and give advices to the board of directors. The investment committee also assess the financial performance of the issuers to ensure that the issuers can satisfy the repayment of the principal and interest as they fall due. Failure to repay may result in legal actions against the issuers. The Group also monitors the credit rating and market news of the issuers of the respective debts securities for any indication of potential credit deterioration.

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group's concentration of credit risk mainly on amounts due from an investee company, amounts due from associates which is mainly due from two associates and amounts due from joint venture which is mainly due from five joint ventures. The Group actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on the outstanding balances.

The Group invests in unrated and unrated debt securities. The management regularly reviews and monitors the portfolio of debt securities. Summary of the fair value and principal amount of these debt securities are set out below.

Debt securities at FVTPL

	2020		2019	
	Fair value HK$'000	Principal amount HK$'000	Fair value HK$'000	Principal amount HK$'000
AA- to BBB	422,637	455,245	1,623,377	1,805,647
BB+ to B	51,997	52,308	452,999	438,195
Unrated	242,602	242,602	409,959	399,595
	717,236	750,155	2,486,335	2,643,437

Debt securities at FVTOCI

	2020	
	Fair value HK$'000	Principal amount HK$'000
AA- to BBB	787,918	813,302
BB+ to B	647,113	906,070
Unrated	146,189	146,189
	1,581,220	1,865,561

Trade debtors and contract assets arising from contracts with customers as well as lease receivables

In order to minimise the credit risk, the management of the Group has policies in place to ensure the sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade debtors including lease receivables based on past due analysis. Contract assets are assessed on an individual basis for impairment purpose.

Loan receivables/amounts due from related parties/bank balances and deposits

The credit risk of loan receivables and amounts due from related parties is managed through an internal process. The Group actively monitors the outstanding amounts owed by each debtor and uses past due information to assess whether credit risk has increased significantly since initial recognition. The directors of the Company consider that the probability of default is minimal after assessing the counter-parties financial background and underlying assets held by the related parties.

Loan receivables represent mortgage loans secured by the properties of the borrowers.

In determining the recoverability of loan receivables, the Group considers any change in the credit quality of the borrowers, the value of the underlying properties under mortgage, historical settlements of loan interests and other forward-looking information.

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Debt instruments at FVTOCI

The Group only invests in debt securities with credit rating of B or above issued by Moody's or Standard & Poor's. The directors of the Company focus on the investment diversification and their credit ratings changes. The directors of the Company access ECL on the debt instruments at FVTOCI based on the default rates published by major international credit rating agencies that are applicable to the respective debts instruments credit grades. As a result of this assessment, the directors of the Company are of the opinion that the ECL on these debt instruments is insignificant.

The credit risks on pledged deposits, restricted bank deposits, deposit in a financial institution, bank balances and deposits are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade and leases receivables/ contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	2020 Gross carrying amount HK$'000	2019 Gross carrying amount HK$'000
Debt instruments at FVTOCI						
Investment in listed debt securities	21	AA- to B	N/A	12-month ECL	1,435,031	–
Investment in unlisted debt securities	21	Unrated	Low risk	12-month ECL	146,189	–
Financial assets at amortised cost						
Trade debtors (contracts with customers)	25	N/A	Low risk/watch list (Note 1)	Lifetime ECL (not credit impaired)	117,778	135,174
			Loss	Credit-impaired	29,343	24,353
Loan receivables	22	N/A	Low risk (Note 2)	12-month ECL	268,920	253,497
Amounts due from related parties and an investee company	46	N/A	Low risk (Note 2)	12-month ECL	615,540	390,580
Pledged deposits/ restricted bank deposits	23	above A-(Note 3)	N/A	12-month ECL	192,941	211,665
Bank balances/deposit in a financial institution	23	above A-(Note 3)	N/A	12-month ECL	2,918,606	2,472,165
Other receivables	25	N/A	Low risk (Note 2)	12-month ECL	105,506	160,160
Customers' deposits under escrow	26	N/A	Low risk (Note 2)	12-month ECL	147,527	196,665
Others						
Contract assets	27	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	1,103,698	215,565
Lease receivables	25	N/A	Low risk	Lifetime ECL (not credit impaired)	11,443	9,398

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

1. Trade debtors, lease receivables and contract assets

   For trade debtors, lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired and contract assets, the Group determines the expected credit losses on trade and lease receivables by using a provision matrix, grouped by debtors' aging except for trade debtors with contract assets. Contract assets relate to sales of properties in Singapore and these amounts, as well as the related debtors are assessed individually for impairment.

   As part of the Group's credit risk management, the Group applies debtors' aging for its customers. The exposure to credit risk for debtors which are assessed based on provision matrix as at 31 March 2020 within lifetime ECL (not credit impaired).

   As at 31 March 2020, the Group provided HK$5,763,000 (2019: HK$5,763,000) impairment allowance for trade debtors, based on the provision matrix. Impairment allowance of HK$29,343,000 (2019: HK$24,353,000) were made on credit impaired debtors on an individual basis.

   Contract assets are the unbilled amount resulting from sales of properties when revenue exceeds the amount billed to the buyers. The directors of the Company consider the exposure of credit risk of contract assets and the related trade debtors, is low after taking into account the value of the underlying properties, historical settlement of the counterparties and other forward-looking information. The fair value for the underlying properties is higher than the outstanding amount of the contract assets and the related trade debtors at the end of the reporting period. The loss given default of the contract assets and the related trade debtors is considered as insignificant to the Group, and no allowance of credit loss is provided for the contract assets.

2. Loan receivables/amounts due from related parties/customers' deposit under escrow/other receivables

   For the purposes of internal credit risk management, the Group uses internal credit rating to assess whether credit risk has increased significantly since initial recognition.

   Loan receivables are secured by property interests. The directors of the Company consider the exposure to credit risk of these loan receivables is low after taking into account the value of the collateral, historical settlements of loan interests and principal and other forward-looking information. The fair value of the collateral is higher than the outstanding amount of these receivables at the end of the reporting period. The loss given default and 12-month ECL of these loan receivables is considered as insignificant to the Group, and no allowance of credit loss is provided for these loan receivables.

   For amounts due from related parties, the directors of the Company consider the exposure to credit risk of these amounts is low after taking into consideration of the fair values of the underlying assets held by the related parties, the outlook of their future operations and the expected operating cash flows of the related parties.

   Customers' deposits under escrow represents the portion of the sale proceeds being held in the escrow accounts. The funds are remitted to the Group upon the issuance of the relevant certificates by the relevant government authorities. The directors consider the exposure of credit risk is low.

   For other receivables, the directors of the Company consider the exposure of credit risk, historical settlement and other forward-looking information. The loss rate under of 12-month ECL of the other receivables range from 2% to 3% (2019: 2% to 3%) and accumulated allowance of credit loss of HK$4,237,000 (2019: HK$4,237,000) was recognised.

3. For pledged deposits, restricted bank deposits, bank balances and deposit in a financial institution, the ECL is assessed by reference to probability of default and loss credit rating grade published by international credit agencies.

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Group, to ensure that it maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and external borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Weighted average interest rate %	On demand or within one year HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2020							
Creditors and accruals	N/A	848,280	–	–	–	848,280	848,280
Other liabilities	N/A	1,885	106,770	22,561	370	131,586	129,028
Amounts due to related companies	N/A	751	–	–	–	751	751
Amounts due to associates	N/A	6,897	–	–	–	6,897	6,897
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	395,126	–	–	–	395,126	395,126
Bank and other borrowings	3.17	7,075,474	10,336,373	3,577,224	325,986	21,315,057	19,911,762
Lease liabilities	2.91	87,434	154,689	114,174	412,386	768,683	624,339
Notes and bonds	4.02	143,400	2,473,058	1,175,315	94,006	3,885,779	3,548,124
		8,559,247	13,070,890	4,889,274	832,748	27,352,159	25,464,307
Derivatives financial instrument – net settled							
Interest rate/currency swap contracts		3,397	–	–	–	3,397	3,397

49. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted average interest rate %	On demand or within one year HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2019							
Creditors and accruals	N/A	1,315,449	–	–	–	1,315,449	1,315,449
Other liabilities	N/A	–	8,095	4,176	22,955	35,226	35,226
Amount due to a related company	N/A	623	–	–	–	623	623
Amounts due to associates	N/A	28,057	–	–	–	28,057	28,057
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	7,786	392,024	–	–	399,810	399,810
Bank and other borrowings	2.88	4,647,753	8,480,343	5,775,210	173,825	19,077,131	17,838,543
Obligations under finance leases	2.70	7,527	13,847	–	–	21,374	19,173
Notes and bonds	4.00	1,079,523	2,584,945	1,235,154	–	4,899,622	3,509,499
		7,086,718	11,479,254	7,014,540	196,780	25,777,292	23,146,380

Bank borrowings with a repayment on demand clause are included in the "on demand or within one year" time band in the above maturity analysis. As at 31 March 2020 and 31 March 2019, the carrying amounts of these bank borrowings amounted to HK$1,965,284,000 and HK$1,813,162,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid five years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Within one year HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2020						
Bank borrowings	**1,118,777**	**842,939**	**25,212**	**94,358**	**2,081,286**	**1,965,284**
At 31 March 2019						
Bank borrowings	820,969	551,503	469,489	103,653	1,945,614	1,813,162

The cash flows presented above for variable interest rate financial liabilities is subject to change if changes in interest rates differ from those at the end of the reporting period adopted in the above calculation.

49. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments

The fair values of the Group's financial assets and financial liabilities excluding certain financial instruments are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

	Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at 31.3.2020 HK$'000	Fair value as at 31.3.2019 HK$'000	Fair value hierarchy	Valuation technique and key inputs
1a)	Listed equity securities classified as financial assets at FVTPL	20,790	79,874	Level 1	Quoted bid prices in an active market
1b)	Listed equity securities classified as equity instrument at FVTOCI	470,943	1,065,011	Level 1	Quoted bid prices in an active market
1c)	Unlisted equity securities classified as financial assets at FVTPL	21,909	14,483	Level 3	Reference to the net assets value of the unlisted equity investment provided by the external counterparties. Discount of 5.008% for lack of marketability
1d)	Unlisted equity securities as equity instrument as FVTOCI	–	2,133	Level 3	Discounted cash flows Future cash flows are estimated based on applying the interest yield curves of different types of bonds as the key parameter
2a)	Listed debt securities classified as financial assets at FVTPL	474,634	2,076,376	Level 1	Quoted bid prices in an active market
2b)	Unlisted debt securities classified as financial assets at FVTPL	–	50,581	Level 2	Quoted price provided by brokers
2c)	Unlisted debt securities classified as financial assets at FVTPL	242,602	359,378	Level 2	Recent transactions price of debts securities issued to third parties
2d)	Unlisted debt securities classified as financial assets at FVTOCI	146,189	–	Level 2	Recent transactions price of debt securities issued to third parties
2e)	Listed debt securities classified as financial assets at FVTOCI	1,435,031	–	Level 1	Quoted bid prices in an active market
3)	Investment funds classified as financial assets at FVTPL	215,302	774,618	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities) of the funds

49. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

	Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at 31.3.2020 HK$'000	Fair value as at 31.3.2019 HK$'000	Fair value hierarchy	Valuation technique and key inputs
4)	Cross currency swap contracts classified as derivative financial instruments	Assets – 37,222	Assets – 4,465	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward exchange, discounted at a rate that reflects the credit risk of various counterparties
5)	Assets arising from profit guarantee arrangement	–	Assets – 2,547	Level 3	Income approach Discounting future debt free cash flows available for distribution to the owners to their present worth at market-derived rates of return appropriate for the risks and hazards of investing in similar business.
6)	Interest rate swap contracts classified as derivative financial instruments	Liabilities – (3,128)	–	Level 2	Discounted cash flow Future cash flows are estimated based on interest rates (from observable interest rates at the end of the reporting period) and contracted forward interest rates, discounted at a rate that reflects the credit risk of various counterparties
7)	Cross currency swap contracts classified as derivative financial instruments	Liabilities – (269)	–	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward exchange, discounted at a rate that reflects the credit risk of various counterparties

There were no transfers between Levels 1, 2 and 3 during the year ended 31 March 2020 and 31 March 2019.

49. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets and liabilities

	Structured deposits HK$'000	(Assets) liabilities arising from profit guarantee arrangement HK$'000	Unlisted equity securities classified as equity investment at FVTOCI HK$'000	Unlisted equity securities classified as financial assets as FVTPL HK$'000
At 1 April 2018	40,500	5,876	–	14,483
Addition	166,205	–	2,133	–
Disposal	(207,936)	–	–	–
Fair value movement	1,231	(8,423)	–	–
At 1 April 2019	–	(2,547)	2,133	14,483
Addition	–	–	–	10,372
Fair value movement	–	2,547	(2,133)	(2,675)
Exchange realignment	–	–	–	(271)
At 31 March 2020	–	–	–	21,909

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

The Group has entered certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Agreements ("ISDA Agreements") signed with various banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts.

50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings HK$'000 (Note 33)	Notes and bonds HK$'000 (Note 36)	Dividend payable HK$'000	Amounts due to related companies HK$'000 (Note 46)	Amounts due to associates HK$'000 (Note 46)	Amount due to a joint venture HK$'000	Amounts due to shareholders of non-wholly owned subsidiaries HK$'000 (Note 35)	Lease liabilities/ obligations under finance leases HK$'000 (Notes 32 & 34)	Other liabilities HK$'000	Total HK$'000
At 1 April 2018	11,947,422	4,406,953	–	19,095	27,149	3,177	277,723	17,147	–	16,698,666
Financing cash flows	4,901,689	(1,048,949)	(268,432)	(17,691)	2,509	(3,177)	122,087	(5,972)	33,109	3,715,173
Acquisition of a subsidiary	749,296	–	–	–	–	–	–	–	–	749,296
Non-cash changes	–	–	(237,815)	–	–	–	–	2,200	–	(235,615)
Finance costs	580,729	147,018	–	–	–	–	–	–	–	727,747
Dividends recognised as distribution	–	–	506,247	–	–	–	–	–	–	506,247
Foreign exchange translation	(340,593)	4,477	–	(781)	(1,601)	–	–	5,798	2,117	(330,583)
At 31 March 2019	17,838,543	3,509,499	–	623	28,057	–	399,810	19,173	35,226	21,830,931
Adjustment upon application of HKFRS 16 (note 2)	–	–	–	–	–	–	–	541,355	–	541,355
At 1 April 2019	17,838,543	3,509,499	–	623	28,057	–	399,810	560,528	35,226	22,372,286
New lease entered	–	–	–	–	–	–	–	213,223	–	213,223
Financing cash flows	2,258,383	(38,868)	(312,157)	128	(19,888)	–	12,164	(117,444)	95,284	1,877,602
Non-cash changes	–	(26,283)	(202,755)	–	–	–	–	–	–	(229,038)
Finance costs	670,066	148,555	–	–	–	–	–	20,950	–	839,571
Dividends recognised as distribution	–	–	514,912	–	–	–	–	–	–	514,912
Foreign exchange translation	(855,230)	(44,779)	–	–	(1,272)	–	(16,848)	(52,918)	(1,482)	(972,529)
At 31 March 2020	19,911,762	3,548,124	–	751	6,897	–	395,126	624,339	129,028	24,616,027

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2020 HK$'000	2019 HK$'000
Non-current Assets		
Interests in subsidiaries	9,059,234	9,670,548
Current Assets		
Amounts due from subsidiaries	706,000	–
Bank balances, deposits and cash	6,666	15,229
	712,666	15,229
Creditors and accrued charges	31,933	32,135
Net Current Assets (Liabilities)	680,733	(16,906)
Total Assets Less Current Liabilities	9,739,967	9,653,642
Capital and Reserves		
Share capital	236,942	235,169
Share premium	4,534,687	4,479,650
Reserves	792,188	670,536
	5,563,817	5,385,355
Non-current Liabilities		
Loan from a subsidiary	637,650	702,000
Amount due to a subsidiary	67,517	56,535
Notes and bonds	3,470,730	3,509,499
Deferred tax liabilities	253	253
	4,176,150	4,268,287
	9,739,967	9,653,642

Note:

The movement of equity is as follows:

	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Share options reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2018	230,179	4,297,682	28,458	1,241	628,830	28,511	5,214,901
Profit and other comprehensive income for the year	–	–	–	–	–	490,984	490,984
Dividends	–	–	–	–	–	(506,247)	(506,247)
Repurchase of ordinary shares	(1,362)	(54,562)	1,362	–	–	(1,362)	(55,924)
Share issued in lieu of cash dividend	6,202	231,613	–	–	–	–	237,815
Shares issued upon exercise of share options	150	4,917	–	(1,241)	–	–	3,826
At 31 March 2019	235,169	4,479,650	29,820	–	628,830	11,886	5,385,355
Profit and other comprehensive income for the year	–	–	–	–	–	632,297	632,297
Dividends	–	–	–	–	–	(514,912)	(514,912)
Share issued in lieu of cash dividend	6,040	196,715	–	–	–	–	202,755
Repurchase of ordinary shares	(4,267)	(141,678)	4,267	–	–	–	(141,678)
At 31 March 2020	236,942	4,534,687	34,087	–	628,830	129,271	5,563,817

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of principal subsidiaries at the end of the year are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered and paid up capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			2020	2019	
Direct subsidiaries					
Ample Bonus Limited	BVI/HK	101 shares of US$1	100	100	Investment holding
Pacific Growing Limited	HK	1 share of HK$1	100	100	Investment holding
Queens Wharf Holdings Limited	BVI/HK	1 share of US$	100	100	Investment holding
The Fifth Apartments Pty Ltd	Australia	1 share of A$1	100	100	Property development
Indirect subsidiaries					
124 York Street Pty Ltd	Australia	10,000 shares of A$0.012178	77.75	77.75	Car park operation
13 Roper Street Pty Ltd	Australia	10,000 shares of A$0.012178	77.75	77.75	Car park operation
13 Roper Street Trust	Australia	N/A	77.75	77.75	Car park operation
19 Bank Street Pty Ltd	Australia	10,000 shares of A$0.012178	77.75	77.75	Car park operation
19 Bank Street Trust	Australia	N/A	77.75	77.75	Car park operation
344 Queen Car Park Pty Ltd	Australia	10,000 shares of A$0.012178	77.75	77.75	Car park operation
344 Queen Car Park Trust	Australia	N/A	77.75	77.75	Car park operation
94 York Street Trust	Australia	N/A	77.75	77.75	Car park operation
Advance Delight Global Limited	BVI	1 share of US$1	100	100	Investment holding
All Greatness Limited	BVI/HK	1 share of US$1	100	100	Property development
Amphion Investment Limited	HK	2 shares of HK$1	100	100	Investment holding
Angel Meadows (FEC) Limited	UK	100 shares of £1	100	100	Property development
Anderson International Properties Pte Ltd	Singapore	1,000 shares of S$1	100	–	Property investment
Anderson Raffles Limited	Mauritius	500,000,000 shares of US$1	100	–	Investment holding
Annick Investment Limited	HK	2 shares of HK$1	100	100	Property investment
Apex Path Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Apexwill Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Arvel Company Limited	HK	10,000 shares of HK$1	100	100	Property investment
Asian Harvest Investments Limited	BVI/HK	1 share of US$1	100	100	Treasury management
Ballarat Central Car Park Pty Ltd	Australia	2 shares of A$1	77.75	77.75	Car park operation
Black Capital Finance Services Pty Ltd	Australia	125,000 shares of A$1	60	60	Loan financing
Boundary Farm Car Park Ltd	BVI	2 shares of US$1	88.85	88.85	Car park operation
Bournemouth Estates Limited	HK	2 shares of HK$10	100	100	Property development
Bravo Trade Holdings Limited	BVI/HK	1 share of US$1	100	100	Property development
Bryce International Limited	BVI/HK	100 shares of US$1	100	100	Investment holding
Care Park Finance Pty Ltd	Australia	100 shares of A$1	77.75	77.75	Car park operation
Care Park Holdings Pty Ltd	Australia	100 shares of A$1	77.75	77.75	Investment holding

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered and paid up capital	Proportion of nominal value of issued capital/ registered capital held by the Company 2020	2019	Principal activities
Care Park Leasing Pty Ltd (formerly known as Care Park (Albert Street) Pty Ltd)	Australia	2 shares of A$1	77.75	77.75	Car park operation
Care Park Properties Pty Ltd	Australia	100 shares of A$1	77.75	77.75	Investment holding
Care Park Group Pty Ltd	Australia	100 shares of A$1	77.75	77.75	Car park operation
Care Property Pty Ltd (formerly known as Australian Property Management Pty Ltd)	Australia	100 shares of A$1	77.75	77.75	Car park operation
Carterking Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Cathay Motion Picture Studios Limited	HK	30,000 shares of HK$100	100	100	Property investment
Charter Joy Limited	HK	2 shares of HK$1	100	100	Hotel operation
Charter National International Limited	HK	2 shares of HK$1	100	100	Property development
Cheong Sing Property Development Limited	HK	500 shares of HK$100	100	100	Property development
Ching Chu (Shanghai) Real Estate Development Company Limited (i)	PRC	Registered and paid up capital of US$36,000,000	100	100	Hotel management
Chun Wah Holdings Limited	HK	200 shares of HK$1	100	100	Property development
City Sight Limited	HK	1 share of HK$1	100	100	Loan financing
Complete Delight Limited	BVI/HK	1 share of US$1	100	100	Hotel operation
Cosmopolitan Hotel Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Crouch End (FEC) Limited	UK	1 share of £1	100	100	Property development
Dorsett Bukit Bintang Sdn. Bhd.	Malaysia	250,002 shares of MYR1	100	100	Property development
Dorsett Hospitality International Limited	Cayman Islands	2,100,626,650 shares of HK$0.1	100	100	Investment holding
Dorsett Hospitality International (M) Sdn Bhd	Malaysia	2 shares of MYR2	100	100	Investment holding
Dorsett Hospitality International (Singapore) Pte. Limited	Singapore	1 share of S$1	100	100	Hotel management and consultancy service
Dorsett Hospitality International Services Limited	HK	2 shares of HK$1	100	100	Hotel management
Dorsett Regency Hotel (M) Sdn. Bhd.	Malaysia	5,000,000 shares of MYR1	100	100	Hotel operation
Drakar Limited	Isle of Man/ UK	1 share of £1	100	100	Property development
Dunjoy Limited	HK	2 shares of HK$1	100	100	Investment holding

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered and paid up capital	Proportion of nominal value of issued capital/ registered capital held by the Company 2020	2019	Principal activities
E-Cash Ventures Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Esmart Management Limited	HK	2 shares of HK$1	100	100	Hotel management
Everkent Development Limited	HK	2 shares of HK$1	100	100	Hotel operation
Expert Vision Trading Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Far East Consortium (Australia) Pty Ltd.	Australia	2 shares of A$1	100	100	Property development
Far East Consortium (B.V.I.) Limited	BVI/HK	50,000 shares of US$1	100	100	Investment holding
Far East Consortium (Netherlands Antilles) N.V.	Curacao	99,000 shares of US$1	100	100	Investment holding
Far East Consortium China Investments Limited	HK	6,000 shares of HK$100	100	100	Investment holding
Far East Consortium Holdings (Australia) Pty Ltd	Australia	12 shares of A$1 235 redeemable preference shares of A$42.55	100	100	Investment holding
Far East Consortium Limited	HK	830,650,000 shares of HK$1	100	100	Investment holding and property investment
Far East Consortium Properties Pty Limited	Australia	12 shares of A$1 225 redeemable preference shares of A$44.44	100	100	Investment holding and property investment
Far East Consortium Real Estate Agency Limited	HK	1 share of HK$1	100	100	Sales agency service
Far East Real Estate and Agency (H.K.) Limited	HK	60,000 shares of HK$100	100	100	Investment holding and loan financing
Far East Rockman Hotels (Australia) Pty Ltd	Australia	12 shares of A$1 375 redeemable preference shares of A$10,000	100	100	Investment holding
Far East Vault Limited	HK	1 share of HK$1	100	–	Vault service
FEC Care Park Holdings (Australia) Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
FEC Care Park Holdings Pte Ltd	Singapore	1 share of S$1	100	100	Investment holding
FEC Development (Malaysia) Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Investment holding
FEC Development Management Limited	UK	1 share of £1	100	100	Administration services
FEC Financing Solutions Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
FEC Holdings Pte. Ltd.	Singapore	1,000,000 shares of S$1	100	100	Investment holding

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For the year ended 31 March 2020

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered and paid up capital	Proportion of nominal value of issued capital/ registered capital held by the Company 2020	2019	Principal activities
FEC Hotel Investments Pte. Ltd.	Singapore	2 shares of S$1	100	100	Investment holding and property development
FEC Hotel Operations Holdings (Australia) Pty Ltd	Australia	1 share of A$1	100	100	Hotel operation
FEC Overseas (Singapore) Pte Ltd	Singapore	1 share of S$1	100	100	Investment holding
FEC Skyline Pte. Ltd.	Singapore	4,000,000 shares of S$1	70	70	Property development
FEC Skypark Pte. Ltd.	Singapore	3,000,000 shares of S$1	80	–	Property development
FEC Strategic Investments (Netherlands) B.V.	Amsterdam	120,000 shares of DFL1	100	100	Investment holding
FEC Suites Pte. Ltd.	Singapore	1,000,000 share of S$1	100	100	Property development
FEC QWB Integrated Resort Holdings Limited	BVI/HK	1 share of US$1	100	100	Investment holding
FECFW 1 Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
FECFW 2 Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
Ficon Roper Street Trust	Australia	N/A	77.75	77.75	Car park operation
Fortune Plus (M) Sdn. Bhd.	Malaysia	935,000 shares of MYR1	100	100	Hotel operation
Garden Resort Development Limited	HK	100 shares of HK$1	100	100	Property development
Gold Prime Group Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Grand Expert Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Highest Reach Investments Limited	BVI	494,808 shares of US$1	100	–	Investment holding
Hong Kong Hotel REIT Finance Company Limited	HK	1 share of HK$1	100	100	Loan financing
Jarton Limited	HK	1 share of HK$1	100	100	Property development
Kuala Lumpur Land Holdings Limited	Jersey/HK	100 shares of £1	100	100	Investment holding
Launceston York Car Park Trust	Australia	N/A	77.75	77.75	Car park operation
Madison Lighters and Watches Company Limited	HK	4 shares of HK$1	100	100	Investment holding
Mass Perfect Limited	HK	1 share of HK$1	100	100	Investment holding
May21 Pty Ltd.	Australia	1 share of A$1	100	100	Property development
Merdeka Labuan Sdn. Bhd.	Malaysia	105,000,000 shares of MYR1	100	100	Hotel operation
Midtown at Upper West Side Pty Ltd	Australia	2 shares of A$1	100	100	Investment holding

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered and paid up capital	Proportion of nominal value of issued capital/ registered capital held by the Company 2020	2019	Principal activities
Novel Orient Investments Limited	HK	1 share of HK$1	100	100	Hotel operation
N.T. Horizon Realty (Jordan) Limited	HK	2 shares of HK$100	100	100	Property investment
New Time Plaza Development Limited	HK	1,000 shares of HK$1	100	100	Investment holding
New Union Investments (China) Limited	HK	300 shares of HK$1	100	100	Investment holding
Panley Limited	HK	1 share of HK$1	100	100	Hotel operation
Peacock Management Services Limited	HK	2 shares of HK$1	100	100	Administration services
Perth FEC Pty Ltd	Australia	1 share of A$1	100	100	Property development
Polyland Development Limited	HK	2 shares of HK$1	100	100	Property development
Quadrant Plaza Pty Ltd	Australia	N/A	77.75	77.75	Car park operation
Quadrant Plaza Unit Trust	Australia	N/A	77.75	77.75	Car park operation
Queens Wharf Holdings Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Raffles Legend Properties Pte Ltd	Singapore	1 share of S$1	100	–	Property investment
Regency Hotels Proprietary Limited	Australia	100 shares of A$1	100	100	Investment holding
Richfull International Investment Limited	HK	1 share of HK$1	100	100	Bar operation
Roper Debt Pty Ltd	Australia	10,000 shares of A$0.012178	77.75	77.75	Car park operation
Roper Street Car Park Pty Ltd	Australia	10,000 shares of A$0.012178	77.75	77.75	Car park operation
Roper Street Car Park Unit Trust	Australia	N/A	77.75	77.75	Car park operation
Ruby Way Limited	HK	2 shares of HK$1	100	100	Hotel operation
Sanon Limited	HK	1 share of HK$1	100	100	Property development and investment
SC98A s.r.o.	Czech Republic	1 share of CZK100,000	100	–	Investment holding
Scarborough Development Limited	HK	2 shares of HK$1	100	100	Property investment
Shanghai Chingchu Property Development Company Limited (ii)	PRC	Registered and paid up capital of US$35,000,000	98.2	98.2	Property development and investment
Shepparton Car Park Pty Ltd	Australia	10,050 shares of A$0.017093	77.75	77.75	Car park operation
Shepparton Car Park Trust	Australia	N/A	77.75	77.75	Car park operation
Singford Holdings Limited	BVI/HK	1 share of US$1	100	100	Treasury management
Spencer Green Pty Ltd	Australia	1 share of A$1	100	100	Property development
Star Bridge Development Limited	HK	2 shares of HK$1	100	100	Investment holding

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered and paid up capital	Proportion of nominal value of issued capital/ registered capital held by the Company 2020	2019	Principal activities
Subang Jaya Hotel Development Sdn Bhd	Malaysia	245,000,000 shares of MYR1	100	100	Hotel operation
Success Range Sdn. Bhd.	Malaysia	500,000 shares of MYR1	100	100	Hotel operation
Target Term Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Car park operation
Tantix Limited	HK	1 share of HK$1	100	100	Property development
Teampearl Company Limited	HK	5,001 A shares of HK$1 4,999 B shares of HK$1	100	100	Property development
The Hotel of Lan Kwai Fong Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Topping Faithful Limited	HK	1 share of HK$1	100	–	Sales agency service
Tracia Limited	Isle of Man/ UK	1 share of £1	100	100	Investment holding
Trans World Corporation	Czech Republic	22,968 shares of CZK1	100	100	Gaming and hotel operation
Trans World Hotels & Entertainment a.s.	Czech Republic	400 shares of CZK75,000 and 100 shares of CZK700,000	100	–	Gaming and hotel operation
Trans World Hotels Austria GmbH	Austria	1 share of EUR40,000	100	–	Hotel operation
Trans World Hotels Germany GmbH	Germany	1 share of EUR20,000	100	–	Hotels operation
Venue Summit Sdn. Bhd.	Malaysia	250,000 shares of MYR1	100	100	Hotel operation
Victoria Land Pty Limited	Australia	12 share of A$1	100	100	Management services
Well Distinct Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Zhongshan Developments Limited	BVI/HK	1 share of US$1	100	100	Investment holding
武漢港澳中心物業管理有限公司(iii)	PRC	Registered and paid up capital of RMB500,000	100	100	Property management
武漢遠東帝豪酒店管理有限公司(i)	PRC	Registered and paid up capital US$29,800,000	100	100	Hotel operation
遠東帝豪酒店管理(成都)有限公司(i)	PRC	Registered and paid up capital US$38,000,000	100	100	Property development
上海帝盛酒店有限公司(iii)	PRC	Registered and paid up capital RMB2,000,000	100	100	Hotel operation

(i) Foreign investment enterprise registered in the PRC.
(ii) Sino-foreign equity joint venture registered in the PRC.
(iii) Domestic wholly owned enterprise registered in the PRC.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Details of subsidiaries that has material non-controlling interests

The table below shows details of non-controlling interests of subsidiaries of the Group, other than FEC Finance Limited that are individually immaterial as at 31 March 2020 and 2019.

Name of subsidiary	Profit allocated to non-controlling interests		Accumulated non-controlling interest	
	2020 HK$'000	2019 HK$'000	2020 HK$'000	2019 HK$'000
Subsidiaries with individually immaterial non-controlling interest	86,564	55,066	290,667	219,186

FEC Finance Limited's issued ordinary shares are fully held by the Group. As disclosed in note 40, FEC Finance Limited issued perpetual capital notes which are classified as equity to parties outside the Group. Such non-controlling interests of FEC Finance Limited amounted to HK$2,904,535,000 as at 31 March 2020.

LIST OF PRINCIPAL PROPERTIES

PROPERTY DEVELOPMENT/INVESTMENT PROPERTY

Codes of "Types of Property":

O — Office
R — Residential
S — Shops
CP — Car Park
H — Hospitality and Gaming
A — Agricultural
F — Ancillary Facilities

Name of property and location		Group's interest
Shanghai		
1.	133 units of shoplots in Jinqiu Xintiandi Lane 809 Jinqiu Road, Baoshan District	98.2%
2.	Jinqiu School, Club House, Kindergarten and Ancillary portion of Area 17I California Garden, Jinqiu Road, Baoshan District	98.2%
3.	42 car parking bays, Area 16, California Garden, Jinqiu Road, Baoshan District	98.2%
4.	281 car parking bays California Garden, Jinqiu Road, Baoshan District	98.2%
5.	King's Manor Area 16, California Garden, Jinqiu Road, Baoshan District	98.2%
6.	The Royal Crest II Area 17 II, California Garden, Jinqiu Road, Baoshan District	98.2%

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
23,446	S	Completed	Existing
21,943	F	Completed	Existing
1,968	CP	Completed	Existing
11,522	CP	Completed	Existing
4,041	R	Completed	Existing
4,766	R	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
7.	Area 17A, California Garden, Jinqiu Road, Baoshan District	98.2%
8.	Land parcel no. E1B-01, Lot 47/6 Block 3, Qilian Town, Baoshan District	98.2%
9.	Land parcel no. E2A-01, Lot 93/8 Block 3, Qilian Town, Baoshan District	98.2%
Guangzhou		
1.	New Time Plaza Jian She Heng Road Yue Xiu District	50%
2.	Gan Tang Yuan Huadidadao East Li Wan District	100%
3.	Royal Riverside 10 Miaoqianjie North, Chajiao Li Wan District	100%
4.	455 car parking bays, 10 Miaoqianjie North, Chajiao Li Wan District	100%
Hong Kong		
1.	Star Ruby Ground and 1st Floors, No. 1 San Wai Street Hung Hom	100%
2.	16th, 18th, 19th, 20th and 24th Floors, (including lavatories on 16th, 18th, 19th, 20th and 24th Floors Flat Roof on 24th Floor), Far East Consortium Building 121 Des Voeux Road Central	100%

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
1,667	R	Completed	Existing
53,301	R	Planning stage	N/A
73,013	R	Planning stage	N/A
20,722	R	Planning stage	N/A
41,700	R	Planning stage	N/A
21,979	R & S	Completed	Existing
5,948	CP	Completed	Existing
1,362	R & S	Completed	Existing
2,474	O	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
3.	Far East Consortium Building 204–206 Nathan Road Tsim Sha Tsui	100%
4.	Fung Lok Wai, Yuen Long	25.33%
5.	Various shops on LG/F and UG/F Tsuen Wan Gardens Phase 1 15–23 Castle Peak Road Tsuen Wan	100%
6.	Route TWISK, Chuen Lung Tsuen Wan	100%
7.	Manor Parc No. 3 Tan Kwai Tsuen Lane Yuen Long	100%
8.	Various lots, Pak Kong Sai Kung	100%
9.	Yau Kam Tau,Tsuen Wan	100%
10.	Basement to 5th Floor Nos. 135–143, Castle Peak Road Tsuen Wan	100%
11.	Aspen Crest Nos. 68–86A Wan Fung Street Wong Tai Sin, Kowloon	100%
12.	The Garrison Mei Tin Road, Tai Wai, Shatin New Territories	100%
13.	Marin Point No. 31 Shun Lung Street Sha Tau Kok, New Territories	100%
14.	Astoria Crest No. 229/231 Hai Tan Street, Sham Shui Po, Kowloon [i]	100%

Notes:

(i) A development project of URA, the Company has the development right of this project.

Total (not attributable) approximate floor area (m²)	Types of property	Stage of completion	Expected completion (financial year)
3,597	S & O	Completed	Existing
—	R	Planning stage	N/A
3,822	S	Completed	Existing
5,400	R	Planning stage	N/A
4,651	R	Completed	Existing
—	A	Planning stage	N/A
—	A	Planning stage	N/A
3,469	S & O	Completed	Existing
923	S	Completed	Existing
386	S & R	Completed	Existing
7,313	S & R	Completed	Existing
2,244	S & R	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
15. Shatin Heights Sha Tin, New Territories	100%
16. Bakerview, 66 Baker Street, Hung Hom, Kowloon	100%
17. Kai Tak Commercial Plot, Shing Kai Road, Kai Tak, New Kowloon Inland Lot No.6607	100%
Australia	
1. The FIFTH 605–611 Lonsdale Street Melbourne, Victoria	100%
2. The Towers at Elizabeth Quay Edge of CBD and Swan River along the Eastern Promenade on Barrack Street, Perth, Western Australia	100%
3. West Side Place 244–276 Spencer Street Melbourne, Victoria	100%
4. Perth Hub Lot 2 and Lot 3A Wellington Street and Milligan Street, Perth, Western Australia	100%
5. Queen's Wharf Brisbane, Queensland – Tower 4 – Tower 5 – Tower 6	 50% 50% 50%
6. The Star Residences Casino Drive, Broadbeach Island Gold Coast, Queensland – Tower 1 – Tower 2 – Epsilon – Towers 3 to 5	 33.3% 33.3% 33.3%

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
7,760	R	Under construction	2021
578	S	Completed	Existing
16,585	O&S	Planning stage	N/A
290	S	Completed	Existing
10,528	R & S	Completed	Existing
213,626	R & S	Under construction	2021 and onwards
22,027	R & S	Planning stage	2023
148,023	R & S R & S R & S	Under construction Planning stage Planning stage	2024 N/A N/A
166,652	R & S	Under construction Planning stage Planning stage	2022 2023 N/A

List of Principal Properties

Name of property and location		Group's interest
7.	640 Bourke Street, Melbourne	100%
8.	Rebecca Walk Flinders Street Melbourne, Victoria	100%
9.	Upper West Side 313–349 Lonsdale Street Melbourne, Victoria	100%
10.	Northbank Flinders Street, Melbourne, Victoria	100%
Malaysia		
1.	Mukim of Kerling District of Hulu Selangor Selangor Darul Ehsan	90%
2.	Dorsett Bukit Bintang Lot 470, Jalan Imbi Kuala Lumpur	100%
3.	Dorsett Plant Waterfront Subang	50%
Singapore		
1.	ARTRA 10/12 Alexandra View, Singapore	70%
2.	Holland Road District 10, Singapore	80%
3.	Cuscaden Road District 9, Singapore	10%
4.	21 Anderson Road District 10, Singapore	100%

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
55,442	R & S	Planning Stage	2025
809	S	Completed	Existing
2,718	S	Completed	Existing
846	S	Completed	Existing
422,907[i]	A	Planning stage	N/A
2,361	R	Completed	Existing
97,575	R	Under construction	2024
39,962	S & R	Under construction	2021
22,354	R	Under construction	2023
17,625	R	Under construction	2023
7,948	R	Completed	Existing

[i] This represents site area.

List of Principal Properties

Name of property and location		Group's interest
UK		
1.	Aspen at Consort Place 63–69 Manilla Street & 50 Marsh Wall London	100%
2.	Hornsey Town Hall the Broad Way, Crouch End, London	100%
3.	MeadowSide Angel Meadows, Aspin Lane, Manchester	100%
4.	Northern Gateway Manchester	
	– New Cross Central	100%
	– Victoria Riverside	100%
	– Network Rail	100%
	– Others	100%
5.	Ensign House Admirals Way, Isle of Dogs London	100%

Total (not attributable) approximate floor area (m2)	Types of property	Stage of completion	Expected completion (financial year)
36,219	R & S	Planning stage	2023
10,026	R & O	Planning stage	2021
51,784	S & R	Under construction	2021 and onwards
5,731	R	Planning stage	2022
36,801	R	Planning stage	2023
142,328	Planning	Planning stage	N/A
111,655	Planning	Planning stage	N/A
38,285	R & O	Planning Stage	N/A

HOSPITALITY AND GAMING

Name of property and location	Group's interest
Hong Kong	
1. Dorsett Wanchai, Hong Kong Nos. 387–397 Queen's Road East Wan Chai	100%
2. Cosmo Hotel Hong Kong Nos. 375–377 Queen's Road East Wan Chai	100%
3. Lan Kwai Fong Hotel@Kau U Fong No. 3 Kau U Fong Central	100%
4. Silka Far East, Hong Kong Nos. 135–143 Castle Peak Road Tsuen Wan	100%
5. Silka Seaview, Hong Kong No. 268 Shanghai Street Yau Ma Tei	100%
6. Dorsett Mongkok, Hong Kong No. 88 Tai Kok Tsui Road Tai Kok Tsui	100%
7. Dorsett Kwun Tong, Hong Kong No. 84 Hung To Road Kwun Tong	100%
8. Dorsett Tsuen Wan, Hong Kong No.28 Kin Chuen Street Kwai Chung	100%
9. Silka Tsuen Wan, Hong Kong No. 119 Wo Yi Hop Road Kwai Chung	100%
10. Kai Tak Hotel, Shing Kai Road, Kai Tak, New Kowloon Inland Lot No.6007	100%

Approximate floor area (m²)	Types of property	Stage of completion	Expected completion (financial year)
15,895	H	Completed	Existing
5,546	H	Completed	Existing
5,646	H	Completed	Existing
5,180	H	Completed	Existing
6,065	H	Completed	Existing
6,225	H	Completed	Existing
11,147	H	Completed	Existing
21,467	H	Completed	Existing
12,688	H	Completed	Existing
15,413	H	Planning stage	N/A

List of Principal Properties

Name of property and location		Group's interest
China		
1.	Dorsett Grand Chengdu No. 168 Xiyulong Street Qingyang District Chengdu Sichuan Province	100%
2.	Dorsett Wuhan Hong Kong & Macao Centre No. 118 Jianghan Road Hankou Wuhan Hubei Province	100%
3.	Dorsett Shanghai No. 800 Hua Mu Road Pudong New Area Shanghai	100%
4.	Lushan Resort Wenquan Zhen Xingzi Xian Jiujiang City Jiangxi Province	100%
Malaysia		
1.	Dorsett Kuala Lumpur 172, Jalan lmbi 55100 Kuala Lumpur Malaysia	100%
2.	Dorsett Grand Subang Jalan SS 12/1, 47500 Subang Jaya Selangor Darul Ehsan Malaysia	100%
3.	Dorsett Grand Labuan 462, Jalan Merdeka, 87029 Federal Territory of Labuan Malaysia	100%
4.	Silka Maytower Kuala Lumpur No 7 Jalan Munshi Abdullah 50100 Kuala Lumpur Malaysia	100%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
67,617	H	Completed	Existing
67,307	H&S	Completed	Existing
18,149	H&S	Completed	Existing
35,220	H	Completed	Existing
27,753	H	Completed	Existing
43,264	H	Completed	Existing
21,565	H	Completed	Existing
5,623	H	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
5.	Silka Johor Bahru Lot 101375 Jalan Masai Lama Mukim Plentong 81750 Johor Malaysia	100%
6.	Dorsett Residences Bukit Bintang 172 A Jalan Imbi 55100 Bukit Bintang Kuala Lumpur, Malaysia	100%
7.	J-Hotel by Dorsett Jalan Jati, Off Jalan Imbi, 55100, Kuala Lumpur, Malaysia	100%
Singapore		
1.	Dorsett Singapore 333 New Bridge Road 088 765 Singapore	100%
2.	Oakwood Premier AMTD Singapore 6 Shenton Way, OUE Downtown #07-01 068809 Singapore	49.0%
UK		
1.	Dorsett Shepherds Bush, London 58 Shepherd's Bush Green London	100%
2.	Dorsett City, London 9 Aldgate High Street London	100%
3.	Dorsett Shepherds Bush II, London 56 Shepherd's Bush Green London	100%
4.	Consort Place 63-69 Manilla Street & 50 Marsh Wall London	100%
5.	Hornsey Town Hall The Broadway Crouch End London	100%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
8,804	H	Completed	Existing
6,447	H	Completed	Existing
5,349	H	Completed	Existing
16,226	H&S	Completed	Existing
25,054	H	Completed	Existing
14,651	H	Completed	Existing
9,647	H	Completed	Existing
4,330	H	Under construction	2021
9,600	H	Under construction	2023
2,681	H	Under construction	2021

List of Principal Properties

Name of property and location		Group's interest
Australia		
1.	Ritz-Carlton Tower 1, West Side Place, Melbourne Australia	100%
2.	Ritz-Carlton Elizabeth Quay, Perth Australia	100%
3.	Queen's Wharf Brisbane Australia	25%
4.	Sheraton Grand Mirage Resort 71 Sea World Drive, Main Beach, Gold Coast, Queensland	25%
5.	Dorsett Melbourne Tower 3, West Side Place, Melbourne Australia	100%
6.	Dorsett at Perth City Link City Link, Perth Australia	100%
7.	Dorsett Gold Coast Casino Drive, Broadbeach Queensland, Australia	33.3%
8.	The Star Residences – Epsilon Casino Drive, Broadbeach Island, Broadbeach, Queensland	33.3%
9.	Dorsett Sydney Union Street, Pyrmont, Sydney Australia	50%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
36,817	H	Under construction	2022
27,796	H	Completed	Existing
110,412	H	Under construction	2023/2024
58,847	H	Completed	Existing
19,516	H	Planning stage	2023
16,490	H	Planning stage	2023
12,056	H	Under construction	2022
9,627	H	Planning stage	2024
11,423	H	Planning stage	N/A

Name of property and location	Group's interest
Europe	
1. Hotel Columbus Seligenstadt, Germany	100%
2. Hotel Freizeit Auefeld Hann Münden, Germany	100%
3. Hotel Kranichhöhe Much, Germany	100%
4. Hotel Donauwelle Linz, Austria	100%
5. Hotel Savannah Czech-Austrian Border	100%
6. Ceska Kubice Czech-German Border	100%
7. Dolni Dvoriste Czech-Austrian Border	100%
8. Hate Casino Czech-Austrian Border	100%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
7,124	H	Completed	Existing
30,654	H	Completed	Existing
11,987	H	Completed	Existing
9,897	H	Completed	Existing
9,443	H	Completed	Existing
2,943	H	Completed	Existing
3,479	H	Completed	Existing
3,295	H	Completed	Existing

CAR PARK PROPERTY

Name of property and location		Group's interest
Australia		
1.	12 Blyth Street/13–19 Bank Street Adelaide, South Australia Australia	77.75%
2.	Central Square 25 Doveton Street South Ballarat, Victoria Australia	77.75%
3.	Fenton Street Devonport, Tasmania Australia	77.75%
4.	Gasworks Willis Street Launceston, Tasmania Australia	77.75%
5.	Hub Arcade 15–23 Langhorne Street Dandenong, Victoria Australia	77.75%
6.	133–141 Melville Street Hobart, Tasmania Australia	77.75%
7.	2–6 Mundy Street Bendigo, Victoria Australia	77.75%
8.	Northbank Place 507–581 Flinders Street Melbourne, Victoria Australia	77.75%
9.	Quadrant Plaza 94 York Street Launceston, Tasmania Australia	77.75%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
350 car parking bays	CP	Completed	Existing
634 car parking bays	CP	Completed	Existing
26 car parking bays	CP	Completed	Existing
40 car parking bays	CP	Completed	Existing
189 car parking bays	CP	Completed	Existing
40 car parking bays	CP	Completed	Existing
44 car parking bays	CP	Completed	Existing
200 car parking bays	CP	Completed	Existing
369 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
10. Dell Lane, Launceston, Tasmania Australia	77.75%
11. 344 Queen Street Brisbane, Queensland Australia	77.75%
12. 15 Roper Street Adelaide, South Australia Australia	77.75%
13. 14–40 Stewart Street Shepparton, Victoria Australia	77.75%
14. 360 St Kilda Road Melbourne, Victoria Australia	77.75%
15. Toorak Place 521 Toorak Road Toorat, Victoria Australia	77.75%
16. Watergate 767 Bourke Street Docklands, Victoria Australia	77.75%
17. York Street Central 124 York Street Launceston, Tasmania Australia	77.75%
18. 9 Yarra Street, South Yarra, Victoria Australia	77.75%
19. Festival Car Park 53 Charlotte Street Brisbane, Australia	19.44%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
4 car parking bays	CP	Completed	Existing
51 car parking bays	CP	Completed	Existing
715 car parking bays	CP	Completed	Existing
335 car parking bays	CP	Completed	Existing
180 car parking bays	CP	Completed	Existing
48 car parking bays	CP	Completed	Existing
111 car parking bays	CP	Completed	Existing
50 car parking bays	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing
383 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
20. Eden 677 Victoria Street Abbotsford, Victoria, Australia	77.75%
21. Monkey Bar 20 Endeavour Street Chatswood, New South Wales, Australia	77.75%
22. Bianca 120 Bay Street, Port Melbourne, Victoria, Australia	77.75%
23. Tip Top Edward Street, East Brunswick Melbourne, Australia	77.75%
24. EXO Car Park 55 Merchant Street, Docklands, Victoria, Australia	77.75%
Malaysia	
1. Plaza Damas, Sri Hartamas Kuala Lumpur Malaysia (Basement car park)	100%
2. Windsor Tower Service Apartments, Sri Hartamas Kuala Lumpur, Malaysia	100%
New Zealand	
1. Knox Street, 41 Hood Street, Hamilton	77.75%
2. 16 Mowbray Street, Wellington	77.75%
3. 70 Tory Street Wellington	77.75%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
121 car parking bays	CP	Completed	Existing
250 car parking bays	CP	Completed	Existing
141 car parking bays	CP	Completed	Existing
40 car parking bays	CP	Completed	Existing
344 car parking bays	CP	Completed	Existing
1,718 car parking bays	CP	Completed	Existing
348 car parking bays	CP	Completed	Existing
443 car parking bays	CP	Completed	Existing
53 car parking bays	CP	Completed	Existing
474 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
UK		
1.	Car Park at Manchester Airport Boundary Farm, Styal Road, Manchester	88.88%
Hungary		
1.	Akacfa Parkolohaz 12–14 Akácfa Street District VII, Budapest	77.75%
2.	Gozsdu (Hollo) Parkolohaz 6 Holló Street District VII,Budapest	77.75%
3.	Kertesz Parkolohaz 24–28 Kertész Street District VII, Budapest	77.75%
4.	Szekely Parkolohaz 3 Székely Mihály street District VI, Budapest	77.75%
5.	Opera (Zichy) Parkolohaz 9 Zichy Jenö street District VI, Budapest	77.75%
6.	Weiner Parkolohaz 16 Weiner Leó street District VI, Budapest	77.75%
7.	Liliom Parkolohaz Liliom Utca 43-45 IX. Kerület, Budapest	77.75%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
1,800 car parking bays	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing
229 car parking bays	CP	Completed	Existing
187 car parking bays	CP	Completed	Existing
273 car parking bays	CP	Completed	Existing
388 car parking bays	CP	Completed	Existing
130 car parking bays	CP	Completed	Existing
141 car parking bays	CP	Completed	Existing

Glossary

"2020 AGM"	the forthcoming annual general meeting of the Company to be held on Tuesday, 15 September 2020 at 10:30 a.m. at Dorsett Wanchai Hong Kong, 387-397 Queen's Road East, Wanchai, Hong Kong.
"ARR"	average room rate.
"Articles"	Articles of Association of the Company, as amended from time to time.
"Associate"	has the meaning ascribed to it under the Listing Rules.
"AUD" or "A$"	Australian Dollars, the lawful currency of Australia.
"BC Group" or "BCG"	BC Group Holdings Limited, a company incorporated in the Cayman Islands and which is the holding company of BC Securities following the reorganisation referred to the announcement of the Company dated 21 February 2019.
"BC Securities"	BC Securities Pty Ltd, BC Finance Services Pty Ltd, BC Investment Group Pty Ltd, BC Investment Group (HK) Limited, BC Securities (HK) Limited and their respective subsidiaries, whose principal business is the provision of regulated first mortgage finance to international buyers of residential properties.
"BCG Business"	international mortgage finance platform under the brand of BCG.
"Board"	the board of Directors.
"BVI"	the British Virgin Islands.
"CAGR"	compound annual growth rate.
"Care Park"	Care Park Group Pty. Ltd., a company incorporated in Australia with limited liability, an indirect non wholly-owned Subsidiary.
"CBD"	central business district.
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules.
"Companies Law"	Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
"Company" or "FEC" or "FECIL"	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 35).
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules.
"CTF"	Chow Tai Fook Group.
"Czech"	the Czech Republic.
"CZK"	Czech Koruna, the lawful currency of Czech.
"Director(s)"	the director(s) of the Company.
"Dorsett"	Dorsett Hospitality International Limited (formerly know as Kosmopolito Hotels International Limited), a company incorporated in the Cayman Islands and a listed subsidiary of the Company until it was privatized (previous stock code: 2266) and became an indirect wholly-owned Subsidiary in October 2015.
"Dorsett Group"	Dorsett and its subsidiaries.
"Dorsett Share Option Scheme"	the share option scheme of Dorsett adopted on 10 September 2010.

"Eagle Hospitality REIT"	Eagle Hospitality Real Estate Investment Trust.
"EH REIT Manager"	Eagle Hospitality REIT Management Pte. Ltd..
"EH Trustee-Manager"	Eagle Hospitality Business Trust Management Pte. Ltd..
"EUR"	Euro, the lawful currency of the eurozone.
"FECIL Share Option Schemes"	the share option schemes of the Company adopted pursuant to the resolutions passed by the Shareholders on 28 August 2002 and 31 August 2012.
"FEV"	Far East Vault.
"FY"	financial year ended/ending 31 March.
"F&B"	food and beverage.
"GBP" or "£"	pounds sterling, the lawful currency of the United Kingdom.
"GDV"	gross development value.
"GFA"	gross floor area.
"Group"	the Company and its Subsidiaries.
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong.
"HKICPA"	the Hong Kong Institute of Certified Public Accountants.
"HKIRA"	the Hong Kong Investor Relations Association.
"Hong Kong" or "HK" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC.
"LC"	local currency.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange.
"Macquarie"	Macquarie Principal Finance Group.
"Mayland"	Malaysia Land Properties Sdn. Bhd..
"MCC"	Manchester City Council.
"MICE"	meetings, incentives, conferences, exhibitions.
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules.
"MOU"	Memorandum of understanding.
"MYR"	Malaysian Ringgit, the lawful currency of Malaysia.
"Notes"	the notes issued under the US$1,000,000,000 medium term note programme of FEC Finance Limited unconditionally and irrevocably guaranteed by the Company.
"OCC"	overall occupancy rate.
"Percentage Ratio"	has the meaning ascribed to such term in Rule 14.07 of the Listing Rules.
"Perpetual Capital Notes"	the senior perpetual capital notes issued under the US$1,000,000,000 medium term note programme of FEC Finance Limited unconditionally and irrevocably guaranteed by the Company.

Glossary

"PRC" or "Mainland China" or "China"	other regions in the People's Republic of China, and for the purpose of this annual report and unless otherwise stated, references in this annual report to the PRC, Mainland China or China do not include Taiwan, Hong Kong or Macau Special Administrative Region of the PRC.
"QWB Project"	Queen's Wharf Project in Brisbane.
"RevPAR"	revenue per available room.
"RMB"	Chinese Yuan, Renminbi, the lawful currency of the PRC.
"Securities"	as the securities as defined in Schedule 1 to the SFO.
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
"SGD"	Singapore Dollars, the lawful currency of Singapore.
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company.
"Shareholder(s)"	holder(s) of Share(s).
"SKYCITY"	SKYCITY Entertainment Group.
"sq. ft."	square feet.
"sq. m."	square meters.
"SRF"	Strategic regeneration framework.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Subsidiary(ies)"	the subsidiary(ies) of the Company.
"The Star"	The Star Entertainment Group Limited.
"TWC"	Trans World Corporation.
"TWC Hotel Group"	hotels under TWC.
"UK"	the United Kingdom.
"URA"	Urban Renewal Authority.
"USD" or "US$"	United States Dollars, the lawful currency of the United States of America.
"VOC"	volatile organic compounds.
"Year" or "FY2020"	the financial year of the Company from 1 April 2019 to 31 March 2020.
"%"	per cent.

This annual report, in both English and Chinese versions, is available on the Company's website at www.fecil.com.hk.

Shareholders who have chosen to receive the corporate communications of the Company (the "Corporate Communications") in either English or Chinese version may request for a copy in the other language. The annual report in the requested language will be sent free of charge by the Company upon request.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the Corporate Communications.

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

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