德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 199

2019-2020
ANNUAL REPORT

* For identification purpose only

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Hon Kit *(Chairman)*
Mr. Chan Fut Yan *(Managing Director)*
Mr. Cheung Chi Kit *(Chief Financial Officer)*
Mr. Chan Yiu Lun, Alan
Mr. Wong Lai Shun, Benny

Independent Non-executive Directors

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*
Mr. Kwok Ka Lap, Alva
Mr. Chan Pak Cheong Afonso

BOARD COMMITTEES

Audit Committee

Mr. Chan Pak Cheong Afonso *(chairman)*
Hon. Shek Lai Him, Abraham, *GBS, JP*
Mr. Kwok Ka Lap, Alva

Remuneration Committee

Mr. Chan Pak Cheong Afonso *(chairman)*
Mr. Chan Fut Yan
Hon. Shek Lai Him, Abraham, *GBS, JP*
Mr. Kwok Ka Lap, Alva

Nomination Committee

Hon. Shek Lai Him, Abraham, *GBS, JP (chairman)*
Mr. Cheung Hon Kit
Mr. Kwok Ka Lap, Alva
Mr. Chan Pak Cheong Afonso

Corporate Governance Committee

Mr. Cheung Hon Kit *(chairman)*
Mr. Cheung Chi Kit
Mr. Kwok Ka Lap, Alva

Investment Committee

Mr. Cheung Hon Kit
Mr. Chan Fut Yan
Mr. Cheung Chi Kit
Mr. Chan Yiu Lun, Alan
Mr. Wong Lai Shun, Benny

COMPANY SECRETARY

Ms. Wong Siu Mun

AUTHORISED REPRESENTATIVES

Mr. Cheung Hon Kit *(Alternate: Ms. Wong Siu Mun)*
Mr. Cheung Chi Kit *(Alternate: Mr. Wong Kim Man)*

LEGAL ADVISORS

Conyers Dill & Pearman *(as to Bermuda law)*
Iu, Lai & Li, Solicitors *(as to Hong Kong law)*
Vincent T. K. Cheung, Yap & Co. *(as to Hong Kong law)*
Leong Hon Man, Advogado *(as to Macau law)*

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
Hang Seng Bank Limited
United Overseas Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Bank of China Limited, Macau Branch

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

WEBSITE

www.itcproperties.com

STOCK CODE

Hong Kong Stock Exchange 199

FINANCIAL CALENDAR

Announcement of 2019-2020 Annual Results	26 June 2020
Ex-Dividend Date for Second Interim Dividend	16 July 2020
Book Closure Dates for Second Interim Dividend	20 to 21 July 2020
Record Date for Second Interim Dividend Entitlement	21 July 2020
Payment Date of Second Interim Dividend	on or about 28 August 2020
Book Closure Dates for Annual General Meeting	8 to 11 September 2020
Annual General Meeting	11 September 2020
Announcement of 2020-2021 Interim Results	November 2020

MEANS OF RECEIPT AND LANGUAGE OF CORPORATE COMMUNICATIONS

This annual report, in both English and Chinese versions, is now available in printed form, and in accessible format on the website of the Company at www.itcproperties.com.

For Shareholders and non-registered shareholders of the Company who:

(i) have elected to receive or are deemed to have consented to receive this annual report by electronic means on the Company's website, or

(ii) have difficulty in receiving or gaining access to this annual report on the Company's website,

they may obtain printed copies free of charge by sending a written request to the Company or the branch share registrar of the Company in Hong Kong (the "Branch Share Registrar"), Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

If Shareholders and non-registered shareholders of the Company wish to change their elected means of receipt or language of all future corporate communications of the Company, they may at any time notify the Company by prior notice of at least seven days in writing to the Branch Share Registrar at the address stated above or by e-mail to itcproperties-ecom@hk.tricorglobal.com or by completing and returning the accompanying Change Request Form.

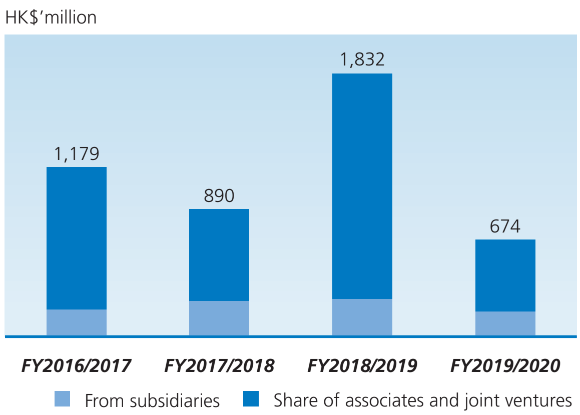
SHAREHOLDER ENQUIRIES

E-mail	:	info@itcproperties.com
Telephone	:	(852) 2831 8138
Fax	:	(852) 2858 2697

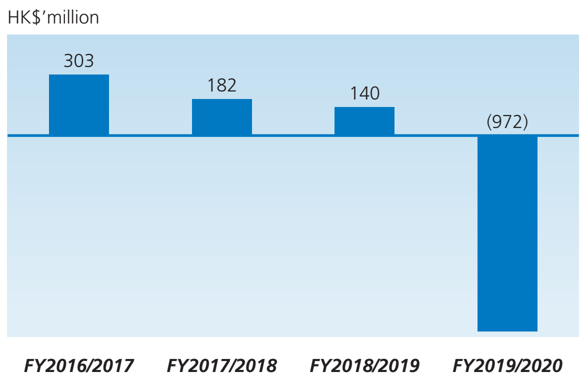
FINANCIAL HIGHLIGHTS

	Year ended 31 March 2020	2019
(All in Hong Kong dollar)		
Revenue		
Per condensed consolidated statement of profit or loss	**$175 million**	$262 million
Property income and hotel revenue		
– share of associates and joint ventures	**$332 million**	$1,570 million
– by way of disposal of interest in a joint venture	**$167 million**	–
	$674 million	$1,832 million
Net (loss) profit	**$(972) million**	$140 million
Basic (loss) earnings per Share	**$(1)**	$0.15
Dividends per Share		
– first interim	**3 cents**	10 cents
– second interim	**5 cents**	12 cents
	8 cents	22 cents

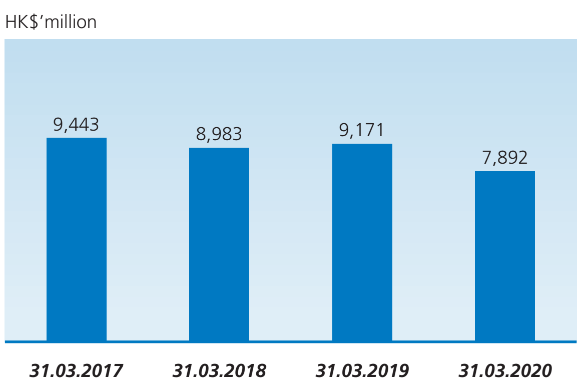
Revenue



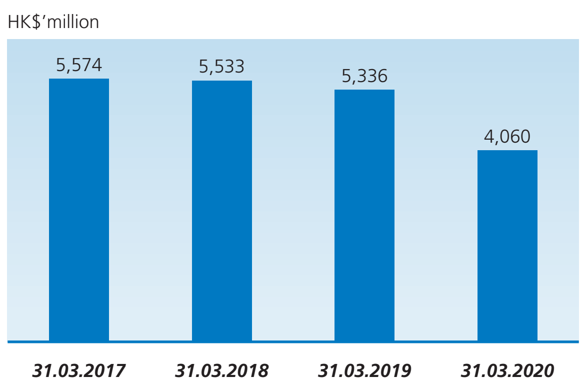
Net (Loss) Profit



Total Assets



Total Shareholders' Fund



EXECUTIVE DIRECTORS

Mr. Cheung Hon Kit *(age: 66)*
Mr. Cheung joined the Company as the Chairman and an executive Director in April 2005 and is also a director of various members of the Group. He is also the chairman of the Corporate Governance Committee, and a member of the Nomination Committee and the Investment Committee of the Company. Mr. Cheung graduated from the University of London with a bachelor of arts degree. He has over 42 years of experience in real estate development, property investment and corporate finance, holding key executive positions in various leading property development companies in Hong Kong. Mr. Cheung is an independent non-executive director of Future Bright Holdings Limited, a listed company in Hong Kong.

Mr. Chan Fut Yan *(age: 66)*
Mr. Chan joined the Company as the Managing Director and an executive Director in April 2005 and is also a director of various members of the Group. He is also a member of the Remuneration Committee and the Investment Committee of the Company. Mr. Chan has over 47 years of experience in the local construction field specialising in planning of construction business. He is also the deputy chairman and an executive director of Paul Y. Engineering Group Limited.

Mr. Cheung Chi Kit *(age: 54)*
Mr. Cheung joined the Company in 2005 and was appointed as an executive Director in August 2006. He is the Chief Financial Officer of the Company and is responsible for the finance and accounting functions of the Group. Mr. Cheung is also a director of various members of the Group and a member of the Corporate Governance Committee and the Investment Committee of the Company. He has over 32 years of experience in auditing, accounting and financial management. Mr. Cheung holds a bachelor's degree in accounting. He is a member of The Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) of the United Kingdom.

BIOGRAPHIES OF DIRECTORS

Mr. Chan Yiu Lun, Alan *(age: 36)*
Mr. Chan joined the Company as an executive Director in March 2010 and is also a director of various members of the Group. He is also a member of the Investment Committee of the Company. He graduated from Trinity College of Arts and Sciences of Duke University, United States of America, with a bachelor of arts degree in Political Science – International Relations. Mr. Chan previously worked in the investment banking division of The Goldman Sachs Group, Inc. He is a director of Burcon NutraScience Corporation whose issued shares are listed on the Toronto Stock Exchange and the Frankfurt Stock Exchange. Mr. Chan is the son of Dr. Chan Kwok Keung, Charles and Ms. Ng Yuen Lan, Macy, who are the substantial Shareholders.

Mr. Wong Lai Shun, Benny *(age: 59)*
Mr. Wong joined the Company as an executive Director in December 2014 and is also a director of various members of the Group. He is the managing director of the Group's Rosedale hotel division and is responsible for the overall hotel development, operation and management functions of the Group. Mr. Wong is also a member of the Investment Committee of the Company. He graduated from The Chinese University of Hong Kong with a bachelor of arts degree with honours. Mr. Wong has over 27 years of management experience in the hospitality, media, construction and building management industry. He has been the head of a well-established management team with expertise and experience in the hotel field covering city and business hotel management since 2004. He had been an executive director of several listed companies prior to 2004.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hon. Shek Lai Him, Abraham, ***GBS, JP*** *(age: 75)*
(alias: Abraham Razack)
Mr. Shek joined the Company as the Vice Chairman and an independent non-executive Director in September 2010. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. Shek graduated from the University of Sydney, Australia with a bachelor of arts degree and a diploma in education. He has been a member of the Legislative Council of Hong Kong representing the real estate and construction functional constituency since 2000. He was appointed as a Justice of the Peace in 1995. He was awarded Silver Bauhinia Star in 2007 and was further awarded the Gold Bauhinia Star in 2013. After retiring from the position of the chairman with effect from 29 April 2019, Mr. Shek acts as the honorary chairman and an independent non-executive director of Chuang's China Investments Limited, a listed company in Hong Kong. Mr. Shek is also an independent non-executive director of China Resources Cement Holdings Limited, Chuang's Consortium International Limited, Cosmopolitan International Holdings Limited, Country Garden Holdings Company Limited, CSI Properties Limited, Everbright

Grand China Assets Limited, Far East Consortium International Limited, Goldin Financial Holdings Limited, Lai Fung Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, Paliburg Holdings Limited and SJM Holdings Limited, all of which are listed companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited – the manager of Champion Real Estate Investment Trust and Regal Portfolio Management Limited – the manager of Regal Real Estate Investment Trust, both of the trusts being listed in Hong Kong. Mr. Shek resigned as an independent non-executive director of Midas International Holdings Limited (now known as Magnus Concordia Group Limited) on 26 January 2018, and retired from the position of independent non-executive director of MTR Corporation Limited and Hop Hing Group Holdings Limited on 22 May 2019 and 2 June 2020 respectively, all of these companies being listed companies in Hong Kong. Mr. Shek is a member of the Court of The Hong Kong University of Science and Technology, a member of both of the Court and the Council of The University of Hong Kong and a non-executive director of the Mandatory Provident Fund Schemes Authority.

Mr. Kwok Ka Lap, Alva *(age: 72)*
Mr. Kwok joined the Company as an independent non-executive Director in October 2001. He is also a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee of the Company. Mr. Kwok was a marketing manager in an international company engaging in the design of business administration system. He has over 37 years of experience in the insurance and investment business, principally in the senior managerial position leading a sizable sales team. Mr. Kwok is an independent non-executive director of Master Glory Group Limited and Greater Bay Area Dynamic Growth Holding Limited (formerly known as Rosedale Hotel Holdings Limited), both of which are listed companies in Hong Kong.

Mr. Chan Pak Cheong Afonso *(age: 73)*
Mr. Chan joined the Company as an independent non-executive Director in August 2015. He is also the chairman of each of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Chan has over 40 years of experience in the financial and accounting industries. He is the sole owner of Chan Pak Cheong (Auditor) Accountant Office, an accounting and auditing firm. He has been a Certified Public Accountant for more than 40 years and acted as the vice director and the vice president of Macau Society of Accountants from 1980 to 2008 and from 2008 to 2018 respectively. Mr. Chan is an independent non-executive director of Future Bright Holdings Limited, a company listed in Hong Kong. He acted as a Commissioner of the Finance Department of Macau – Commission of the Revision of Profit Tax from 1984 to 1996, from 2011 to 2014 and 2018, as well as one of the Examination Commissioners of the Commission of Registry of the Auditors and the Accountants from 2006 to 2011. Mr. Chan holds a bachelor's degree in accountancy.

The executive Directors are regarded as members of the Group's senior management.

CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the Board, I am pleased to present the annual report of the Group for the Year.

The borderless outspread of COVID-19 has ravaged the global economy and business activities. Together with the continuous civil unrest, the hospitality industry in Hong Kong has been double hit and far more challenging than any other time. For the Year, the Group's revenue decreased by 33% to HK$175.4 million and gross loss of HK$17.4 million was recorded due to the drastic deterioration in hotel performance. The outbreak of COVID-19 has also exerted adverse impacts on the fair value of office and hotel properties held by the Group and its joint ventures. There were a significant decrease in fair value of the Group's investment properties of HK$176.9 million and the share of significant net losses of the Group's joint ventures of HK$282.7 million. Despite the cost saving measures, the Group recorded a net loss attributable to owners of the Company of HK$971.0 million for the Year and the basic loss per Share was HK$1.

The Board has declared a second interim dividend of HK5 cents per Share for the Year, which will be payable in cash, with an alternative to elect scrip Shares. Together with the first interim dividend of HK3 cents per Share, the total dividend is HK8 cents per Share.

The global economy has been deteriorating due to the outbreak of COVID-19 and the China-US tensions, and recovery is difficult to predict. These also post unprecedented challenges to Hong Kong's economy, which has acutely been affected by the social unrest since 2019, in particular the local hospitality industry. Knowing that year 2020 and the foreseeable future will be full of challenges and uncertainties, the Group will vigilantly endeavour to sustain its businesses and carry out its mission. We will focus on the presale of the remaining blocks in Sky Oasis and Grand Oasis, the sale of units of Hyde Park and the other local redevelopment projects to secure the revenue for the coming few years. In addition to stepping our businesses further to the PRC, Macau, Canada and the United Kingdom, we will keep on improving earnings and enhancing the Shareholders' value by working hard on the projects on hand and at the same time, be selective and cautious on replenishing the Group's portfolio when suitable opportunities arise.

I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the fellow Board members, management and staff for their dedicated efforts to the Group and to our clients, consultants and business partners for all their valuable assistance offered during the Year.

Cheung Hon Kit
Chairman

Hong Kong, 26 June 2020

BUSINESS REVIEW

The borderless outspread of COVID-19 has ravaged the global economy and business activities. Together with the continuous civil unrest, the hospitality industry in Hong Kong has been double hit and far more challenging than any other time. For the Year, the Group's revenue decreased by 33% to HK$175.4 million and gross loss of HK$17.4 million was recorded (2019: gross profit of HK$33.6 million) due to the drastic deterioration in hotel performance. The outbreak of COVID-19 has also exerted adverse impacts on the fair value of office and hotel properties held by the Group and its joint ventures, which resulted in the recognition of a significant decrease in fair value of the Group's investment properties of HK$176.9 million (2019: an increase of HK$1.5 million) and the share of significant net losses of the Group's joint ventures of HK$282.7 million (2019: HK$51.9 million).

Furthermore, a significant loss allowance of HK$291.8 million for expected credit loss (the "ECL") was recognised on the loan receivables (together with the outstanding interest accrued thereon) held by the Group, including the unsecured loan notes (the "MG Loan Notes") issued by Master Glory Group Limited ("Master Glory"), whose shares have been suspended from trading on the Stock Exchange since 2 July 2019.

In addition, the presold units of a residential project in Macau developed by an associate of the Group, which are still under construction, have not yet been handed over to the end buyers during the Year. Accordingly, the share of profit of associates of the Group substantially decreased to HK$23.5 million (2019: HK$619.4 million). Though there were some cost saving measures, including reduction of bonus payment to executive Directors and staff such that administrative and other expenses decreased by HK$45.7 million to HK$226.2 million (2019: HK$271.9 million), in response to the above adverse business impacts, the Group recorded a net loss attributable to owners of the Company of HK$971.0 million for the Year (2019: a net profit of HK$140.6 million).

Property

Segment loss for the Year amounting to HK$203.9 million was recorded, as compared to segment profit of HK$526.6 million for last financial year.

One Oasis, Sky Oasis, Grand Oasis

Macau

One Oasis, Sky Oasis and Grand Oasis in Cotai South is a luxury residential project developed by an associate of the Group. As mentioned earlier, the presold units, which are still under construction, have not yet been handed over to the end buyers during the Year and thus, the contribution from this project to the Group for the Year decreased to HK$33.6 million (2019: HK$634.7 million).

During the Year, presale of certain units in blocks 16 to 20 was well received. This project has so far secured over HK$5.5 billion revenue to the associate. However, the border control measure implemented by Macau government, in response to the pandemic, restricted the workers entering from mainland China, which caused some delays in construction work. The associate is working hard to catch up the delays with a target to handing over the presold units to the end buyers early next year. Presale of the remaining units is expected to be launched at appropriate times in the coming year.

Hong Kong

250 Hennessy is a 31-storey commercial building, with 25 car parking spaces, situated at the heart of Wanchai district along Hennessy Road. Certain floors are occupied by the Group for self-use while the remaining floors are held for long and short term leasing purposes. A significant decrease in fair value was recognised on this property for the Year. The renovation work on the property is expected to be completed in the third quarter of 2020.

The foundation works for the project at No. 23 Po Shan Road, Mid-levels were completed in May 2020 and the construction works for the superstructure of a deluxe residential mid-rise building are expected to commence soon after obtaining the relevant approval.

Hyde Park at No. 205 Hai Tan Street, Sham Shui Po is a project with the Urban Renewal Authority mainly consisting of 76 residential flats and a commercial podium. Sale is to be launched in the coming few months and the completion certificate is expected to be obtained by the fourth quarter of 2020.

Hyde Park

The project at Nos. 41, 43 and 45 Pau Chung Street, To Kwa Wan is a redevelopment project comprising a residential tower with retail shops at lower levels. Its foundation works are in the final stage and completion of the new composite building is expected by 2021. Presale of this project will be launched in due course.

The Group has applied to the Lands Tribunal for an order for compulsory sale of all the remaining undivided shares in Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, in which the Group currently holds 80% of the undivided shares. The property is planned for residential redevelopment upon compliance with town planning issues.

PRC

Dabiao International Centre is a composite tower comprising a commercial podium, offices and a hotel, which is situated at Haizhu District, Guangzhou City and conveniently connected to the Changgang Metro Station. Though its leasing rate was inauspiciously affected by the pandemic, the property still contributed fair rental income to the Group.

Overseas

Vancouver, Canada

The rezoning of the residential redevelopment project at Alberni Street in downtown Vancouver has been approved. Presale is estimated to be launched in late 2020 and the demolition work is expected to commence in 2021.

London, United Kingdom

The planning of redevelopment into a six-storey office building, located at a prominent corner plot at Greycoat Place, is in progress. The building is proposed to be redeveloped into a mixed residential and commercial tower.

Townsend House

Hotel and Leisure

To prevent the infection spread of COVID-19, governments implement various measures including border control and social distancing. As a result, the overall occupancy and average room rate of Le Petit Rosedale Hotel and Rosedale Hotel Kowloon plunged tremendously. Revenue from this segment decreased to HK$94.9 million (2019: HK$171.1 million). In addition to the operating losses, share of significant decreases in fair values of Rosedale Hotel Kowloon in Hong Kong and The Westin Bayshore in Vancouver held by joint ventures of the Group was recognised. Correspondingly, segment loss of HK$336.3 million (2019: segment profit of HK$18.6 million) was recorded.

Le Petit Rosedale Hotel

Renaissance Shanghai Caohejing Hotel

On 29 November 2019, the Group acquired 9.5% effective interests in Renaissance Shanghai Caohejing Hotel ("SH Renaissance") at a consideration of HK$146.4 million. In addition, the Group was granted an option to acquire additional 6.5% effective interests in SH Renaissance at a consideration of HK$100.0 million within 18 months from the date of acquisition. SH Renaissance is located in Xuhui District, Shanghai, the PRC, with a total gross floor area of approximately 64,500 sq. m., comprising above ground level area of approximately 39,200 sq. m. and two basement floors with area of approximately 25,300 sq. m.. The hotel consists of about 380 rooms and other facilities, such as restaurants, ballroom, retail shops and car parking spaces.

THE 13 Hotel

On 14 October 2019, the Group entered into a conditional sale and purchase agreement to acquire 20% interests in Uni-Dragon Limited, which indirectly holds THE 13 Hotel located at Cotai Strip in Macau and consisting of approximately 200 suites and other facilities such as restaurants, health club and banquet hall, at a consideration of HK$300.0 million. The completion of the transaction is pending fulfilment of certain conditions.

The Westin Bayshore

Outlined below is a summary of the Group's interests in properties which are significant to the operations of the Group as at the date of this report:

Location	Usage	Group's interests (%)	Attributable gross floor area[1] (sq. ft.)
Macau			
One Oasis, Sky Oasis and Grand Oasis situated at Estrada de Seac Pai Van	Residential/Commercial	35.5	615,764
Sub-total			**615,764**
Hong Kong			
Redevelopment project situated at Nos. 41, 43 and 45 Pau Chung Street, To Kwa Wan	Residential/Commercial	100	30,000
Hyde Park situated at No. 205 Hai Tan Street, Sham Shui Po	Residential/Commercial	100	38,770
Premises situated at 30/F., Bank of America Tower, No. 12 Harcourt Road, Central	Office	100	13,880
250 Hennessy situated at No. 250 Hennessy Road, Wanchai	Office/Car parks	100	55,600
Redevelopment project situated at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan	Residential[2]	72	23,535
Redevelopment project situated at No. 23 Po Shan Road, Mid-levels	Residential	40	32,000
Le Petit Rosedale Hotel situated at No. 7 Moreton Terrace, Causeway Bay	Hotel	100	31,000
Rosedale Hotel Kowloon situated at No. 86 Tai Kok Tsui Road, Tai Kok Tsui	Hotel	40	44,000
Sub-total			**268,785**

Location	Usage	Group's interests *(%)*	Attributable gross floor area[1] *(sq. ft.)*
PRC			
Land situated at the Yazhou Bay Science and Technology City, Sanya City, Hainan Province	Hotel	100	886,000
Portions of Dabiao International Centre situated at No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City	Commercial/Office/ Hotel/Car parks	31.5	201,000
Sub-total			**1,087,000**
Overseas			
Townsend House situated at Greycoat Place, London, United Kingdom	Residential/Commercial[3]	90.1	23,900
The Westin Bayshore situated at 1601 Bayshore Drive, Vancouver, British Columbia, Canada	Hotel/Conference/ Ancillary uses	50	224,500
Redevelopment project situated at 1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Residential/Commercial	28	181,000
Sub-total			**429,400**
Total			**2,400,949**

Notes:

(1) The attributable gross floor area represents the area under the existing use.

(2) The property is currently for industrial use and is planned to be redeveloped for residential use upon completion of the acquisition of the remaining units and compliance with town planning issues.

(3) The property is currently for commercial use and is planned to be redeveloped for residential and commercial use.

Securities Investments

Segment loss from securities investments for the Year was HK$24.3 million (2019: HK$209.0 million), representing the unrealised loss arising from the drop in market price.

As at 31 March 2020, the Group had equity and fund investments in aggregate of HK$288.7 million, 45% being unlisted securities denominated in Renminbi, 41% being unlisted securities and funds denominated in United States dollars, and the remaining 14% being listed securities denominated in Hong Kong dollars.

Finance

As at 31 March 2020, other loan receivables of the Group amounted to HK$354.7 million.

For the Year, the Group had interest income of HK$61.5 million (2019: HK$76.8 million) and segment loss from finance of HK$209.0 million (2019: segment profit of HK$95.3 million). The segment loss was attributable to a significant loss allowance for ECL of HK$291.8 million mainly on the MG Loan Notes, together with the outstanding interest accrued thereon, held by the Group (collectively, the "MG Balance").

As disclosed in the Company's announcements dated 29 November 2019 and 9 January 2020, the MG Loan Notes in the principal amount of HK$180.0 million and interest accrued thereon of HK$12.8 million, totaling HK$192.8 million, were utilised as the partial consideration (the "Partial Consideration") for the acquisition of SH Renaissance during the Year (the "Partial Settlement"). Furthermore, during the Year, the Group received approximately HK$12.0 million as partial settlement of outstanding interest from Master Glory. Hence, as at 31 March 2020, the MG Balance amounted to HK$342.7 million, comprising the principal amount of HK$320.0 million and the outstanding interest of HK$22.7 million (collectively, the "Remaining MG Balance").

As disclosed in the interim report of the Company for the six months ended 30 September 2019 (the "Interim Period"), a loss allowance of ECL provision for MG Balance of HK$219.5 million was charged to the profit or loss for the Interim Period. Subsequent to the Interim Period, the Group continued to monitor the situation and considered the following incidents as disclosed by Master Glory during the Year:

(a) the shares of Master Glory remain suspended from trading on the Stock Exchange;

(b) Master Glory still failed to publish its annual results for the financial year ended 31 March 2019 and interim results for the six months ended 30 September 2019;

(c) various announcements published by Master Glory since 27 November 2019 in respect of three winding up petitions filed by other creditors against Master Glory (the "Petitions"); and

(d) the business operations of Master Glory have been unfavourably affected by the outbreak of COVID-19 as disclosed in its announcement dated 31 March 2020.

Taking into account the global economic condition in the second half of the Year and the above incidents, especially (c) and (d) above which related to the business of Master Glory and occurred subsequent to the Interim Period resulting in a more reasonably pessimistic forward looking view based on the additional negative facts and circumstances as at 31 March 2020 than 30 September 2019, the probability for the default by Master Glory with respect to the MG

Balance has further increased and the recovery rate has further decreased subsequent to the Interim Period. Thus, in accordance with the accounting policies adopted by the Group, the loss rate assessed for the Year increased to 75% (the "Internal Assessment"), as compared to 60% as adopted for the Interim Period, and the Remaining MG Balance fell under "Loss" and "Lifetime ECL – credit – impaired" was applied.

To assess the reasonableness of the Internal Assessment, the Group engaged Norton Appraisals Holdings Limited (the "Valuer"), an independent professional valuer, to perform an additional analysis to reassess the ECL provision as at 31 March 2020 on the Remaining MG Balance in accordance with Hong Kong Financial Reporting Standard 9 (2014). The Valuer adopted its independently selected parameters which contained credit rating profile similar to Master Glory (the "External Assessment"). Taking into account Master Glory's business change since 30 September 2019 (e.g. updates in winding up petitions) and the changes in economy (e.g. outbreak of COVID-19 which probably worsened the financial strength of Master Glory), the Valuer revised certain assumptions, including probability of default (from a range of 9.7%-100% to 100%) and recovery ratio (from 23.7% to 28.3%), in their assessment. The External Assessment indicated that the average loss rate was approximately 72% (30 September 2019: approximately 50%).

Since the results of the Internal Assessment and the External Assessment are similar, the Group considered that it was fair and reasonable to adopt the Internal Assessment to provide the ECL provision on the Remaining MG Balance. In this respect, additional loss allowance for ECL of HK$56.0 million (being provision at 60% on the interest accrued from 30 September 2019 to the maturity date on 27 November 2019 plus an addition of 15% provision against the Remaining MG Balance such that a cumulative 75% ECL provision was made against the Remaining MG Balance) was charged to the profit or loss in the second half of the Year on the Remaining MG Balance such that loss allowances charged for the MG Balance in aggregate amounted to HK$275.5 million for the Year. Upon the Partial Settlement, the corresponding ECL provision of the Partial Consideration in the amount of HK$115.7 million (i.e. 60% out of the HK$192.8 million) was released to the profit or loss. As a result, the ECL provision against the Remaining MG Balance as at 31 March 2020 amounted to HK$257.1 million.

During the Year, the Group issued various demands, including a statutory demand, to Master Glory, and attended the hearings of the Petitions. In June 2020, Master Glory announced that it was ordered to be wound up by the High Court and the joint and several liquidators were appointed. The Group continues to take necessary actions to recover the debt and will assess the ECL impact on the Remaining MG Balance in due course.

Paul Y. Engineering Group Limited

Completion of the Group's acquisition of 45.8% interests in Paul Y. Engineering Group Limited from South Shore Holdings Limited ("South Shore") is still pending fulfilment of certain conditions by South Shore, and is expected to take place by 30 September 2020.

FINANCIAL REVIEW

The Group maintains a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities are maintained to satisfy the commitments and working capital requirements of the Group.

As at 31 March 2020, the Group had total bank borrowings of HK$1,738.2 million and loan notes of HK$1,519.8 million. After netting off bank balances and cash of HK$514.1 million and comparing with the Group's shareholders' funds of HK$4,060.3 million, the Group's net gearing ratio as at 31 March 2020 was 0.68 (2019: 0.47). All of the bank borrowings are subject to floating interest rates while the loan notes are subject to fixed interest rates. The Group will closely monitor and manage its exposure to the interest rate fluctuations and will consider engaging hedging instruments as and when appropriate.

As at 31 March 2020, the Group had unused banking facilities of HK$301.2 million which can be utilised to finance the construction of properties and the working capital of the Group. During the Year, a total of HK$606.2 million bank borrowings were drawn down to finance the redevelopment projects in Hong Kong and the working capital of the Group. An aggregate amount of HK$100.8 million of the Group's borrowings will be due for repayment in the coming financial year in accordance with the repayment schedules while another HK$1,637.4 million was classified as current liability since the lenders have the rights to demand immediate repayment. The Group will continue to closely monitor its liquidity and working capital requirements to ensure appropriate financing arrangements are made when necessary.

For overseas subsidiaries, associated companies and other investments with cashflow denominated in foreign currencies, the Group endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in the same currencies. In this respect, the borrowings of the Group and its associates, to which the Group has granted guarantees, are denominated in Hong Kong dollars, United States dollars, Canadian dollars and Pound Sterling. For the Year, an unrealised loss on exchange differences of HK$88.0 million was charged as other comprehensive expense, mainly arisen from translations of operations in Canada and the PRC due to the depreciation of Canadian dollars and Renminbi. The majority of the Group's cash and cash equivalent are denominated in Hong Kong dollars and Canadian dollars while the Group's other assets and liabilities are denominated in Hong Kong dollars, Renminbi, Macau Pataca, Pound Sterling, United States dollars and Canadian dollars. Though no hedging instruments have been engaged, the Group will closely monitor its foreign exchange risk exposure.

The Group repurchased a total of 18,325,000 Shares and cancelled 15,062,000 Shares during the Year, and further cancelled the remaining 3,263,000 Shares in April 2020. The repurchase of Shares led to an enhancement in the net asset value per Share. In addition, during the Year, the Group repurchased an aggregate principal amount of US$2.2 million of the 4.75% guaranteed notes due 2021 issued by Treasure Generator Limited (a wholly-owned subsidiary of the Company) and guaranteed by the Company. As a result, the aggregate principal amount of the guaranteed notes was considered to be US$197.8 million as at 31 March 2020, regardless the repurchased notes being cancelled in August 2019 and April 2020. The Directors believed that the repurchases of Shares and guaranteed notes benefited the Company and its Shareholders as a whole.

Pledge of Assets

As at 31 March 2020, the Group's general credit facilities granted by the banks were secured by pledges of the Group's investment properties of HK$751.4 million, stock of properties of HK$875.4 million, property, plant and equipment of HK$880.7 million and debt investments of HK$80.1 million.

Contingent Liabilities

At 31 March 2020, the Group provided corporate guarantees on a several basis with maximum liabilities of (i) HK$511.8 million (2019: HK$365.4 million), HK$58.0 million (2019: HK$58.0 million), HK$307.2 million (2019: HK$320.0 million) and HK$214.5 million (2019: HK$230.4 million) in respect of the banking facilities granted to four joint ventures (which are owned as to 50%, 50%, 40% and 28% by the Group respectively) with the outstanding amounts attributable to the Group's interests of HK$492.4 million (2019: HK$352.7 million), HK$57.8 million (2019: HK$57.8 million), HK$307.2 million (2019: HK$320.0 million) and HK$131.6 million (2019: HK$139.9 million); and (ii) HK$565.7 million (2019: HK$565.7 million) in respect of the banking facilities granted to an associate (which is owned as to 40% by the Group) with the outstanding amount attributable to the Group's interests of HK$366.1 million (2019: HK$354.8 million).

Number of Employees and Remuneration Policies

As at 31 March 2020, the total number of employees of the Group was 266 (2019: 318). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. Other benefits to employees include medical scheme, insurance coverage, share options and retirement schemes.

Movement in Issued Shares

During the Year, the Company cancelled a total of 15,062,000 Shares upon repurchase. As at 31 March 2020, there were 960,655,004 Shares in issue.

Subsequent to the end of the Year, a total of 3,263,000 Shares were cancelled upon repurchase.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business, financial condition and results of operations are subject to various risks and uncertainties. The principal factors have been identified and are set out below:

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
1. Cooling measures on property markets Due to the introduction of the government's cooling measures on property markets in regions where the Group conducts its business, the Group may experience market pressure to reduce effective prices for property sales or rentals	• Have ongoing update and assessment of the government policies • Conduct market study and demand analysis timely to formulate the appropriate strategies • Geographical diversification	⇔ Remains similar
2. Highly competitive industries Competition risks faced by the Group may include: (i) numerous developers undertaking property investment and development in the markets, including Hong Kong, where the Group's property business conducts; (ii) keen competition and pricing pressure from other developers; and (iii) competition with other hotels for guests	• Directors and management to discuss business performance and formulate various operation and marketing strategies to maintain the Group's competitiveness • Teams of good calibre and experience to closely monitor performance by segments	↑ Changes in consumer behaviour undermining competitiveness

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
3. Global economic uncertainties The outlook for the global economy and financial markets remains uncertain. In Hong Kong, increasing protests and vandalism, COVID-19 shutdown and decrease in consumer confidence continue to have adverse impact on the overall economy. The economy of the PRC has been facing downward pressure due to the sluggish foreign demand, excess production capacity, adjustments in the real estate market and the China-US trade war. The Brexit may cast deep uncertainties over the future of the United Kingdom. These global economic uncertainties could adversely affect the business activities and the economic and market conditions globally	• Submit monthly updates of financial information of the Group to the Directors to facilitate them to manage the businesses in a volatile market • Be selective and cautious for assessment of business opportunities • Closely monitor the Group's liquidity and working capital to ensure its sustainability in adverse environment	↑ Increasing social unrest, political uncertainties and deteriorating economic conditions in some markets
4. Financing uncertainties The Group's capital requirements primarily depend on the amount of capital expenditure required on its property investments and development projects, and hotel operations. The Group may need to raise additional funds to meet these requirements. However, there is no assurance that additional financing will be made available, or if available, such financing will be obtained on terms favourable to the Group. If the Group fails to obtain necessary funding on acceptable terms, it may be forced to delay capital development projects, potential acquisitions and investments or otherwise curtail or cease operations	• Maintain close communication with banks • Manage the maturity profile of deposits and loans to minimise refinancing risk and cost • Establish and maintain diversified channels of financing	↑ Challenges in obtaining new financing on favourable terms

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
5. Disasters Climate change which may give rise to extreme weather conditions could result in severe personal injury, property damage and adversely affect property valuations, which may curtail the Group's business operations. In addition, pandemic could impact the business performance and sustainability around the globe	• Monitor and reduce carbon emissions from day-to-day operations • Review and update business continuity plans and crisis management procedures • Arrange sufficient insurance package	↑ Unprecedented challenges arising from the COVID-19 pandemic
6. Associates and joint ventures A large proportion of the Group's project developments and investments are carried out through associates and joint ventures, so it may expose to risks of having business partners who may withdraw from the joint ventures due to the change of their business strategies, take some unfavourable actions to the Group, fail to perform their duties and fulfil their obligations in accordance with the joint venture agreements, undergo a change of ownership and control or experience material business and financial difficulties hindering their contributions to the joint venture projects	• Select business partners with long-term established relationship carefully • Maintain ongoing communications with the business partners to understand their business strategies and their change of structures • Incorporate contractual terms and conditions in the agreements to safeguard the Group's interests • Monitor the fulfilment of contractual obligations and legal proceedings through internal policies and compliance checklists	↔ Remains similar

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
7. Laws and regulations Development projects and hotel operation require government approvals or permits, and some of such approvals and permits may require an unexpected long period of time to be granted and issued, which may lead to a delay in completion of the project and adverse effects on the hotel operation. The authorities may also from time to time impose new regulations on property owners requiring the Group to increase manpower and incur additional costs and expenses to comply with such requirements. In some cases, it may adversely affect the Group's property sales performance	• Continue monitoring and assessing the impact of the regulatory changes • Seek for professional advice on regulatory changes if necessary • Monitor the compliance with laws and regulations through internal policies and compliance checklists • Maintain proper documentation	⇔ Remains similar
8. Currency fluctuations The results of the Group are recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies, including Renminbi, Canadian dollars and Pound Sterling. Any significant currency fluctuations on translation of the overseas accounts may therefore impact on the Group's results of operations, financial position and cash flow	• Assess and monitor the foreign exchange exposure continuously • Consider the use of hedging devices when appropriate	⇔ Remains similar

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of the Group are property development and investment in Macau, Hong Kong, the PRC, Canada and the United Kingdom, development of, investment in and operation of hotels and leisure business in the PRC, Hong Kong and Canada, securities investments and provision of loan financing services. The principal activities of the Company's principal subsidiaries are set out in Note 45 to the consolidated financial statements.

Further discussion and analysis of the above activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair review of the business of the Group, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, are set out in the "Financial Highlights", "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Financial Summary" sections of this annual report. The relevant discussions in these sections form part of this report.

There are no material events affecting the Group occurred since the end of the Year.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 71.

The Board has declared a second interim dividend (the "Second Interim Dividend") of HK5 cents per Share for the Year (2019: HK12 cents per Share), in lieu of a final dividend, to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") as at the close of business on Tuesday, 21 July 2020. The Second Interim Dividend will be paid to the Shareholders on or about Friday, 28 August 2020.

The Board has also resolved that the Second Interim Dividend should be satisfied in cash, with an alternative to elect scrip Shares in respect of part or all of such dividend. The issue price of each Share to be issued under the scrip dividend scheme will be fixed by reference to the average of the closing prices of a Share for the three consecutive trading days ending Tuesday, 21 July 2020 less a discount of 5% of such average price or the par value per Share, whichever is higher. The scrip dividend scheme is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued. A circular containing the details of the scrip dividend scheme and a form of election, together with this annual report, will be sent to the Shareholders.

Together with the first interim dividend of HK3 cents per Share paid on 8 January 2020, the total dividend for the Year is HK8 cents per Share (2019: HK22 cents per Share, comprising the first interim dividend of HK10 cents and the second interim dividend of HK12 cents).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders' entitlement to the Second Interim Dividend, the Register of Members will be closed from Monday, 20 July 2020 to Tuesday, 21 July 2020, both days inclusive, during which period no transfer of Shares will be registered. The Shares will be traded ex-dividend as from Thursday, 16 July 2020. In order to be entitled to the Second Interim Dividend, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Friday, 17 July 2020.

For the purpose of ascertaining Shareholders' entitlement to attend and vote at the Annual General Meeting, the Register of Members will be closed from Tuesday, 8 September 2020 to Friday, 11 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 Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with Tricor Secretaries Limited at the abovementioned address for registration by no later than 4:30 p.m. on Monday, 7 September 2020.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 176.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 15 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Particulars of the Group's principal properties as at 31 March 2020 are set out on pages 177 and 178.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 32 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 75 and Note 44(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to its Shareholders as at 31 March 2020 and 2019 were as follows:

	2020 ***HK$'000***	2019 *HK$'000*
Contributed surplus	**113,020**	113,020
Retained profit	**3,075,973**	2,742,011
	3,188,993	2,855,031

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay any dividend, or make a distribution out of its contributed surplus if:

(i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
(ii) the realisable value of its assets would thereby be less than its liabilities.

DIRECTORS

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

Executive Directors:

Mr. Cheung Hon Kit *(Chairman)*
Mr. Chan Fut Yan *(Managing Director)*
Mr. Cheung Chi Kit *(Chief Financial Officer)*
Mr. Chan Yiu Lun, Alan
Mr. Wong Lai Shun, Benny

Independent Non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*
Mr. Kwok Ka Lap, Alva
Mr. Chan Pak Cheong Afonso

The biographical details of the Directors are set out on pages 5 to 7. Mr. Chan Yiu Lun, Alan ("Mr. Alan Chan") is the son of Dr. Chan Kwok Keung, Charles ("Dr. Charles Chan") and Ms. Ng Yuen Lan, Macy ("Ms. Macy Ng") who are the substantial Shareholders. Other than the aforesaid, none of the Directors has any relationship with the substantial Shareholders as at the date of this report.

Pursuant to bye-laws 87(1) and 87(2) of the Bye-laws and the CG Code, Mr. Cheung Chi Kit ("Mr. CK Cheung"), Mr. Alan Chan and Mr. Kwok Ka Lap, Alva ("Mr. Alva Kwok") shall retire from office at the Annual General Meeting by rotation. All these three retiring Directors, being eligible, have offered themselves for re-election at the Annual General Meeting.

None of the Directors being proposed for re-election at the Annual General Meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The term of office of each of the non-executive Directors (including the independent non-executive Directors) appointed from time to time is fixed subject to retirement by rotation and re-election in accordance with the requirements of code provisions A.4.1 and A.4.2 of the CG Code which state that non-executive directors should be appointed for a specific term, subject to re-election, and that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Board has received from each of the independent non-executive Directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all 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 and/or their respective close associates 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), (i) which 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 were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(I) The Company

Name of Director	Number of Shares held	Number of underlying Shares held (Note 2)	Total	Percentage (Note 3)
Mr. Cheung Hon Kit ("Mr. HK Cheung")	48,800,000	7,000,000	55,800,000	5.80%
Mr. Chan Fut Yan ("Mr. FY Chan")	3,390,594	3,500,000	6,890,594	0.71%
Mr. CK Cheung	2,850,000	2,000,000	4,850,000	0.50%
Mr. Alan Chan	3,959,582	1,500,000	5,459,582	0.56%
Mr. Wong Lai Shun, Benny ("Mr. Benny Wong")	230,000	1,500,000	1,730,000	0.18%
Hon. Shek Lai Him, Abraham, *GBS, JP* ("Mr. Abraham Shek")	304,477	500,000	804,477	0.08%
Mr. Alva Kwok	623,453	300,000	923,453	0.09%
Mr. Chan Pak Cheong Afonso ("Mr. Afonso Chan")	–	300,000	300,000	0.03%

(II) Associated corporation of the Company

Mr. HK Cheung had personal interests in the principal amount of US$2.3 million under the 4.75% guaranteed notes due 2021 issued by Treasure Generator Limited, a wholly-owned subsidiary of the Company, and guaranteed by the Company.

Notes:

1. The Directors were the beneficial owners having personal interests in the Shares, underlying Shares and/or debenture as disclosed above and all such interests were long positions.

2. This represented the share options granted by the Company (being regarded as unlisted physically settled equity derivatives) on 4 April 2018. Details of the share options are disclosed in the section headed "Share Option Scheme" below.

3. This represented the approximate percentage of the total number of 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 and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which 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 were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted by the Shareholders pursuant to an ordinary resolution passed on 17 August 2012 (the "Adoption Date"). The primary purpose of the Share Option Scheme is to retain, reward, motivate and give incentives to eligible persons. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 17 August 2012 to 16 August 2022.

Under the Share Option Scheme, the Directors may grant share options to the following eligible persons to subscribe for the Shares:

(i) any employee or proposed employee (whether full-time or part-time) or executives, including executive director, of any member of the Group, the controlling shareholder (as defined in the Listing Rules) of the Company (the "Controlling Shareholders"), any entity in which any member of the Group holds any direct or indirect equity interests (the "Invested Entity") and/or their respective subsidiaries; or

(ii) any non-executive director (including independent non-executive directors) of any member of the Group, the Controlling Shareholder or any Invested Entity; or

(iii) any consultant, adviser or agent (legal, financial or professional) engaged by any member of the Group or any Invested Entity; or

(iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any Invested Entity.

Share options granted should be accepted within 21 days after the date of grant, upon payment of HK$1 per each grant of the share options. The exercise price shall be determined by the Board and shall be at least the highest of (i) the closing price of the Shares on the date of grant of the share options; or (ii) the average closing price of Shares for the five business days immediately preceding the date of grant; or (iii) the nominal value of a Share on the date of grant.

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised is determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

The total number of Shares which may be issued upon exercise of all the share options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the "Scheme Limit"). The Scheme Limit may be refreshed by an ordinary resolution of the Shareholders in general meeting provided that the Scheme Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of such Shareholders' approval. Furthermore, the maximum aggregate number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. Since the Adoption Date, refreshments were made to the Scheme Limit due to the issue of additional Shares upon conversion of convertible notes, exercise of share options and payment of dividend by way of issuing scrip Shares. As at 31 March 2020, both the refreshed Scheme Limit and the total number of Shares available for issue under the Share Option Scheme were 93,771,273, representing approximately 9.79% of the existing total number of Shares in issue.

The maximum number of Shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled or outstanding) to each eligible person in any 12-month period shall not exceed 1% of the total number of Shares in issue unless approval of the Shareholders is obtained. Any grant of share options to a Director, the chief executive of the Company, a substantial Shareholder, or a Controlling Shareholder or any of their respective associates (as defined in the Listing Rules) is subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the share options). In addition, where the Board proposes to grant any share options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, and such share options, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of all the share options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the past 12-month period up to and including the date of grant in excess of 0.1% of the total number of Shares in issue on the date of grant and with an aggregate value (based on the closing price of the Shares on the date of grant) in excess of HK$5,000,000, such grant of share options is subject to the Shareholders' approval in general meeting.

On 17 October 2013, the Company granted the first lot of a total of 20,800,000 share options under the Share Option Scheme with the exercise period from 17 October 2014 to 16 October 2017. All the outstanding share options lapsed on 17 October 2017.

On 4 April 2018, the Company granted the second lot of a total of 27,020,000 share options with an exercise price of HK$2.57 per share option. The period during which these share options can be exercised is from 4 April 2019 to 3 April 2022, provided that up to a maximum of 50% of the share options shall be exercisable during the second-year period commencing from 4 April 2019 to 3 April 2020 (both days inclusive) and the balance of the share options not yet exercised shall be exercisable during the period commencing from 4 April 2020 to 3 April 2022 (both days inclusive) pursuant to the Share Option Scheme. Movements of the aforesaid share options during the Year were as follows:

	Number of share options				
Category and name of participant	Outstanding as at 1 April 2019	Granted during the Year	Exercised during the Year	Cancelled/ lapsed during the Year	Outstanding as at 31 March 2020
Directors					
Mr. HK Cheung	7,000,000	–	–	–	7,000,000
Mr. FY Chan	3,500,000	–	–	–	3,500,000
Mr. CK Cheung	2,000,000	–	–	–	2,000,000
Mr. Alan Chan (Note 1)	1,500,000	–	–	–	1,500,000
Mr. Benny Wong	1,500,000	–	–	–	1,500,000
Mr. Abraham Shek	500,000	–	–	–	500,000
Mr. Alva Kwok	300,000	–	–	–	300,000
Mr. Afonso Chan	300,000	–	–	–	300,000
Sub-total	16,600,000	–	–	–	16,600,000
Employees	6,880,000	–	–	(370,000)	6,510,000
Other participants (Note 2)	3,300,000	–	–	–	3,300,000
Total	**26,780,000**	**–**	**–**	**(370,000)**	**26,410,000**

Notes:

1. Mr. Alan Chan is also an associate (as defined in the Listing Rules) of the substantial Shareholders.

2. The other participants are consultants of the Group.

Save as disclosed above, there were no share options granted, exercised, cancelled or lapsed under the Share Option Scheme during the Year.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Option Scheme" above, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Listing Rules, the interests of the relevant Directors in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group during the Year were as follows:

(i) Mr. HK Cheung, the Chairman of the Company and an executive Director, had personal interests and/or held directorships in companies which were engaged in property investment in Macau, Hong Kong, the PRC, Canada and the United Kingdom and/or hotel management and operation in the PRC and Hong Kong.

(ii) Mr. FY Chan, the Managing Director of the Company and an executive Director, held directorship in a company which was engaged in property development and investment.

(iii) Mr. Alan Chan, an executive Director, had personal interests and held directorship in companies which were engaged in securities investments and loan financing.

(iv) Mr. Benny Wong, an executive Director, held directorships in companies which were engaged in hotel management and operation in the PRC and Hong Kong.

The Directors are aware of their fiduciary duties to the Company and understand that they must, in the performance of their duties as Directors, avoid actual and potential conflicts of interest and duty in order to ensure that they act in the best interests of the Shareholders and the Company as a whole. In addition, any significant business decisions of the Group are to be determined by the Board. Any Director who has material interest in any matter being resolved will abstain from voting. In view of the above, the Board considers that the interests of each of Mr. HK Cheung, Mr. FY Chan, Mr. Alan Chan and Mr. Benny Wong in other companies will neither prejudice his capacity as a Director nor compromise the interests of the Group and the Shareholders. Also, the Board opines that coupled with the diligence of the independent non-executive Directors, the Group is capable of carrying on its businesses independently of, and at arm's length from, such businesses in which the above Directors are regarded as being interested in.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 42 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CHANGES IN INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information on the Directors since the last published 2019-2020 interim report of the Company and up to the date of this report were set out below:

(i) There were changes to the directorships of each of Mr. HK Cheung, Mr. FY Chan, Mr. CK Cheung and Mr. Benny Wong in certain members of the Group.

(ii) Mr. Abraham Shek retired from the position of independent non-executive director of Hop Hing Group Holdings Limited, a listed company in Hong Kong, on 2 June 2020.

(iii) Details of the Directors' emolument for the Year are set out in Note 12(a) to the consolidated financial statements.

Save as disclosed above, there are no other changes in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONNECTED TRANSACTION

There was no connected transaction or continuing connected transaction undertaken by the Company during the Year and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions disclosed in Note 42 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company, or were either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 March 2020, so far as being known to the Directors or chief executive of the Company, the interests and short positions of the substantial Shareholders or other persons (other than the Directors or chief executive of the Company) in the Shares and underlying Shares which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

	Name	Nature of interests	Capacity	Number of Shares held	Percentage (Note 2)
(I)	**Substantial Shareholders**				
	Dr. Charles Chan	Personal interests	Beneficial owner	191,588,814	19.94%
		Corporate interests	Interest of controlled corporation	76,186,279	7.93%
		Family interests	Interest of spouse	248,031,919	25.82%
				515,807,012 (Note 3)	53.69%
	Ms. Macy Ng	Corporate interests	Interest of controlled corporation	248,031,919	25.82%
		Family interests	Interest of spouse	267,775,093	27.87%
				515,807,012 (Note 4)	53.69%
	Record High Enterprises Limited ("Record High")	Corporate interests	Interest of controlled corporation	248,031,919 (Note 4)	25.82%
	Fortune Crystal Holdings Limited ("Fortune Crystal")	Personal interests	Beneficial owner	248,031,919 (Note 4)	25.82%
(II)	**Other persons**				
	ITC Holdings Limited ("ITC Holdings")	Corporate interests	Interest of controlled corporation	76,186,279 (Note 3)	7.93%
	Galaxyway Investments Limited ("Galaxyway")	Personal interests	Beneficial owner	76,186,279 (Note 3)	7.93%

Notes:

1. All the interests in the Shares as disclosed above were long positions. Also, no underlying Shares were held by the substantial Shareholders and other persons stated above.

2. This represented the approximate percentage of the total number of issued Shares as at 31 March 2020.

3. Galaxyway owned 76,186,279 Shares and was a wholly-owned subsidiary of ITC Holdings which in turn was wholly owned by Dr. Charles Chan. As such, ITC Holdings and Dr. Charles Chan were deemed to be interested in the 76,186,279 Shares owned by Galaxyway by virtue of Part XV of the SFO.

   In addition, Dr. Charles Chan was deemed to be interested in the 248,031,919 Shares owned by Fortune Crystal set out in Note 4 below by virtue of his being the spouse of Ms. Macy Ng for the purpose of Part XV of the SFO. Also, Dr. Charles Chan was the beneficial owner of 191,588,814 Shares.

   Accordingly, Dr. Charles Chan was interested in and deemed to be interested in a total of 515,807,012 Shares by virtue of Part XV of the SFO.

4. Fortune Crystal owned 248,031,919 Shares and was a wholly-owned subsidiary of Record High which in turn was wholly owned by Ms. Macy Ng. As such, Record High and Ms. Macy Ng were deemed to be interested in the 248,031,919 Shares owned by Fortune Crystal by virtue of Part XV of the SFO.

   In addition, Ms. Macy Ng was deemed to be interested in the 76,186,279 Shares owned by Galaxyway and the 191,588,814 Shares beneficially owned by Dr. Charles Chan by virtue of her being the spouse of Dr. Charles Chan for the purpose of Part XV of the SFO.

   Accordingly, Ms. Macy Ng was deemed to be interested in a total of 515,807,012 Shares by virtue of Part XV of the SFO.

Save as disclosed above, as at 31 March 2020, the Company had not been notified of any other interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts relating to the management and administration of the whole or any substantial part of the businesses of the Company were entered into or subsisted during the Year.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the aggregate purchases attributable to the five largest suppliers of the Group were less than 30% of the total purchases of the Group, whereas the aggregate amount of turnover attributable to the Group's five largest customers was approximately 48% of the Group's total turnover. The largest customer accounted for approximately 18% of the Group's total turnover and as at 31 March 2020, Mr. Alva Kwok is an independent non-executive director of the largest customer.

Save as disclosed above, none of the Directors and their respective close associates or any Shareholders (who to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers as at 31 March 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, a total of 18,325,000 Shares were repurchased on the Stock Exchange. All the repurchased Shares have subsequently been cancelled.

Details of the repurchases are as follows:

Month	Number of Shares repurchased	Purchase Price per Share Highest	Lowest	Aggregate Consideration (excluding expenses)
		(HK$)	*(HK$)*	*(HK$)*
May 2019	7,723,000	1.86	1.82	14,217,400
July 2019	1,732,000	1.61	1.59	2,768,120
March 2020	8,870,000	1.00	0.85	8,542,510
	18,325,000			25,528,030

The Directors believed that the above repurchases of Shares led to an enhancement of the net asset value per Share and benefited the Company and the Shareholders as a whole.

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

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Company is aware, there was no material breach of or non-compliance with the applicable laws and regulations that had a significant impact on the businesses and operations of the Group during the Year.

REMUNERATION POLICY

The remuneration policy regarding the Directors, top management and other employees of the Group was formulated and will be reviewed by the Remuneration Committee of the Company from time to time. Directors, top management and employees are remunerated according to their qualifications and experience, job nature and performance and under the pay scales aligned with market conditions. In addition to the contractual remuneration, other benefits including discretionary bonus, medical scheme, insurance coverage, retirement benefits schemes and share options may also be offered upon the determination of the Group.

Details of the Group's retirement benefits schemes and the Share Option Scheme are set out in Note 41 to the consolidated financial statements and the section headed "Share Option Scheme" above respectively.

DIVIDEND POLICY

The dividend policy of the Company aims at providing stable and sustainable returns to the Shareholders whilst preserving the liquidity of the Group to capture future growth opportunities. The Company intends to provide the Shareholders with regular dividends and to declare special dividend from time to time, and whenever appropriate, to offer a scrip dividend alternative to the Shareholders. In deciding whether to propose a dividend and determining the dividend amount, the Board will consider the earnings performance, financial and liquidity position, investment requirements and future prospects of the Group, and any other factors that the Board may deem appropriate.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has arranged insurance coverage in respect of legal action against its Directors and officers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of its Shares as required under the Listing Rules throughout the Year and as at the date of this report.

AUDITOR

A resolution will be proposed at the Annual General Meeting to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Cheung Hon Kit
Chairman

Hong Kong, 26 June 2020

The Company is committed to maintaining high standard of corporate governance practices and procedures and complying with the statutory and regulatory requirements with an aim to maximising the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the CG Code as its own code of corporate governance. Throughout the Year, the Company has complied with all the code provisions of the CG Code and applied the principles contained therein.

CORPORATE STRATEGY AND LONG-TERM BUSINESS MODEL

The corporate objective of the Group is to create and enhance value for the Shareholders. To achieve this corporate objective, our business strategies are to maintain continuous growth and profitability by acquiring property sites with good locations at relatively low costs for redevelopment, while sale of property upon completion of development is the primary profit driver. The Group also builds a property investment portfolio with appreciation potential in order to secure a recurring and reliable source of income. Other businesses, including the securities investments and the provision of loan financing services, are part of the Group's treasury management for utilising surplus cash, and supplement to the Group's core businesses of property development and investment.

Forming joint ventures with business partners having similar investment philosophy is a preferred mode of holding structure for the Group's investment as it can on one hand diversify the business risks, and on the other hand share the expertise of our business partners.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for Directors in their dealings in the securities of the Company. In response to specific enquiries made by the Company, all the Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Year. The Company has also adopted the Model Code to regulate the dealings in the securities of the Company by its employees and directors of the subsidiaries who are likely to possess inside information relating to the Company or its securities.

BOARD OF DIRECTORS

Members of the Board are individually and collectively responsible for the leadership and control, and for the promotion of the success, of the Company by operating and developing the Group's business operations and implementing the Group's business strategies. The Board has eight members, consisting of five executive Directors and three independent non-executive Directors. Further details of the composition of the Board are set out on page 2 of this annual report. Each of the Directors has signed a formal letter of appointment setting out the key terms and conditions of his appointment. A list containing the names of all the Directors and their role and function is available on the websites of the Stock Exchange and the Company, and will be updated from time to time as and when there are any changes.

The Company has always maintained a sufficient number of independent non-executive Directors representing more than one-third of the Board as required under the Listing Rules. With three independent non-executive Directors possessing professional expertise and a diverse range of experience, the Board can effectively and efficiently exercise independent judgment, give independent advice to the management of the Company and make decisions objectively for the benefits and in the interests of the Company and the Shareholders as a whole. The biographical details of the Directors are set out on pages 5 to 7 of this annual report. There is no financial, business, family or other material relationship among the members of the Board.

The Board has delegated the executive Board or other committees with authority and responsibility for handling the management functions and operations of the day-to-day business of the Group while specifically reserving important matters and decisions to the Board for approval, such as annual and interim financial reporting and control, equity fund-raising, declaration of interim dividend, recommendation of final dividend or other distributions, decisions regarding notifiable transactions and connected transactions under Chapter 14 and Chapter 14A of the Listing Rules respectively and making recommendation for capital reorganisation or scheme of arrangement of the Company. The Company has also established the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee and the Investment Committee with specific written terms of reference which clearly define their respective roles, authorities and functions. The members of the said committees have full access to minutes, records and materials as well as the personnel of the Company to enable them to fulfil their responsibilities. Further information on each of the committees is set out below in this report.

Regular Board meetings are held at least four times a year with at least 14 days' prior notice being given to all Directors. Additional Board meetings will be arranged and held as and when necessary. The Directors may attend the Board meetings either in person or through electronic means of communication. During the Year, a total of six Board meetings (including four regular meetings) were held and written resolutions of Directors were circulated and passed for approving significant matters. Also, resolutions were passed by the executive Board during the Year for normal course of business and matters under authorisation and/or delegation by the Board.

The Directors are provided with all relevant information in advance to enable them to make informed decisions, and appropriate arrangements are in place to ensure that they are given an opportunity to include matters in the agendas for the regular Board meetings. All Directors have separate and independent access to the advice and services of the Group's senior management and consultants with a view to ensuring that the Board procedures and all applicable laws, rules and regulations are observed and complied with. The chairman of the Board (the "Chairman") meets at least annually with the independent non-executive Directors without the presence of other Directors.

A tentative schedule for regular Board meetings, committee meetings and annual general meeting of each financial year is made available to all Directors prior to the beginning of the year. The attendance records of each Board member, on a named basis, at the said meetings held during the Year are as follows:

	Number of Meetings Attended/Eligible to Attend					
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	Annual General Meeting
Executive Directors:						
Mr. HK Cheung	6/6	–	–	1/1	1/1	1/1
Mr. FY Chan	5/6	–	1/1	–	–	1/1
Mr. CK Cheung	6/6	–	–	–	1/1	1/1
Mr. Alan Chan	6/6	–	–	–	–	1/1
Mr. Benny Wong	6/6	–	–	–	–	1/1
Independent Non-executive Directors:						
Mr. Abraham Shek	6/6	4/4	1/1	1/1	–	1/1
Mr. Alva Kwok	6/6	4/4	1/1	1/1	1/1	1/1
Mr. Afonso Chan	6/6	4/4	1/1	1/1	–	1/1

Directors have disclosed to the Company periodically their directorships and offices held in other organisations as well as other significant commitments, and also their time commitments to the Company. The Board adopted the recommended best practice set out in the CG Code to review the performance of the Directors and their contributions to the Company, and is satisfied that the Directors have firm commitments to the Company. Also, the Board is of the view that the Directors have made positive contributions to the Board through active participation in the Company's affairs and the Board's discussion and decisions, as reflected in their high attendance at the meetings of the Board and committees as well as the annual general meeting held during the Year.

The Company has arranged insurance coverage in respect of legal action against the Directors and officers arising out of their duties. Such insurance coverage is reviewed periodically to ensure the adequacy of its coverage.

Chairman and Managing Director

The roles of the Chairman and the Managing Director, held by Mr. HK Cheung and Mr. FY Chan respectively, are clearly segregated with an aim to providing a clear division of authorities and responsibilities. The Chairman is principally responsible for the strategic planning of the Group and the management of the operations of the Board. The Managing Director is mainly responsible for the operations and business development of the Group.

Non-executive Directors

Pursuant to the Bye-laws and the CG Code, every Director is subject to retirement by rotation and re-election at least once every three years. All the non-executive Directors are subject to the aforesaid retirement requirements and are appointed for a specific term of not more than three years.

The Board has three independent non-executive Directors, and at least one of them has the appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. The Board has received from each of the independent non-executive Directors an annual written confirmation of his independence pursuant to the Listing Rules and considered that all the independent non-executive Directors are independent.

Directors' Training

In order to uphold good corporate governance, every newly appointed Director will receive and be briefed on professional development to ensure that he/she has sufficient understanding of the Group's businesses and awareness of duties under the Listing Rules and the relevant statutory and regulatory requirements. Briefings on specific topics of significance and interests with the relevant reading materials are also arranged for the Directors so as to provide continuous professional development (the "CPD") training as required by the CG Code. In addition, the Company encourages the Directors to enroll in professional development courses and seminars relating to the Listing Rules, the Companies Ordinance and corporate governance practices organised by professional bodies or chambers.

During the Year, the Company continued to provide the Directors with materials on updates on rules and regulations, market developments, and other relevant topics which enhanced greater awareness and understanding of the Group's businesses and the compliance with regulatory development.

All Directors have provided their training records to the Company confirming that during the Year, they have participated in the following CPD on various topics, including directors' duties and responsibilities, and latest updates on rules and regulations:

Name of Director	Attending Seminars, Conferences and/or E-training	Reading Materials
Mr. HK Cheung	✓	✓
Mr. FY Chan	✓	✓
Mr. CK Cheung	✓	✓
Mr. Alan Chan	✓	✓
Mr. Benny Wong	✓	✓
Mr. Abraham Shek	✓	✓
Mr. Alva Kwok	✓	✓
Mr. Afonso Chan	✓	✓

Nomination, Appointment and Re-election of Directors

The Board has delegated its authority to the Nomination Committee for the nomination and appointment of new Directors and the nomination of Directors for re-election by the Shareholders at the annual general meeting. Pursuant to the Bye-laws, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board who will be subject to retirement and re-election at the next following general meeting or the next following annual general meeting respectively.

The Board has adopted a board diversity policy (the "Board Diversity Policy"), which has been reviewed regularly, for ensuring a balance of skills, experience and diversity of perspectives appropriate to the requirements of the businesses and strategies of the Group and to the succession planning and development of the Board. Selection of candidates for appointment to the Board shall be based on a range of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional and industrial experience, business perspectives, skills, knowledge and length of service. All Board appointments shall be based on merit and contribution on an equal-opportunity principle, and selected candidates shall be considered against objective criteria, having due regard to the benefits of diversity on the Board as well as the needs of the Board without focusing on one single diversity aspect. A candidate to be appointed as an independent non-executive Director must satisfy the independence criteria set out in the Listing Rules. During the Year, no Director was involved in fixing his own terms of re-appointment and no independent non-executive Director participated in assessing his own independence.

Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years at the annual general meeting. Also, pursuant to the Bye-laws, not less than one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting.

NOMINATION COMMITTEE

The Nomination Committee comprises four members, namely Mr. Abraham Shek (committee chairman), Mr. HK Cheung, Mr. Alva Kwok and Mr. Afonso Chan. Except Mr. HK Cheung who is an executive Director, all the other members are independent non-executive Directors.

The main responsibilities of the Nomination Committee include making recommendations to the Board on relevant matters relating to the appointment or re-appointment of the Directors and succession planning for the Directors; assessing the independence of the independent non-executive Directors; reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; reviewing the nomination policy (the "Nomination Policy"), as appropriate, to ensure its effectiveness and regulatory compliance; and making recommendations to the Board on any proposed changes to the Board Diversity Policy and the progress on achieving the measurable objectives, if any, that the Board has set for implementing such policy. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. For effective functioning in the course of the Director's nomination process, the Board has also adopted the procedures for the Shareholders to propose a person for election as a Director in accordance with the Bye-laws, the Nomination Policy and the Board Diversity Policy. The Nomination Committee has been provided with sufficient resources to perform its duties.

Under the Nomination Policy, the Nomination Committee shall apply the following selection criteria after identifying and shortlisting the suitable candidates for appointment of Director:

(i) the attributes to complement the Company's corporate strategies;
(ii) the business experience and board expertise and skills;
(iii) the time commitment and attention in the businesses of the Group;
(iv) the integrity, personal ethics, honesty and good reputation;
(v) in case of appointment of independent non-executive Director, the compliance with the independence requirements under the Listing Rules; and
(vi) the benefits towards a diversified Board with regards to the Board Diversity Policy.

The recommendation of the Nomination Committee on appointment of a new Director shall then be put to the Board for consideration and approval.

For re-election of a Director, the Nomination Committee shall also apply the selection criteria to assess the retiring Director and make recommendation to the Board. A circular containing the requisite information on the retiring Director shall be sent to the Shareholders. If a retiring independent non-executive Director (i) has served on the Board for more than nine years or (ii) has held directorship in six or more other listed companies, the Board shall explain in the circular the reasons why (i) he is still believed as independent and should be re-elected or (ii) he is able to devote sufficient time to the Board, respectively.

During the Year, the Nomination Committee held a meeting. The work performed by the Nomination Committee during the Year included the following:

(i) reviewed the structure, size and composition of the Board;
(ii) assessed the independence of the independent non-executive Directors;
(iii) nominated the retiring Directors for re-appointment at the annual general meeting; and
(iv) reviewed the terms of reference of the Nomination Committee, the Nomination Policy and the Board Diversity Policy.

CORPORATE GOVERNANCE COMMITTEE

The Board has established the Corporate Governance Committee with specific written terms of reference which clearly define its role, authority and function. The Corporate Governance Committee comprises three members, two of whom are executive Directors, namely Mr. HK Cheung (committee chairman) and Mr. CK Cheung, and one independent non-executive Director, namely Mr. Alva Kwok.

The Board has delegated its corporate governance functions set out in the code provisions of the CG Code to the Corporate Governance Committee. The principal duties of the Corporate Governance Committee include making recommendations to the Board on the Company's policies and practices on corporate governance; and reviewing and monitoring (i) the training and CPD of the Directors and the senior management of the Company, (ii) the Company's policies and practices on compliance with the legal and regulatory requirements, (iii) the code of conduct and compliance manual (if any) applicable to the Company's employees and the Directors, and (iv) the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. The Board has also adopted the corporate governance policy and the code of conduct for internal guidance purpose. The Corporate Governance Committee has been provided with sufficient resources to perform its duties.

During the Year, the Corporate Governance Committee held a meeting. The work performed by the Corporate Governance Committee during the Year included the following:

(i) endorsed the Company's practices and procedures on corporate governance and the compliance with the CG Code;
(ii) endorsed the Corporate Governance Report;
(iii) reviewed the training and CPD of the Directors; and
(iv) reviewed the terms of reference of the Corporate Governance Committee, the corporate governance policy, the Shareholders' communication policy, the code of conduct of the Company and various procedures for corporate governance matters.

REMUNERATION COMMITTEE

The Remuneration Committee comprises four members, namely Mr. Afonso Chan (committee chairman), Mr. FY Chan, Mr. Abraham Shek and Mr. Alva Kwok. Except Mr. FY Chan who is an executive Director, all the other members are independent non-executive Directors.

The main responsibilities of the Remuneration Committee include (i) making recommendations to the Board on the Company's remuneration policy and structure for all the Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy as well as (ii) determining the remuneration packages of the executive Directors and senior management of the Company. The terms of reference are available on the websites of the Stock Exchange and the Company. The Remuneration Committee has been provided with sufficient resources to perform its duties.

During the Year, the Remuneration Committee held a meeting. The work performed by the Remuneration Committee during the Year included the following:

(i) reviewed and approved the discretionary bonus to a member of the management of the Group for the Year; and
(ii) reviewed the terms of reference of the Remuneration Committee and the remuneration policy for the Directors and employees of the Group.

Details of the remuneration packages of the Directors are set out in Note 12(a) to the consolidated financial statements. During the Year, no Director or any of his associates was involved in deciding the remuneration package of the Director concerned. Also, no new service contract of any executive Directors or senior management of the Company is required to be approved by the Remuneration Committee during the Year.

AUDIT COMMITTEE

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Afonso Chan (committee chairman), Mr. Abraham Shek and Mr. Alva Kwok. Mr. Afonso Chan is a qualified accountant with extensive experience in financial reporting and controls as required by the Listing Rules.

The principal duties of the Audit Committee include reviewing the Group's interim and annual results prior to recommending them to the Board for approval; making recommendation on the appointment of external auditor and acting as the key representative body for overseeing the Company's relations with its external auditor; and reviewing the Group's financial information and financial reporting system. The Audit Committee is also responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, and the effectiveness of the internal audit function of the Company. The terms of reference are available on the websites of the Stock Exchange and the Company. The Board has also adopted the risk management and internal control policy and the whistle-blowing policy, and has delegated the Audit Committee with the responsibility for reviewing such policies and related arrangements. The Audit Committee has been provided with sufficient resources to perform its duties.

During the Year, the Audit Committee held four meetings. The work performed by the Audit Committee during the Year included the following:

(i) endorsed the following matters for the Board's approval:

   (a) the draft audited consolidated financial statements for the year ended 31 March 2019 and the draft unaudited consolidated interim financial statements for the six months ended 30 September 2019;
   (b) the re-appointment of the external auditor for the Shareholders' approval at the annual general meeting;
   (c) the risk management framework and internal control practices;
   (d) the internal audit checklist and timetable of the Company; and
   (e) the proposed amendments to the risk management and internal control policy;

(ii) approved the terms of engagement of the external auditor of the Company, including the fee basis;

(iii) discussed and reviewed with the management and the external auditor of the Company on the changes in accounting standards and requirements which might affect the Group; and

(iv) reviewed the terms of reference of the Audit Committee and the whistle-blowing policy.

The Board and the members of the Audit Committee did not have any differences in opinion during the Year.

INVESTMENT COMMITTEE

The Investment Committee comprises two members and both of them shall be executive Directors.

The main responsibilities of the Investment Committee include (i) making recommendations to the Board on strategies and risk control policies for the Group's investments and reviewing the efficiency and effectiveness of their implementation; and relevant matters relating to acquisitions and disposals of, investments in assets, companies, businesses or projects, and their funding requirements, (ii) conducting necessary research and gathering necessary information before making any investment decisions, (iii) reviewing financial performance of the investment portfolio of the Group, (iv) reviewing the appropriateness of the investment portfolio and making recommendations to the Board on treasury management and investment of surplus funds, and (v) reviewing the investment policy to ensure its effectiveness and making recommendations to the Board on any proposed changes. The Investment Committee has been provided with sufficient resources to perform its duties.

During the Year, the Investment Committee reviewed its terms of reference and the investment policy.

COMPANY SECRETARY

The company secretary of the Company (the "Company Secretary") is responsible for ensuring that Board procedures are followed and Board activities are effectively and efficiently conducted, and the Company complies with the Listing Rules and all other relevant rules and regulations, including but not limited to the preparation, publication and despatch of the Company's annual and interim reports within the prescribed time limit as required by the Listing Rules and arrangement of Directors' CPD training as required by the CG Code.

In addition, the Company Secretary advises the Directors on their obligations for the disclosure of interests and dealings in the Company's securities, connected transactions and inside information, and ensures that the standards and disclosures as required by the Listing Rules and all other relevant rules and regulations are fulfilled and, if required, disclosures are made in the annual and/or interim reports of the Company.

The Company Secretary is an employee of the Group. She confirmed that she has complied with the qualifications, experience and training requirements as required by the Listing Rules.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing the financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows of the Group for that period. The Group has maintained a team of qualified accountants to oversee its financial reporting and other accounting-related issues in accordance with the relevant laws, rules and regulations.

In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Board is not aware of any material uncertainties relating to any events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The statement of the external auditor of the Company regarding its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

The management of the Company provides all members of the Board with monthly updates, giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

AUDITOR'S REMUNERATION

The total remuneration paid or payable to the external auditor of the Company, Deloitte Touche Tohmatsu, for the Year amounted to HK$6,759,000, of which HK$5,432,000 was for audit services and HK$1,327,000 for non-audit services, including review of interim results and tax-related service.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for maintaining a sound and effective system of risk management and internal control for reviewing its effectiveness, particularly in respect of the key controls on finance, operations and compliance through risk management assessment, to integrate into the Group's business strategies and business operations.

The Board oversees the Group's risk management process which comprises the identification and assessment of the key risks exposure of the Group based on their estimated impact and likelihood of occurrence and formulation of corresponding mitigating measures by the management. The Group's identified risks and associated mitigating measures are recorded in a risk register and are reviewed at least annually in light of internal and external changes. An open and interactive communication channel is maintained to enable timely reporting and ongoing supervision of the identified risks within the Group.

The Group's risk management and internal control systems include a well-established organisation structure, comprehensive policies and standards, periodic reviews on the implementation of the internal control systems in respect of operation, financial function and compliance of all the businesses of the Group, including the newly acquired investments, in order to manage the Group's identified risks effectively. The risk management and internal control policy of the Group has been developed with a primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control and for achievements of the Group's objectives.

The Company has also established and maintained appropriate and effective systems and procedures for the handling and dissemination of inside information. The Board has adopted the policy on disclosure of inside information, pursuant to which an internal committee has been established to review and assess any material information which requires to be escalated for the attention of the Board and to be disclosed. Procedures have also been implemented for responding to external communications so that only designated personnel can respond to enquiries about the Group's affairs.

The internal audit function of the Group is an independent function that reports directly to the Audit Committee. The internal audit team from time to time reviews the Group's business operations, risk management and internal control systems in accordance with the risk-based internal audit work plan as approved by the Audit Committee. Internal audit checklists and reports are also prepared periodically for the Audit Committee's review and the Board's consideration and approval.

The Board is responsible for the design, implementation and monitoring of the Group's risk management and internal control systems on an ongoing basis and a cyclical review has been conducted on their effectiveness. Furthermore, the Board has ensured that adequate resources have been spent on the Company's accounting, internal audit and compliance functions which are carried out by professional staff with appropriate qualifications, experience and training.

During the Year, no significant irregularity or deficiency in risk management and internal control systems was required to draw the attention of the Audit Committee. The Board, based on the assessment and confirmation from the management, has reviewed the Group's risk management and internal control systems and considered them to be effective and adequate.

COMMUNICATION WITH SHAREHOLDERS

The Board has adopted, and reviews from time to time, the Shareholders' communication policy which was designed with the objective of ensuring that the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company in order to enable them to exercise their rights in an informed manner.

The Company communicates with the Shareholders through the publication of annual and interim reports, announcements and circulars as well as the dissemination of additional information about the Group's activities, business strategies and developments. All such information is available on the Company's website at www.itcproperties.com.

The Board strives to maintain an ongoing and transparent communication with all the Shareholders and, in particular, use general meetings as a means to communicate with the Shareholders and encourage their participation.

During the Year, the Chairman and representative from the external auditor attended the last annual general meeting and were available to answer questions raised by the Shareholders at the meeting. Notice of the annual general meeting was sent to the Shareholders as least 20 clear business days before the meeting. At the meeting, a separate resolution in respect of each substantially separate issue put forward for consideration was proposed by the chairman of the meeting, and voting on each resolution was conducted by poll. An explanation of the detailed procedures of conducting a poll was provided to the Shareholders at the commencement of the meeting. The results of the poll were published on the websites of the Stock Exchange and the Company pursuant to the Listing Rules.

The Bye-laws are available on the websites of the Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

Proposing a Person for Election as a Director

Pursuant to bye-law 88 of the Bye-laws, if a Shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, he/she/it can deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the Board or the Company Secretary or at the branch share registrar in Hong Kong, Tricor Secretaries Limited. The period for lodgment of such notice will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven days prior to the date of such general meeting. The procedures for a Shareholder to propose a person for election as a Director at a general meeting are set out in the "Corporate Governance" section of the Company's website.

Convening a Special General Meeting

Pursuant to bye-law 58 of the Bye-laws, Shareholder(s) holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board. The requisition must state the purpose(s) of the meeting, and must be signed by the requisitionist(s) and deposited at the registered office of the Company or its principal place of business in Hong Kong. Such meeting shall be held within two months after the deposit of such requisition.

If the Board does not, within 21 days from the date of the deposit of the requisition, proceed duly to convene a meeting, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date of the deposit of the requisition. Any reasonable expenses incurred by the requisitionist(s) by reason of the failure of the Board duly to convene a special general meeting shall be repaid to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act 1981 of Bermuda (as amended), (i) any number of Shareholders representing not less than 5% of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates; or (ii) not less than 100 Shareholders, can submit a requisition in writing to the Company:

(a) to give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The written requisition must be signed by the requisitionist(s) and deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the general meeting in case of a requisition requiring notice of a resolution and not less than one week before the general meeting in case of any other requisition.

Enquiries to the Board

Shareholders may at any time send their enquiries and comments to the Board by addressing them to the Company Secretary by post to the Company's principal place of business in Hong Kong, or by e-mail to info@itcproperties.com, or by fax at (852) 2858 2697.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company is delighted to present its annual Environmental, Social and Governance ("ESG") Report (the "ESG Report") which has been reviewed and approved by the Board.

With its corporate philosophy of "be well-positioned as to location, timing and strategy to maximise returns for the Company and its Shareholders" and "be persistent in excellent development design and execution" as its guiding principles, the Company is embedded with a strong corporate culture for corporate social responsibilities that forms an integral part of its business strategies. The Group endeavours to create a harmonious and sustainable community through cultivating its responsible corporate citizenship and integrate ESG concerns into the businesses and operations with an aim of aligning the interests and benefits of its valuable key stakeholders, the society at large and the environment as a whole.

REPORTING FRAMEWORK AND SCOPE

This ESG Report was prepared in accordance with the ESG Reporting Guide set out in Appendix 27 to the Listing Rules, and summarised the ESG-related policies, initiatives and performances of the Group's core operations in the property and hotel businesses over which the Group had major financial and operational controls as well as with significant ESG implications to the Group and its stakeholders during the Year.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Board provides strategic direction to the ESG reporting team on evaluating ESG related risks and opportunities, sets and reviews related policies regularly to achieve the Group's ESG objectives. The Group's approach to sustainability remains relevant and consistent across its operations. Implementation and communications from top to bottom, across operational teams and geographies integrate sustainability into day-to-day operations. Key stakeholders are identified based on their significance to the Group's strategy making and operations, and their working relationships with the Group, who are then engaged through on-going and comprehensive communication channels to understand their concerns and expectations.

Stakeholder Engagement

"A process of identifying, understanding and addressing material sustainability issues and concerns"

Key Stakeholders	Communication Channels	Expectations
1. ***Shareholders and investors of the Company***	• Annual and interim reports • Announcements and circulars • General meetings • Meetings and interviews • Website	• Financial performance • Corporate transparency • Sustainable development • Social investment
2. ***Customers***	• Daily operations • Events • Questionnaires • Customer service hotline • Brochures and leaflets	• Quality products and services • Data privacy • Business integrity and conduct
3. ***Employees***	• Training programs, seminars and briefing sessions • New hire orientation • Regular performance reviews • Memos, notice board, intranet, WeChat group, meetings and discussions • Company activities	• Health and safety • Remuneration and benefits • Career development • Equal opportunities • Corporate culture
4. ***Suppliers and contractors***	• Quotations and tendering processes • After-sale services • Site inspections, meetings and work review • Industrial seminars and workshops	• Product quality and safety • Corporate reputation • Fair and ethical business practice • Long-term relationship • Supply chain responsibilities
5. ***Business partners***	• Mutual development and sharing of resources • Joint projects	• Mutual trust and synergies • Long-term partnership relationship • Return on investment
6. ***Community***	• Community investment • Volunteering activities	• Social contribution • Environmental responsibilities • Community participation
7. ***Regulatory bodies and government authorities***	• Compliance management • Consultation • Meetings • Seminars	• Compliance • Laws, regulations and practices • Business ethics

During the Year, the Group obtained feedbacks from its key stakeholders through the above communication channels and further launched a materiality analysis to identify and rank the ESG issues based on the importance to the internal and external stakeholders, and the impacts on the Group's core businesses. The Group will continue to manage all identified issues and address the most material issues as its priority. These are also the focal points of its reporting through dedicated initiatives, targets and Key Performance Indicators ("KPIs") which are described in the later parts of this ESG Report. The results were summarised in the following table:

Subject Areas	ESG Aspects	Material ESG Issues
A. Environmental	**A1. Emissions**	• Air Emissions • Waste Management • Greenhouse Gas Emissions
	A2. Use of Resources	• Energy Consumption • Water Consumption
	A3. The Environment and Natural Resources	• Emissions, Waste, Energy, Water and Materials • Indoor Air Quality • Lighting • Noise Management
	A4. Climate Change	• Climate Change Management
B. Social	***Employment and Labour Practices***	
	B1. Employment	• Employment Practices and Relations
	B2. Health and Safety	• Workplace Health and Safety
	B3. Development and Training	• Talent Development
	B4. Labour Standards	• No Child and Forced Labour
	Operating Practices	
	B5. Supply Chain Management	• Fair and Green Procurement Practices
	B6. Product Responsibility	• Products and Services Standards • Customer Services • Data Privacy and Information Security • Fair Marketing • Protection of Intellectual Property Rights
	B7. Anti-corruption	• Anti-bribery and Anti-corruption
	Community	
	B8. Community Investment	• Corporate Citizenship

A. ENVIRONMENTAL

As a property developer and investor, the Group faces the environmental risks, including but not limited to emissions and waste generation, energy conservation, water shortage and pollution, and climate change. Ever since the Group began to collect the environmental data and developed its first ESG report, it has been seeking ways to make improvements in emissions reduction, waste minimisation, and energy and water saving through the Group's environmental policies. The Group strives to:

- ensure compliance with all applicable environmental and related legislations and encourage employees, business partners and other stakeholders to meet their environmental obligations
- identify environmental impacts associated with its operations, and continually improve the environmental performance
- provide good indoor environmental quality in its buildings to ensure that the work and living environments are healthy
- minimise waste generation whenever practical in daily operations through source reduction and recycling
- measure and report the greenhouse gas emissions, and actively encourage the stakeholders to reduce their carbon footprint
- improve energy and water efficiencies by adopting best practicable designs and technologies without compromising service
- embrace green purchasing practices to conserve natural resources

A1. Emissions

The Group strives to conduct businesses in a responsible manner according to its Waste Management Policy and encourages sound environmental management practices to reduce the air emissions and greenhouse gases, waste disposal and generation of hazardous and non-hazardous wastes.

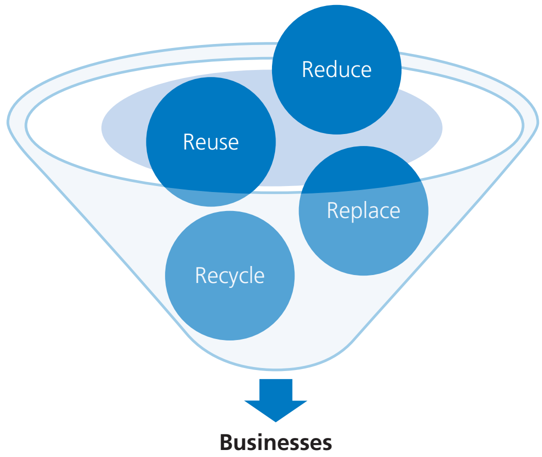
Air Emissions

Although no significant air emissions were generated directly from the Group's operations during the Year since the construction activities of its development projects have been outsourced, the Group has put substantial efforts in minimising the negative impacts on environment:

- Required its contractors to adopt a series of air emission reduction measures, including but not limited to requiring the submission of monthly reports of their green performance
- Used low emitting materials for adhesives, sealants, paints and coatings in property projects
- Used non-chlorofluorocarbon ("CFC") based refrigerants in the air conditioning systems to avoid the depletion of the ozone layer
- Deployed hydro-vent system to effectively filter oil and odour from the exhaust of kitchens operating in the hotels

Waste Management

The Group upholds its Waste Management Policy in applying the "4Rs" (i.e. "reduce", "reuse", "recycle" and "replace") waste management principles on the proper handling and disposal of all wastes generated.



Although the construction wastes were not directly generated by the Group during the Year, the Group has shouldered its responsibility to monitor waste management practices of its contractors:

- Required the contractors to develop and implement construction waste management plans for proper handling and disposal of wastes
- Encouraged the contractors to recycle or salvage non-hazardous construction and demolition debris. In particular, recycling bins, paper recycling boxes and steel scraps recycling area have been designated to facilitate better waste management
- Provided guidance on waste handling and reduction to site workers
- Requested staff to enhance the accuracy of materials budgeting to avoid wastage

The Group has also implemented various waste handling and reduction measures across its operations:

- Established a waste classification system in its offices for recycling and reuse to alleviate burden on landfills. The general non-hazardous wastes, such as kitchen wastes, bottles, paper, etc. are properly handled in an environmentally responsible manner on a regular basis
- Adopted recycling practices in its operations, including collection and recycling of used kitchen oil and plastic bottles from its hotel operations, offering reusable cups to guests, and minimising the use of packaged products through bulk purchase with refillable or reusable packages
- Encouraged electronic means of internal and corporate communications (including interim and annual reports) instead of paper form, and printed on double-side if inevitable for reducing paper usage
- Reused paper with no confidential information as well as sent shredded paper for recycling
- Preferred paper supply that was Forest Stewardship Council ("FSC") certified

During the Year, paper consumption for work-related purposes was the major type of waste generated from the Group's direct-managed activities, amounting to 9.18 tonnes[1] (2019: 11.44 tonnes). The reduction was resulted from streamlining of paper reports to reduce printouts and significant decrease in staff headcounts during the Year. In addition, majority of work-related waste was recycled which demonstrated the Group's efforts in waste reuse and recycling. There were no significant hazardous wastes produced directly from the operations of the Group.

1 The purchase quantity of the above item during the Year was considered as the amount disposed by the Group.

Greenhouse Gas Emissions

The Group's major sources of the carbon emissions were from the consumption of electricity and water and the disposal of wastes. During the Year, there were 3,863.23 tonnes of the carbon dioxide equivalent (CO_2e)[2] generated from the Group's direct operations (2019: 3,717.06 tonnes), with an intensity of 0.022 kg CO_2e (2019: 0.0142 kg CO_2e) per Hong Kong dollar of revenue. Such increase was mainly due to an increase in carbon emissions and disposal of construction waste resulted from the construction works and foundation works conducted for the redevelopment projects at Hai Tan Street and Pau Chung Street respectively.

		Property projects		Hotel operations		Offices	
For the year ended 31 March	Unit	Amount[2]	Intensity (by gross floor area)	Amount[2]	Intensity (by room night)	Amount[2]	Intensity (by gross floor area)
2020							
Scope 1[3]	Tonnes	–	–	71.97	–	–	–
Scope 2[3]	Tonnes	–	–	2,768.16	0.02	249.14	0.08
Scope 3[3]	Tonnes	595.12	795.76	45.36	–	133.48	0.04
2019							
Scope 1[3]	Tonnes	–	–	77.92	–	–	–
Scope 2[3]	Tonnes	–	–	2,909.72	0.02	256.69	0.09
Scope 3[3]	Tonnes	272.94	0.65	50.05	–	149.74	0.05

A2. Use of Resources

Aiming at achieving operational optimisation and enhancing the ESG performance, the Group has implemented its Environmental Policy to endeavour its efforts in lowering energy and water consumption (its two major types of resources during the Year) throughout life-cycle and carbon footprints in its business operations.

2 Carbon emissions were calculated with reference to the Greenhouse Gas Protocol using carbon conversion factors published by the Environmental Protection Department and electricity providers.

3 The Greenhouse Gas Protocol defined emissions as Scope 1, 2 or 3. Scope 1 emissions were direct greenhouse gas emissions from sources that were owned or controlled by the Group. Scope 2 emissions were indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the Group. Scope 3 emissions were indirect emissions that occur along the Group's value chains including both upstream and downstream emissions.

Energy Consumption

The Group's main types of energy consumption and its corresponding reduction measures were summarised in the following table:

		Property projects		Hotel operations		Offices	
For the year ended 31 March	Unit	Amount[4]	Intensity (by gross floor area)	Amount[4]	Intensity (by room night)	Amount[4]	Intensity (by gross floor area)
2020							
Electricity	kWh	758,729	1,014.53	4,839,940	31.94	308,870	108.29
Towngas	Unit	–	–	28,190	0.19	–	–
Diesel	L	45,000	60.17	–	–	–	–
Petrol	L	–	–	–	–	46,106	8.62
2019							
Electricity	kWh	229,877	543.82	5,053,107	27.83	320,862	115.29
Towngas	Unit	–	–	30,521	0.17	–	–
Diesel	L	45,000	106.46	–	–	–	–
Petrol	L	–	–	–	–	49,233	9.33

The substantial increment of energy consumption for property projects was resulted from the construction work conducted for the redevelopment project at Hai Tan Street. Nevertheless, due to multiple energy saving measures taken by the Group, reduction in hotel occupancy and decrease in staff headcounts, there was a significant reduction in energy consumption by hotels and offices during the Year.

The Group has implemented a series of reduction measures in its offices, property projects and hotel operations to save its energy consumption as follows:

- Implemented building management system ("BMS") and installed devices for monitoring energy consumption
- Used high energy efficiency fans, pumps and chiller with auto sequencing programme for machineries
- Used chiller heat recovery for hot water supply
- Regularly reported energy consumption and resources usage
- Procured energy saving electrical appliances, including those being accredited with Energy Star or The Electronic Product Environmental Assessment Tool ("EPEAT")
- Implemented key card system to save energy when the hotel room is empty
- Hotels participated in the "Energy Saving Charter 2019" and "4Ts Charter" schemes which were launched by the Environment Bureau and the Electrical and Mechanical Services Department

4 The amounts represented the energy directly consumed and controlled by the Group, as well as those used and reported by its contractors during the Year.

In addition, the Group has promoted environmental protection among its employees through a diverse set of energy saving programs as follows:

- Turned off electrical appliances and lights during lunch hours and for office spaces not in use
- Installed light emitting diode ("LED") lighting in office areas and business areas
- Used low-emissivity window film and controlled temperature setting for air conditioners with regular cleaning and maintenance
- Switched off office equipment and electrical appliances to energy-saving mode when not in use
- Used green signage and energy saving tips to promote best practices and increase staff awareness
- Adopted duplex printing and copying, recycled used paper and scrapped paper for notepads
- Conducted telephone conferencing meetings, instead of face-to-face meetings, for counterparties in different locations

Water Consumption

During the Year, the total amount of water consumed by the Group was 67,242 m^3 (2019: 55,132 m^3), with detailed consumption and intensity summarised in the following table:

		Property Projects		Hotel Operations		Offices	
For the year ended 31 March	Unit	Amount[5]	Intensity (by gross floor area)	Amount[5]	Intensity (by room night)	Amount[5]	Intensity (by gross floor area)
2020	m^3	19,802	26.48	47,072	0.31	368	0.14
2019	m^3	3,452	8.17	51,217	0.28	463	0.17

Due to the construction work conducted for the redevelopment project at Hai Tan Street, there was a significant increase in water consumption for property projects. However, the decrease in water consumption for hotel operations was resulted from the significant drop in occupancy in Rosedale Hotel Kowloon and Le Petit Rosedale Hotel during the Year and the decrease in staff headcounts. Again, the decline in water consumption by offices was due to the decrease in staff headcounts during the Year.

In order to consume water responsibly throughout its operations, the Group has formulated the following water conservation initiatives across its offices, property projects and hotel operations:

- Installed water efficient and/or low-flow water fixtures including faucet and showerhead
- Conducted regular repair and maintenance of water pipes to prevent water leakage
- Reused water to maximise utilisation
- Reduced irrigation by growing plants which were suitable for the climate of Hong Kong
- Regularly reported water consumption and saving measures
- Promoted water saving awareness and best practices through provision of regular training and use of signage

5 The amounts represented the water consumed and controlled by the Group in its offices, property projects and hotel operations, as well as those used and reported by its contractors during the Year.

A3. The Environment and Natural Resources

The Group aims at constantly improving operational efficiencies and reducing adverse operational impacts on the environment through its Environment and Natural Resources Policy with various initiatives, including introduction of eco-friendly low-carbon measures to minimise wastage as well as promotion of resource-efficient and environmentally-responsible green building design.

Regular evaluation has been conducted to identify potential environmental risks and timely mitigating actions are implemented. During the Year, the Group has dedicated its efforts in improving the following environmental issues:

Emissions, Waste, Energy, Water and Materials

The Group is aware that construction work has a huge impact on the environment and natural resources. As such, it has taken initiatives in joining the Leadership in Energy and Environmental Design ("LEED") programme, the world's leading green building standard which addresses the whole life cycle of the property, lowers its operating costs, increases its value and conserves energy and natural resources. One of the Group's hotels, Rosedale Hotel Kowloon has attained the LEED GOLD standard while another hotel Le Petit Rosedale Hotel has attained the LEED SILVER standard. Moreover, over 30% of the hotels' products and materials have been delivered from within 500 miles to reduce the environmental impacts resulting from transportation.

Indoor Air Quality

The Group has recognised the importance of indoor air quality to human health:

- Used ventilating systems with ventilation rate, which was 30% higher than the standard set by American Society of Heating, Refrigerating and Air-Conditioning Engineers, in the Group's property projects
- Committed to use materials with minimal or no Volatile Organic Compound ("VOC") to maintain high air quality
- Engaged building managers to perform regular cleaning for dust filters, humidifiers and fans in offices
- Applied photocatalyst and air purifiers to control airborne allergens, viruses, bacteria and odours
- Prohibited smoking at workplace

Lighting

To uphold the slogan of "go green" and minimise light nuisance and electricity consumption, Rosedale Hotel Kowloon and Le Petit Rosedale Hotel have taken initiatives in joining the "Charter on External Lighting" of the Environment Bureau ("EB") to voluntarily switching off all lighting installations of decorative, promotional or advertising purposes that affect outdoor environment from 23:00 to 07:00 on the following day and received "Platinum Award" from the EB as a recognition. Moreover, individual lighting controls enabling occupants to adjust the lighting system have also been installed in the hotels.

Noise Management

Construction activities may generate significant level of noise and therefore the Group's contractors have been required to strictly follow the requirements of relevant regulations, in particular, the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong).

A4. Climate Change

Climate Change Management

Climate change is now a global challenge and could pose significant risks to the Group's operations and the community at large, in particular, those brought about by extreme weather conditions. The Group recognises the need to adopt preventive measures in order to mitigate and adapt to environmental impacts arising across its operations. The Board and management oversight on climate issues is integrated into the Group's governance and risk management system, and mitigating the Group's impacts on climate change is firmly embedded within the business strategy. The Group is currently in the planning stage of developing a Climate Change Policy, which will outline its commitment to manage climate change risks, and to provide formal guidance on mitigation, adaptation, and resilience strategies to address those risks in line with the market practices.

The Group has considered climate-related impacts in the building lifecycle and targeted to obtain BEAM Plus or LEED Silver or above green building certifications for new buildings where possible. Climate change considerations have also been actively integrated into the Group's procurement decisions, for example, local and regional construction materials with lower carbon footprint are preferred. More information on the climate related risks and the mitigation actions taken by the Group is set out in the "Management Discussion and Analysis" section of this annual report.

B. SOCIAL

Being a socially responsible corporate citizen, the Group aims at building a mutually beneficial relationship with its key stakeholders.

EMPLOYMENT AND LABOUR PRACTICES

B1. Employment

Employment Practices and Relations

The Group values high-quality talent as an important asset. A comprehensive Employee Handbook has been developed covering various human resources aspects, including recruitment, compensation, promotion, working hours, rest period and equal opportunity as a guiding principle for reinforcing satisfaction, loyalty and commitment of its employees.

The following practices have been continuously adopted by the Group during the Year:

- Offered attractive and competitive remuneration packages to employees and reviewed at least annually with reference to individual performance, contribution, development, inflation and economic or market conditions
- Regularly reviewed annual leave policy with reference to the number of years of employment
- Reviewed the maternity leave policy and continued to offer 14-week maternity leave, as compared to the compulsory 10-week maternity leave
- Offered other fringe benefits to staff, including preventive check-up scheme, comprehensive medical and life insurance coverage and retirement fund contribution
- Administrated the procedures to enable the employees to exercise the share options which were granted to them as a motivation and in order to build a direct correlation between their rewards and the Group's performance
- Organised annual dinner, festive luncheons and employee birthday parties
- Presented long services awards as a token to appreciate dedication and contribution to the loyal staff members serving the Group

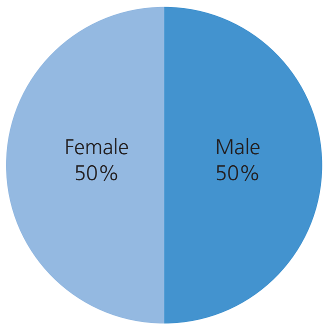
- Provided seasonal presents to staff members on special days, such as Chinese New Year and Mid-Autumn Festival
- Closed office early on festive occasions

The Group is an equal opportunity employer and explicitly against any kind of discrimination on age, gender, marital status, race, nationality, religion, disability and family status.

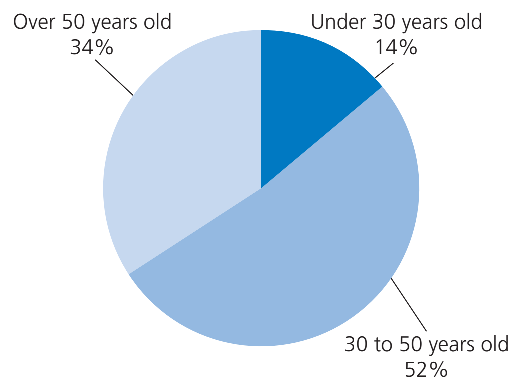
The Group encourages its staff to maintain a well-balanced life and supports its staff to actively pursue their personal development by participating in different roles and activities in the community. Moreover, the Group devotes to strengthen a sense of belonging of its staff by demonstrating care and support in all aspects.

As at 31 March 2020, the total number of employees of the Group was 266 (2019: 318). During the Year, total employee turnover rate was 34% (2019: 31%). Majority of the resigned employees worked for the Group's hotel business where relatively high turnover rate is the industrial norm.

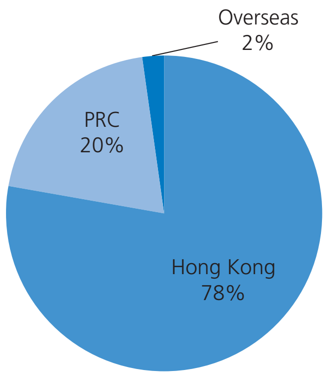
Total Workforce by Gender



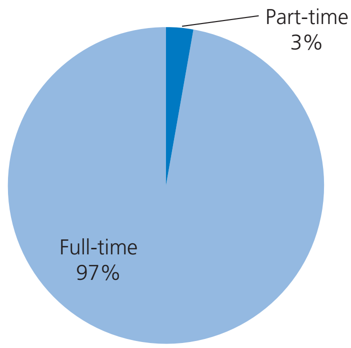
Total Workforce by Age Group



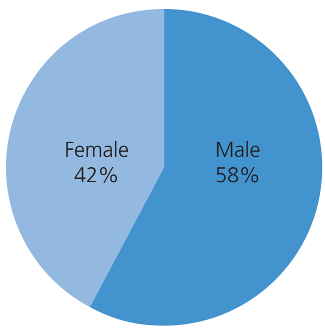
Total Workforce by Region



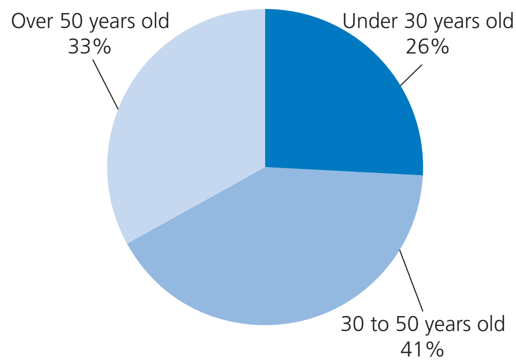
Total Workforce by Full Time and Part time



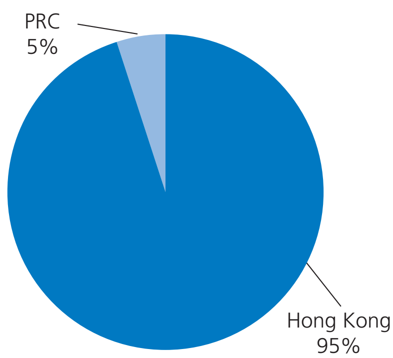
Turnover by Gender



Turnover by Age Group



Turnover by Region



B2. Health and Safety

Workplace Health and Safety

The Group promotes a high degree of awareness and accountability of health and safety at work through its Health and Safety Policy which consists of regular trainings, standard codes of practices and various health and safety measures so as to promote an injury-free culture.

The Group is committed to providing and maintaining a healthy and safe workplace for its staff and other persons likely to be affected by its business activities and operations through continuous implementation of the following measures:

- Offered adjustable sit-stand converters that allow the staff to work in flexible position, with reference to medical advice
- Carried out periodic air-conditioning systems cleaning, floor care maintenance, pest control, carpet disinfection treatment, and engaged professional service provider to carry out office residual sanitation coating service for killing of viruses and bacteria to ensure a hygienic working environment
- Allowed flexible working hours and distributed surgical masks, disinfectant detergents and alcohol-based hand sanitisers to employees during the COVID-19 pandemic
- Requested guests and staff to measure the body temperature and wear surgical masks upon entering the hotel premises to protect them from a possible virus infection
- Participated in the annual fire and evacuation drill organised by the respective building managers to familiarise with the fire evacuation route and strengthen awareness of fire precaution
- Organised emergency drill in the hotels to facilitate the coordination, communication and evacuation processes between departments
- Conducted regular inspections of the facilities and safety measures at its workplace
- Provided additional and special safety work guidelines and equipment for the site workers
- Rosedale Hotel Kowloon participated in "Project VanGUARD" which was jointly organised by Kowloon West Region Police and Hong Kong Hotels Association to ensure the safety and security of the guests

The occupational safety and health related policies and practices are regularly reviewed by the Group so that preventive and corrective measures are implemented to minimise occupational health and safety hazards. During the Year, the Group achieved zero work-related fatalities while the number of lost days due to work injury was 41 days.

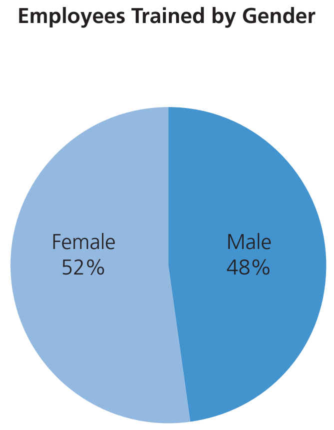
B3. Development and Training

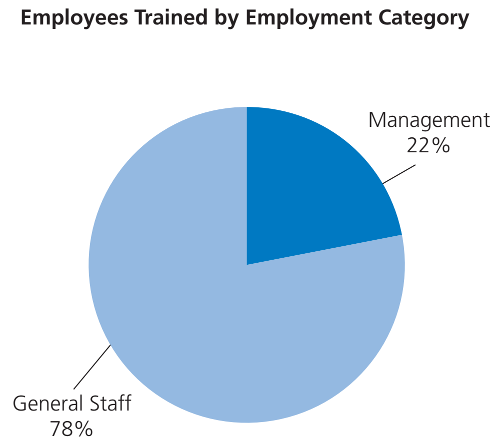
Talent Development

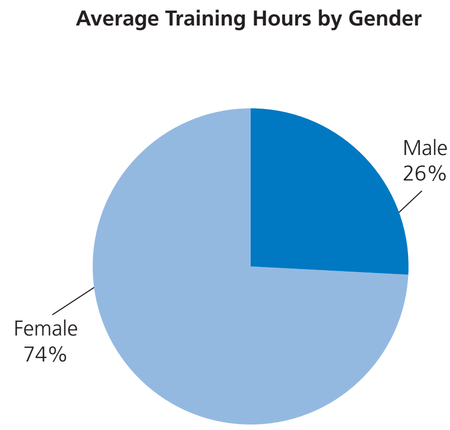
Employee development is an important human capital investment. The Group has established its Development and Training Policy to reinforce its manpower and develop its human capital by providing a wide spectrum of in-house and external training and development courses, seminars, workshops and conferences to equip its staff members with knowledge, skills and experience in performing their job duties effectively and efficiently.

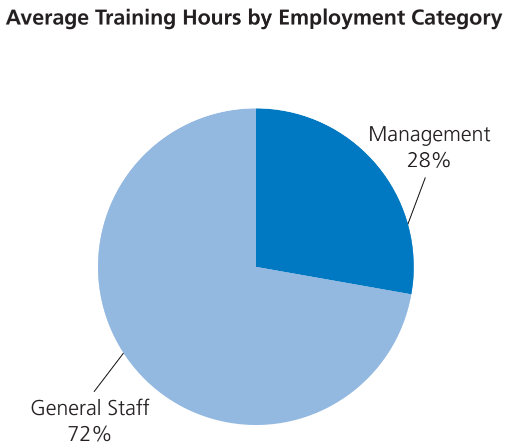
Corporate orientation programs and briefings have been introduced to new staff to help them in familiarising with the corporate culture and practices. Continuous professional development training programs and briefings have also been provided to the Directors and senior management of the Group.

During the Year, the total number of employees attended training courses provided by the Group directly and indirectly was 125, and the corresponding number of training hours completed was 869 hours.









B4. Labour Standards

No Child and Forced Labour

The Group respects human rights and strictly prohibits child and forced labour. A No Child and Forced Labour Policy has been established to ensure that no abuse, physical punishment and assignment of tasks with extremely high risks of all kinds are allowed in its workplace and business operations.

To ensure the Group is legally compliant with local laws and regulations, it has implemented effective controls in the recruitment process, for example, the applicant's identity is checked, including but not limited to his or her age and eligibility for employment. The Group also ensures that employees are given enough rest days and compensated for any overtime work, as required by local regulators. The Group was not aware of any operation or supplier having significant risk of child labour, young workers exposed to hazardous work, or forced or compulsory labour during the Year.

OPERATING PRACTICES

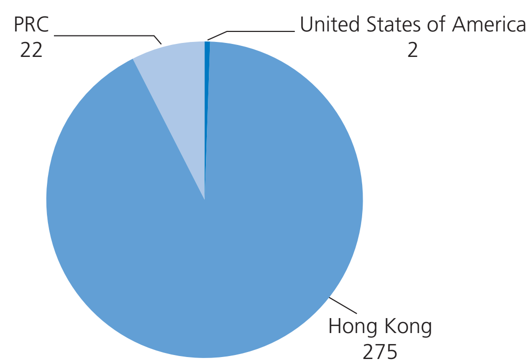
B5. Supply Chain Management

Fair and Green Procurement Practices

The Group believes it is important to work with suppliers who demonstrate sound and ethical business practices and work toward the same sustainability goals. Through its Supply Chain Management Policy, the Group continues to work closely with its supply chain partners in order to facilitate its effective governance of supply chain practices as well as to execute green procurement for maintaining a high quality for its property projects and customer services, and to enhance responsibilities with its supply chain management system.

With the goals of adopting sustainable purchasing best practices, promoting responsible sourcing, and managing environmental and social risks along the supply chain effectively, the Group has diversified its procurement through different suppliers, and has established stringent procedures and consistent criteria for the selection of suppliers with regular monitoring and review as key assessments of sustainability performance of all the suppliers. Periodic site visits of various suppliers are arranged, and key contractors are required to submit site supervision plans, safety management and quality monitoring proposals for the Group's review of performance. Moreover, the Group gives priority in the selection process to products and services certified by recognised authorities such as FSC. It has further assured that the Group does not engage suppliers and contractors with known non-compliance with the applicable laws and regulations, including child and forced labour, discrimination, bribery, corruption or other unethical practices and environmental pollution.

Number of Suppliers by Region



B6. Product Responsibility

Products and Services Standards

The Group has established its Products and Services Responsibility Policy to offer socially responsible products and services to the public and utmost business ethics when serving the public through its businesses and operations. During the Year, the Group did not consider that recall procedures were material to its operations. It was also not aware of any recall concerning the provision and use of products and services for safety and health reasons that have a significant impact.

Customer Services

According to its Customer Services Policy, the Group strives to enhance customer experience by demonstrating professionalism, responsiveness and caring for its customers and stipulates the principle of delivering a high standard of customer services.

Adhering to its "Consistent, Comfort and Care" motto, the Group has placed customer satisfaction as priority in its hotel operations by providing its valuable customers with thoughtful services experience and embellishing guest satisfaction through various communication channels and key service parameters, including but not limited to providing a free"handy"smartphone during their stay for unlimited internet access, local calls anywhere and IDD calls in selected countries in order to create a barrier-free environment. Keeping up with the technology trend, "WeChat Pay" has been introduced by the Group's hotels to deliver greater convenience and personalised experience to the guests. They may reserve rooms, settle payment for rooms and restaurants as well as view the transactions through their WeChat accounts. The hotels have also organised a "Service with Smile" workshop to encourage employees to use the positive energy to engage with guests and provide quality customer services. There were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on the Group during the Year.

Data Privacy and Information Security

In view of high public concern over data privacy especially in recent years and according to its Data Privacy Policy, the Group strictly adheres to legal requirements relating to data privacy protection in order to fulfill its key stakeholders' expectations on information security and confidentiality.

The Group has ensured a high standard of security and confidentiality of personal data throughout its businesses and operations. The importance of data protection is emphasised to all employees in the Employee Handbook. The Group requires its staff to fully comply with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and similar overseas regulations in handling information of its Shareholders, business partners, customers and employees in the collection, processing, use and keeping of their personal data. All personal data collected through customer service hotline, marketing activities or online platforms is handled in an appropriate manner in accordance with local regulatory requirements and can only be accessed by authorised persons within the Group on a need-to-know and need-to-use basis. There were no substantial complaints concerning breaches of customer privacy and losses of customer data during the Year.

Fair Marketing

The Group has strictly followed the Residential Properties (First-hand Sales) Ordinance in Hong Kong and similar overseas regulations which require provision of true and accurate information in marketing materials of properties, including sales brochures and leaflets, price lists, show flats, promotion advertisements and registers of sales transactions, etc.

Protection of Intellectual Property Rights

The Group observes and protects its intellectual property rights by prolonged use and registration of domain names and trademarks. It has applied and/or registered trademarks in various classes in Hong Kong, the PRC and other relevant jurisdictions. Such domain names and trademarks have been constantly reviewed and renewed upon their expiration. The Group has also maintained proper records of software applications and renewed the corresponding licenses before expiry during the Year. In addition, all employees must respect, not infringe, copyright work and comply with all applicable laws and regulations as stipulated in the Employee Handbook.

B7. Anti-corruption

Anti-bribery and Anti-corruption

In order to cultivate an ethical corporate culture and maintain a fair and equitable business environment, the Group has established its Code of Conduct and Anti-corruption Policy to emphasise the principles of anti-bribery and anti-corruption to counter bribery, corruption, extortion, money-laundering, competitive activities and other fraudulent activities. Under these policies, the Group is committed to preventing, detecting and reporting any actual or suspected case of fraud, irregularity, misconduct or malpractice, with zero tolerance for any case of corruption and related malpractice.

The Group has required its staff to possess high ethical standard and demonstrate professional conducts in its businesses and operations. Employees have been reminded not to have any form of corruption including but not limited to request or accept of benefits of material value from any parties having business transactions with the Group. To reinforce this message, the Group has provided relevant reference information including anti-bribery and anti-corruption topics to directors and employees. Whistle-blowing mechanism has been established to provide formal channels and guidance to the employees on reporting about any possible impropriety, misconduct or malpractice. All whistleblowing cases reported must be sent to the Audit Committee, who will decide appropriate course of action and further report to the Board. There were no cases of bribery or corruption reported, nor were any legal cases regarding corrupt practices brought against the Group or its employees during the Year.

COMMUNITY

B8. Community Investment

Corporate Citizenship

As a long-standing supporter of a number of charity groups, the Group has established its Community Investment Policy which sets out its mission of leveraging its resources to improve the community in which it operates.

The Group is strongly committed to serving the community with love and care through various charitable services, donations, fundraisings, sponsorships and volunteering services:

- Participated in Dress Casual Day organised by The Community Chest where staff members voluntarily made donations
- Rosedale Hotel Kowloon cooperated with Hong Kong Community College of The Hong Kong Polytechnic University in providing a 3-month internship programme for students of hotel management
- Rosedale Hotel Kowloon participated as a supporting organisation for "Work Experience Movement" which was organised by the Education Bureau in providing career exploration opportunities for the secondary students

C. GOVERNANCE

Referring to the keystones of its corporate philosophy, the Group consistently believes that ESG should be embedded in its core businesses and operations. Its sound and systematic corporate governance system and professional working team have enabled the Group to lay a solid foundation for its ESG initiatives so as to enhance accountability, integrity, transparency and honesty which drives the Group forward.

The Board has a strong commitment to maintaining high standard of corporate governance to create long term benefits for the stakeholders and hence the sustainable development of the Group. It takes an overall responsibility to oversee the Group's risk management and internal control systems on an ongoing basis in order to safeguard the stakeholders' interests and enhance its sustainability performance. The ESG related risks have been included in the periodic risk assessment which are mitigated and monitored along with other business and operational risks. Progress and achievements on ESG initiatives, KPIs, targets, and actions taken to solve the sustainability issues are reported to the Board on a regular basis to facilitate its strategy formulation, business decision making and ultimately contribute to sustainable growth of the Group. The governance practices and procedures have also been reviewed by the Board from time to time to ensure they remain in compliance with the legal and regulatory requirements. During the Year, no incidents of non-compliance were identified.

More information on the corporate governance is set out in the "Corporate Governance Report" section of this annual report.

CONTENT INDEX

The Company has complied with all "comply or explain" provisions on general disclosures ("GD") and environmental KPIs, in accordance with Rule 13.91 of the Listing Rules and the ESG Reporting Guide.

The following table provided an overview of the GD and environmental KPIs, and their location of disclosure in this ESG report.

A. ENVIRONMENTAL	LOCATION OF DISCLOSURE
A1 Emissions	
• GD A1[1] Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes	A1. Emissions
• KPI A1.1[2] Types of emissions and respective emissions data	• Air Emissions • Waste Management • Greenhouse Gas Emissions
• KPI A1.2 Greenhouse gas emissions in total and intensity	• Greenhouse Gas Emissions
• KPI A1.3[3] Total hazardous waste produced and intensity	• N/A
• KPI A1.4 Total non-hazardous waste produced and intensity	• Waste Management
• KPI A1.5 Description of measures to mitigate emissions and results achieved	• Air Emissions • Greenhouse Gas Emissions
• KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	• Waste Management

1 No confirmed non-compliance or grievance cases were identified during the Year.
2 The Group did not directly generate significant air emissions during the Year.
3 The Group did not generate material amount of hazardous waste during the Year.

A. ENVIRONMENTAL	LOCATION OF DISCLOSURE
A2 Use of Resources	
• GD A2 Policies on efficient use of resources like energy, water and other raw materials	A2. Use of Resources
• KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity	• Energy Consumption
• KPI A2.2 Water consumption in total and intensity	• Water Consumption
• KPI A2.3 Description of energy use efficiency initiatives and results achieved	• Energy Consumption
• KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	• Water Consumption
• KPI A2.5[4] Total packaging material used for finished products	• N/A
A3 The Environment and Natural Resources	
• GD A3 Policies on minimising the issuer's significant impact on the environment and natural resources	A3. The Environment and Natural Resources
• KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	• Emissions, Waste, Energy, Water and Materials • Indoor Air Quality • Lighting • Noise Management

B . SOCIAL	LOCATION OF DISCLOSURE
B1 Employment	
• GD B1[1] Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	B1. Employment

1 No confirmed non-compliance or grievance cases were identified during the Year.
4 The Group did not identify material packaging materials during the Year due to its business nature.

B . SOCIAL	LOCATION OF DISCLOSURE
B2 Health and Safety	
• GD B2[1] Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	B2. Health and Safety
B3 Development and Training	
• GD B3 Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	B3. Development and Training
B4 Labour Standards	
• GD B4[1] Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour	B4. Labour Standards
B5 Supply Chain Management	
• GD B5 Policies on managing environmental and social risks of the supply chain	B5. Supply Chain Management
B6 Product Responsibility	
• GD B6[1] Information on policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	B6. Product Responsibility
B7 Anti-corruption	
• GD B7[1] Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money-laundering	B7. Anti-corruption
B8 Community Investment	
• GD B8 Policies on community engagement to understand the community's needs where the issuer operates and to ensure its activities take into consideration the communities' interests	B8. Community Investment

1 No confirmed non-compliance or grievance cases were identified during the Year.

Deloitte. 德勤

TO THE MEMBERS OF ITC PROPERTIES GROUP LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of ITC Properties Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 175, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 ("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
Impairment loss on other loan receivables We identified the impairment loss on other loan receivables as a key audit matter due to the significant judgment exercised by the management of the Group in respect of the impairment loss arising from other loan receivables. As explained in note 4 to the consolidated financial statements, the Group recognises credit loss allowances for other loan receivables by applying the expected credit losses ("ECL") model to individual exposures. The estimation of credit loss allowances involves key estimates from the management. Management considers reasonably supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative information such as probability of default and recovery rate quoted from international credit-rating agencies and qualitative information such as credit quality of the debtors adjusted for forward-looking factors. The measurement of ECL is a function of the probability of default and loss given default, which involves key estimates from the management. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. For a specific other loan receivable, the Group has reassessed the reasonableness of the internal assessment of ECL provision, based on the assessment of ECL provision performed by independent professional valuers engaged by the management of the Group. As at 31 March 2020, the carrying amounts of other loan receivables was HK$354,656,000, net of credit loss allowance of HK$263,079,000.	Our procedures in relation to assessing the sufficiency of the impairment loss on other loan receivables included: • Obtaining an understanding on the Group's credit risk management policy and how the credit loss allowances have been calculated by adopting the ECL model on other loan receivables; • Understanding the terms and conditions of and inspecting the relevant loan agreements; • Assessing the reasonableness of the internal credit ratings and the loss rates for individual debtors used in the Group's ECL model based on: – the credit quality of the debtors, such as any experience in default or delay in payments and historical settlement pattern; and – the probability of default, recovery rate and forward-looking information; and • Obtaining an understanding from the independent professional valuers and assessing the reasonableness of the valuation methodology, significant assumptions adopted and critical judgment on key inputs and data used in their assessment of ECL provision for a specific other loan receivable, as a basis of the reassessment of the reasonableness of the internal assessment performed by the management of the Group.

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 significant judgment involved in the valuation of investment properties. Referring to note 4 to the consolidated financial statements, the valuation of investment properties was based on valuation on these properties conducted by independent professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the valuation of the Group's investment properties and corresponding adjustments to the fair value changes reported in the consolidated statement of profit or loss. As at 31 March 2020, investment properties were carried in the consolidated statement of financial position at their fair values of HK$751,440,000.	Our procedures in relation to valuation of investment properties included: • Evaluating the competence, capabilities and objectivity of the independent professional valuers; • Obtaining an understanding from the independent professional valuers about the valuation methodology, significant assumptions adopted and critical judgment on key inputs and data used in the valuation; • Checking the relevance of market transaction price used by the independent professional valuers on a sample basis by benchmarking them to relevant market information; and • Obtaining the valuation report and discussing with the independent professional valuers to assess the reasonableness of adjusting factors on the locations and conditions of the properties made by them by checking the comparability and other market factors for similar properties.

OTHER INFORMATION

The Directors 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 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 Section 90 of the Bermuda Companies Act, 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 an 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.

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

- 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.

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 Ip Chiu Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26 June 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2020

	NOTES	**2020** ***HK$'000***	2019 *HK$'000*
Revenue	5 & 6	**175,360**	262,299
Hotel operation income		**94,923**	171,140
Property income		**18,957**	14,325
		113,880	185,465
Direct cost for hotel operation income and property income		**(131,329)**	(151,863)
Gross (loss) profit for hotel operation income and property income		**(17,449)**	33,602
Interest revenue from loan financing		**61,480**	76,834
Net fair value loss on financial instruments	7	**(40,009)**	(207,908)
Other income, gains and losses	8	**70,422**	48,809
(Recognition) reversal of impairment losses under expected credit loss model, net		**(291,795)**	14,432
Gain on disposal of joint ventures	18	**40,574**	–
(Decrease) increase in fair value of investment properties	16	**(176,908)**	1,520
Administrative and other expenses		**(226,236)**	(271,941)
Finance costs	9	**(132,862)**	(121,772)
Share of results of associates	19	**23,496**	619,419
Share of results of joint ventures	18	**(282,746)**	(51,940)
(Loss) profit before taxation		**(972,033)**	141,055
Taxation	10	**29**	(1,165)
(Loss) profit for the year	11	**(972,004)**	139,890
(Loss) profit for the year attributable to:			
Owners of the Company		**(971,000)**	140,583
Non-controlling interests		**(1,004)**	(693)
		(972,004)	139,890
(Loss) earnings per share	14		
– Basic (HK dollar)		**(1.00)**	0.15
– Diluted (HK dollar)		**(1.00)**	0.15

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	2020 *HK$'000*	2019 *HK$'000*
(Loss) profit for the year	**(972,004)**	139,890
Other comprehensive (expense) income		
Item that will not be reclassified to profit or loss:		
Loss on fair value changes of financial assets designated as at fair value through other comprehensive income ("FVTOCI")	**(28,461)**	(41,328)
Items that may be subsequently reclassified to profit or loss:		
Reclassification adjustment of translation reserve to profit or loss upon disposal of joint ventures	**(709)**	–
Exchange differences arising on translation of foreign operations	**(88,022)**	(69,706)
Share of translation reserve of associates and joint ventures	**(11,435)**	17,627
Other comprehensive expense for the year	**(128,627)**	(93,407)
Total comprehensive (expense) income for the year	**(1,100,631)**	46,483
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	**(1,099,220)**	47,748
Non-controlling interests	**(1,411)**	(1,265)
	(1,100,631)	46,483

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	NOTES	2020 HK$'000	2019 HK$'000
Non-current assets			
Property, plant and equipment	15	**900,874**	922,544
Investment properties	16	**751,440**	922,000
Equity and fund investments	17	**174,346**	70,093
Interests in joint ventures	18	**622,431**	1,179,333
Amounts due from joint ventures	18	**500,779**	558,067
Interests in associates	19	**1,652,761**	2,132,226
Amount due from an associate	19	**32,686**	16,686
Other loan receivables	20	**67,728**	168,630
Deposit paid for acquisition of an associate	19	**159,000**	159,000
Other non-current assets	21	**153,551**	173,252
		5,015,596	6,301,831
Current assets			
Inventories – food, beverages and general stores		**815**	744
Deposits paid for acquisition of leasehold land	22	**336,348**	354,997
Stock of properties	23	**1,332,423**	1,110,937
Other loan receivables	20	**286,928**	584,929
Debtors, deposits and prepayments	24	**210,900**	169,735
Equity and fund investments	17	**114,356**	121,816
Debt investments	26	**80,145**	–
Bank balances and cash	25	**514,138**	526,187
		2,876,053	2,869,345
Current liabilities			
Creditors, deposits and accrued charges	27	**210,729**	193,770
Amount due to a joint venture	18	**11,635**	–
Amount due to an associate	19	**139,660**	408,128
Tax payables		**201,230**	202,992
Lease liabilities	28	**4,750**	–
Obligations under finance leases		**–**	130
Bank borrowings	30	**1,738,160**	1,479,545
		2,306,164	2,284,565
Net current assets		**569,889**	584,780
Total assets less current liabilities		**5,585,485**	6,886,611

At 31 March 2020

	NOTES	**2020** *HK$'000*	2019 *HK$'000*
Non-current liabilities			
Loan notes	29	**1,519,836**	1,547,059
Lease liabilities	28	**3,785**	–
Obligations under finance leases		**–**	438
		1,523,621	1,547,497
		4,061,864	5,339,114
Capital and reserves			
Share capital	32	**9,607**	9,753
Reserves		**4,050,678**	5,326,371
Equity attributable to owners of the Company		**4,060,285**	5,336,124
Non-controlling interests		**1,579**	2,990
		4,061,864	5,339,114

The consolidated financial statements on pages 71 to 175 were approved and authorised for issue by the board of directors on 26 June 2020 and are signed on its behalf by:

CHEUNG HON KIT
DIRECTOR

CHEUNG CHI KIT
DIRECTOR

For the year ended 31 March 2020

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Treasury shares HK$'000	Contributed surplus HK$'000 (note i)	Capital redemption reserve HK$'000 (note ii)	Share-based payment reserve HK$'000	Investment revaluation reserve HK$'000	Special reserve HK$'000 (note iii)	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2018	9,377	3,313,021	–	113,020	9,185	–	(219,664)	(8,908)	18,630	2,176,521	5,411,182	4,253	5,415,435
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	140,583	140,583	(693)	139,890
Net loss on fair value changes of equity instruments designated as at FVTOCI	–	–	–	–	–	–	(41,328)	–	–	–	(41,328)	–	(41,328)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(69,134)	–	(69,134)	(572)	(69,706)
Share of translation reserve of associates and joint ventures	–	–	–	–	–	–	–	–	17,627	–	17,627	–	17,627
Total comprehensive (expense) income for the year	–	–	–	–	–	–	(41,328)	–	(51,507)	140,583	47,748	(1,265)	46,483
Issue of shares pursuant to scrip dividend scheme for													
– 2018 second interim dividend	343	76,719	–	–	–	–	–	–	–	–	77,062	–	77,062
– 2019 first interim dividend	33	6,645	–	–	–	–	–	–	–	–	6,678	–	6,678
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	2	2
Recognition of equity-settled share-based payments (Note 33)	–	–	–	–	–	3,184	–	–	–	–	3,184	–	3,184
Dividends recognised as distribution (Note 13)	–	–	–	–	–	–	–	–	–	(209,730)	(209,730)	–	(209,730)
At 31 March 2019	9,753	3,396,385	–	113,020	9,185	3,184	(260,992)	(8,908)	(32,877)	2,107,374	5,336,124	2,990	5,339,114
Adjustment (Note 2)	–	–	–	–	–	–	–	–	–	(7,559)	(7,559)	–	(7,559)
At 1 April 2019 (restated)	9,753	3,396,385	–	113,020	9,185	3,184	(260,992)	(8,908)	(32,877)	2,099,815	5,328,565	2,990	5,331,555
Loss for the year	–	–	–	–	–	–	–	–	–	(971,000)	(971,000)	(1,004)	(972,004)
Net loss on fair value changes of equity instruments designated as at FVTOCI	–	–	–	–	–	–	(28,461)	–	–	–	(28,461)	–	(28,461)
Reclassification adjustment of translation reserve to profit or loss upon disposal of joint ventures	–	–	–	–	–	–	–	–	(709)	–	(709)	–	(709)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(87,615)	–	(87,615)	(407)	(88,022)
Share of translation reserve of associates and joint ventures	–	–	–	–	–	–	–	–	(11,435)	–	(11,435)	–	(11,435)
Total comprehensive expense for the year	–	–	–	–	–	–	(28,461)	–	(99,759)	(971,000)	(1,099,220)	(1,411)	(1,100,631)
Issue of shares pursuant to scrip dividend scheme for													
– 2019 second interim dividend	5	679	–	–	–	–	–	–	–	–	684	–	684
Recognition of equity-settled share-based payments (Note 33)	–	–	–	–	–	946	–	–	–	–	946	–	946
Repurchase of shares (Note 32(c))	(151)	(22,405)	(3,038)	–	151	–	–	–	–	(151)	(25,594)	–	(25,594)
Dividends recognised as distribution (Note 13)	–	–	–	–	–	–	–	–	–	(145,096)	(145,096)	–	(145,096)
At 31 March 2020	9,607	3,374,659	(3,038)	113,020	9,336	4,130	(289,453)	(8,908)	(132,636)	983,568	4,060,285	1,579	4,061,864

notes:

(i) The contribution surplus of the Group represents the credit arising from capital reduction pursuant to the capital reorganisation on 13 March 2010.

(ii) The capital redemption reserve represents the share capital repurchased and cancelled.

(iii) Special reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal amount of the share capital of the Company issued as consideration under the group reorganisation in prior years.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

	2020 HK$'000	2019 HK$'000
OPERATING ACTIVITIES		
(Loss) profit before taxation	**(972,033)**	141,055
Adjustments for:		
Decrease in fair values of financial assets at fair value through profit or loss ("FVTPL")	**40,009**	207,908
Depreciation of property, plant and equipment	**103,991**	34,570
Finance costs	**132,862**	121,772
Decrease (increase) in fair value of investment properties	**176,908**	(1,520)
Interest income	**(91,442)**	(113,450)
Loss on disposal/written-off of property, plant and equipment	**7**	91
Net foreign exchange gain	**(20,772)**	(289)
Recognition (reversal) of impairment losses under expected credit loss model, net	**291,795**	(14,432)
Share-based payment expenses	**946**	3,184
Share of results of associates	**(23,496)**	(619,419)
Share of results of joint ventures	**282,746**	51,940
Gain on disposal of joint ventures	**(40,574)**	–
Gain on assignment of other loan receivables	**(19,284)**	–
Gain on repurchase of loan notes	**(2,131)**	–
Operating cash flows before movements in working capital	**(140,468)**	(188,590)
Increase in other non-current assets	**–**	(800)
Increase in inventories	**(71)**	(12)
Increase in deposit paid for acquisition of leasehold land	**(2,210)**	(3,090)
Increase in stock of properties	**(223,590)**	(306,077)
Decrease in other loan receivables	**47,702**	2,000
Decrease (increase) in debtors, deposits and prepayments	**19,642**	(11,067)
Increase in equity and fund investments	**(5,400)**	(51,979)
Increase in debt investments	**(94,703)**	–
(Decrease) increase in creditors, deposits and accrued charges	**(6,033)**	29,024
Cash used in operations	**(405,131)**	(530,591)
Interest received	**27,634**	12,955
Interest paid	**(133,276)**	(119,907)
Tax paid	**–**	(2,647)
NET CASH USED IN OPERATING ACTIVITIES	**(510,773)**	(640,190)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

	2020 HK$'000	2019 HK$'000
INVESTING ACTIVITIES		
Dividends from associates	**517,798**	303,800
Disposal of joint ventures	**215,414**	–
Return of capital from a joint venture	**176,340**	–
Interest received	**7,221**	20,223
Proceeds from disposal of property, plant and equipment	**37**	–
Repayment from joint ventures	**–**	331,355
Dividends from joint ventures	**–**	54,800
Repayment from an associate	**–**	6,735
Advances to joint ventures	**(55,287)**	(245,197)
Purchase of equity investments	**(45,000)**	(786)
Investments in associates	**(18,000)**	(14,000)
Advances to associates	**(16,000)**	(14,575)
Deposit paid for acquisition of an investment	**(15,000)**	–
Additions to investment properties	**(6,348)**	(19,759)
Purchase of property, plant and equipment	**(5,435)**	(12,954)
Investments in joint ventures	**(4,304)**	(43,043)
Acquisition of a subsidiary	**(66)**	–
Purchase of other non-current assets	**–**	(2,219)
NET CASH FROM INVESTING ACTIVITIES	**751,370**	364,380
FINANCING ACTIVITIES		
Repayment of bank borrowings	**(340,969)**	(745,306)
Repayment to an associate	**(268,468)**	–
Dividends paid	**(144,412)**	(125,990)
Repayment of lease liabilities, including related interests	**(86,667)**	–
Repurchase of shares	**(25,594)**	–
Repurchase of loan notes	**(14,885)**	–
Repayment of obligations under finance leases	**–**	(140)
New bank borrowings raised	**606,190**	758,387
Advance from non-controlling interests	**31,102**	47,150
Advance from an associate	**–**	275,596
Capital injection from a non-controlling interest	**–**	2
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(243,703)**	209,699
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(3,106)**	(66,111)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**526,187**	608,334
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(8,943)**	(16,036)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	**514,138**	526,187

For the year ended 31 March 2020

1. GENERAL

ITC Properties Group Limited (the "Company") is a company incorporated in Bermuda with limited liability and its issued shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 199). The ultimate controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) of the Company (the "Controlling Shareholders") are Dr. Chan Kwok Keung, Charles and his associates (as defined in the Listing Rules). The addresses of the registered office and the principal place of business in Hong Kong of the Company are disclosed in the "Corporate Information" section of the annual report.

The consolidated financial statements have been prepared in Hong Kong dollar ("HK$"), which is the functional currency of the Company.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in property development and investment in Macau Special Administrative Region of the PRC (defined below) ("Macau"), Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the People's Republic of China (the "PRC"), Canada and the United Kingdom, development of, investment in and operation of hotels and leisure business in the PRC, Hong Kong and Canada, securities investments and provision of loan financing services. The principal activities of the Company's principal subsidiaries are set out in Note 45.

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 other new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance 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 have 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 has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

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. excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

ii. 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. Specifically, discount rate for certain leases of office premises in Hong Kong and the PRC was determined on a portfolio basis.

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 rate applied is 4.25% per annum.

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)

	note	At 1 April 2019 *HK$'000*
Operating lease commitments disclosed as at 31 March 2019		89,882
Discounting effect		(3,003)
Lease liabilities discounted at relevant incremental borrowing rates		86,879
Less: Recognition exemption – short-term leases		(671)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16		86,208
Add: Obligations under finance leases recognised as at 31 March 2019	(a)	568
Lease liabilities as at 1 April 2019		86,776
Analysed as:		
Current		83,731
Non-current		3,045
		86,776

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 for own use as at 1 April 2019 comprises the following:

	note	Right-of-use assets *HK$'000*
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		70,649
Amounts included in property, plant and equipment under HKAS 17		
– Assets previously under finance leases	(a)	553
		71,202
By class:		
Leasehold land and buildings		70,649
Furniture, fixtures and equipment		553
		71,202

notes:

(a) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under leases as at 1 April 2019 amounting to HK$553,000 as right-of-use assets included under "property, plant and equipment". In addition, the Group reclassified the obligations under finance leases of HK$130,000 and HK$438,000 to lease liabilities under current and non-current liabilities respectively as at 1 April 2019.

(b) Before the application of HKFRS 16, the Group considered refundable rental deposits paid 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 to use of the underlying assets and should be adjusted to reflect the discounting effect at transition. However, no adjustment was made on refundable rental deposits paid and right-of-use assets as the management considers the discounting effect would be insignificant to be recognised at the date of initial application, 1 April 2019.

(c) Upon application of HKFRS 16, depreciation charge on certain right-of-use assets in relation to hotel properties has been included in "direct cost for hotel operation income and property income", and certain expenses including operating lease expense amounting to HK$72,000,000, incurred in relation to certain hotel properties in prior year have been represented to conform with the current year's presentation.

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.

(a) 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 impact on the Group's consolidated statement of financial position at 1 April 2019. However, effective from 1 April 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

(b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under creditors, deposits and accrued changes. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and should be adjusted to reflect the discounting effect at transition. However, no adjustment was made on refundable rental deposits received and advance lease payments as the management considers the discounting effect would be insignificant to be recognised at the date of initial application, 1 April 2019.

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)*

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.

	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	922,544	70,649	993,193
Current liabilities			
Creditors, deposits and accrued charges (note ii)	193,770	(8,000)	185,770
Lease liabilities	–	83,731	83,731
Obligations under finance leases	130	(130)	–
Non-current liabilities			
Lease liabilities	–	3,045	3,045
Obligations under finance leases	438	(438)	–
Capital and reserves			
Retained profits (notes ii & iii)	2,107,374	(7,559)	2,099,815

notes:

(i) 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 the opening consolidated statement of financial position as at 1 April 2019 as disclosed above.

(ii) The effective rental payable under HKAS 17 as at 31 March 2019 was adjusted to retained profits upon the initial application of HKFRS 16.

(iii) The difference between right-of-use assets and lease liabilities recognised as at initial application of HKFRS 16 has been adjusted to retained profits.

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

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]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[5]
Amendments to HKFRS 3	Definition of a Business[2]
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 HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

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 2020.

In addition to the above new 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 Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except as described below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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.

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)*

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances, other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or a liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 April 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

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 include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 within the scope of 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 participant's ability to generate economic benefits by using the asset in its highest and best use or 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 are 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:

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss 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.

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

All intragroup 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 interests 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 ownership 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 relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

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

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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. 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 (2014)/HKFRS 9 (2009) or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 the financial assets and 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.

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 sharing of control of an arrangement contractually agreed, which exists only when decisions about the relevant activities that require unanimous consent of the parties sharing control.

The results and 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 joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates and joint ventures *(Continued)*

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, that 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.

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 *Financial Instruments* ("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 of 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.

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.

Interest in a joint operation

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 sharing of control of an arrangement contractually agreed, which exists only when decisions about the relevant activities that 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)*

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 or 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.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured 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.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases 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.

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 (Continued)

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.

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 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 if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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 related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

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)*

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 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.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

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.

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

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

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.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges 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 or partial disposal of the Group's foreign operation.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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.

Effective from 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 benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-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, salaries and annual leave) after deducting any amount already paid.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions 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-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. 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 the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Taxation

Income tax expense 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 taxation 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 differences 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, interests in associates and interests in 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 profits will be available to allow all or part of the asset to be recovered.

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 is realised, based on tax rate (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 tax for investment properties that are measured using the fair value model, the carrying amounts 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment, including buildings and leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent impairment losses, if any.

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 that is accounted for as an operating lease is presented as "right-of-use assets" (upon application of HKFRS 16) or "prepaid lease payments" (before application of HKFRS 16) in the consolidated statement of financial position. 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.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. 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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or 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 the profit or loss in the period in which the property is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses on property, plant and equipment (including right-of-use assets)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment with finite useful lives 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 relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment are estimated individually. When it is not possible to estimate the recoverable amount of an asset 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.

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 (or a cash-generating unit) 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 a 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 a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Stock of properties

Properties under development which are intended to be sold upon completion of development and 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/properties for sale are carried 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 for the properties less estimated cost to completion and costs necessary to make the sales.

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 settlement 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 or financial liabilities at FVTPL) 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 FVTPL 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 liabilities 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 is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in other income, gains and losses except for interest revenue on other loan receivables, which is included in interest revenue from loan financing.

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 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 application of HKFRS 9/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 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 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.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

(ii) 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 other comprehensive income and accumulated in the investment revaluation 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/will continue to be held in the investment revaluation reserve.

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 "net loss on financial instruments" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or 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 net loss on financial instruments line item in profit or loss.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under ECL model on financial assets (including debtors and deposits, amounts due from joint ventures, amounts due from associates, other loan receivables, certain other non-current assets and bank balances), and other items (undrawn loan commitments to joint ventures and financial guarantee contracts) 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 twelve months after the reporting date. Assessments 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. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(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.

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; and
- 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.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk *(Continued)*

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(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 subject 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.

Trade debtors are grouped based on internal credit rating and the ECL on these assets are assessed collectively using a provision matrix.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses are the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or caters for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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.

For the year ended 31 March 2020

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL *(Continued)*

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.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

For undrawn loan commitments, the loss allowances are the present value of the difference between:

(a) the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan; and

(b) the cash flows that the Group expects to receive if the loan is drawn down.

Except for loan commitments and financial guarantee contracts, 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 where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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.

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.

Financial liabilities at amortised cost

Financial liabilities (including creditors and deposits, amount due to a joint venture, amount due to an associate, loan notes and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are initially measured at their fair values. It is subsequently measured at the higher of:

(i) the amount of loss allowance as determined in accordance with HKFRS 9; and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligation 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.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment loss on other loan receivables

The Group recognises credit loss allowances for other loan receivables by applying the ECL model to individual exposures. The estimation of credit loss allowances involves key estimates from the management. Management considers reasonably supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative information such as probability of default and recovery rate quoted from international credit-rating agencies and qualitative information such as credit quality of the debtors adjusted for forward-looking factors. The measurement of ECL is a function of the probability of default and loss given default, which involves key estimates from the management. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. For a specific other loan receivable, the Group has reassessed the reasonableness of the internal assessment of ECL provision, based on the assessment of ECL provision performed by independent professional valuers engaged by the management of the Group.

As at 31 March 2020, the carrying amounts of other loan receivables was HK$354,656,000 (2019: HK$753,559,000), net of credit loss allowance of HK$263,079,000 (2019: HK$101,141,000).

Valuation of investment properties

As at 31 March 2020, investment properties were carried in the consolidated statement of financial position at their fair values of HK$751,440,000 (2019: HK$922,000,000).

The valuation of investment properties was based on valuation on these properties conducted by independent professional valuers using property valuation techniques which involve certain assumptions of market conditions as disclosed in Note 16. Favourable or unfavourable changes to these assumptions would result in changes in the valuation of the Group's investment properties and corresponding adjustments to the fair value changes reported in the consolidated statement of profit or loss.

Amounts due from joint ventures and associates

As at 31 March 2020, the carrying amounts of amounts due from joint ventures and an associate were HK$500,779,000 (2019: HK$558,067,000) and HK$32,686,000 (2019: HK$16,686,000), respectively. The management of the Group considers the credit risks on amounts due from these entities are limited with reference to their underlying asset values, except for the amount due from one of the joint ventures with credit loss allowance of HK$11,022,000 (2019: HK$11,022,000) which has been measured on lifetime ECL basis since the credit risk of the amount has increased significantly since initial recognition and the amount was considered to be credit-impaired.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Valuation of Level 3 suspended listed equity securities

As at 31 March 2019 and 2020, the fair value of the Level 3 suspended listed equity securities carried in the consolidated statement of financial position was zero. The quoted closing price as at 31 March 2019 was no longer available following the suspension of trading of such listed equity securities since 3 September 2018. Due to a lack of quoted closing prices or recent transaction prices in the market, the fair value of the suspended listed equity securities is measured using a valuation technique with significant unobservable inputs and fair value loss of HK$211,540,000 has been recognised during the year ended 31 March 2019.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of the goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by the executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services.

The Group's reportable and operating segments are as follows:

Property	–	development of and investment in properties
Hotel and leisure	–	development of, investment in and operation of hotels and resorts
Securities investments	–	trading and investment of securities
Finance	–	provision of loan financing services

Information regarding these segments is reported below:

For the year ended 31 March 2020

	Segment revenue *HK$'000* (note a)	Operating loss *HK$'000*	Gain on disposal of joint ventures *HK$'000*	Share of results of associates *HK$'000*	Share of results of joint ventures *HK$'000*	Finance costs *HK$'000*	Segment results: loss before taxation *HK$'000* (note b)
Property (note c)	**18,957**	**(218,192)**	**38,494**	**33,517**	**(21,526)**	**(36,222)**	**(203,929)**
Hotel and leisure (note d)	**94,923**	**(90,140)**	**–**	**(10,021)**	**(224,412)**	**(11,736)**	**(336,309)**
Securities investments	**–**	**(21,942)**	**–**	**–**	**–**	**(2,318)**	**(24,260)**
Finance	**61,480**	**(208,968)**	**–**	**–**	**–**	**–**	**(208,968)**
SEGMENT TOTAL	**175,360**	**(539,242)**	**38,494**	**23,496**	**(245,938)**	**(50,276)**	**(773,466)**
Unallocated	**–**	**(81,253)**	**2,080**	**–**	**(36,808)**	**(82,586)**	**(198,567)**
GROUP TOTAL	**175,360**	**(620,495)**	**40,574**	**23,496**	**(282,746)**	**(132,862)**	**(972,033)**

For the year ended 31 March 2020

5. SEGMENT INFORMATION *(Continued)*

For the year ended 31 March 2019

	Segment revenue *HK$'000* (note a)	Operating (loss) profit *HK$'000*	Share of results of associates *HK$'000*	Share of results of joint ventures *HK$'000*	Finance costs *HK$'000*	Segment results: profit (loss) before taxation *HK$'000* (note b)
Property (note c)	14,325	(19,485)	628,951	(56,809)	(26,011)	526,646
Hotel and leisure (note d)	171,140	(23,886)	(9,532)	65,025	(12,960)	18,647
Securities investments	–	(209,029)	–	–	–	(209,029)
Finance	76,834	95,311	–	–	–	95,311
SEGMENT TOTAL	262,299	(157,089)	619,419	8,216	(38,971)	431,575
Unallocated	–	(147,563)	–	(60,156)	(82,801)	(290,520)
GROUP TOTAL	262,299	(304,652)	619,419	(51,940)	(121,772)	141,055

notes:

(a) Revenue set out above comprised rental income, properties commission income, building management fee income, hotel operation income and loan financing income. All segment revenue is from external customers.

(b) The aggregate of the segment results as set out above comprised the (loss) profit before taxation from each segment without allocation of certain other income, gains and losses, certain administrative and other expenses, certain gain on disposal of joint ventures, share of results of certain joint ventures and certain finance costs.

(c) During the year ended 31 March 2020, the segment result of property segment included decrease in fair value of investment properties of HK$176,908,000 (2019: increase of HK$1,520,000).

(d) During the year ended 31 March 2020, the segment result of hotel and leisure segment included share of decrease in fair value/impairment loss of properties held by joint ventures amounting to HK$216,464,000 (2019: share of increase in fair value of investment properties of HK$52,000,000).

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. The CODM assesses the performance of the operating segments based on the (loss) profit before taxation of the group entities engaged in the respective segment activities which represents the segment results. Segment results are analysed before taxation whereas tax payable is allocated to operating segment liabilities. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	Segment assets		Segment liabilities	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Property	**4,871,928**	5,416,194	**1,702,554**	1,727,578
Hotel and leisure	**1,447,630**	1,766,116	**473,227**	490,428
Securities investments	**239,759**	191,914	**77,226**	4,096
Finance	**385,527**	790,200	**48**	48
Segment total	**6,944,844**	8,164,424	**2,253,055**	2,222,150
Unallocated:				
Bank balances and cash	**514,138**	526,187	**–**	–
Loan notes	**–**	–	**1,519,836**	1,547,059
Accrued coupon interest on loan notes	**–**	–	**33,861**	34,595
Others	**432,667**	480,565	**23,033**	28,258
Total	**7,891,649**	9,171,176	**3,829,785**	3,832,062

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, deposit paid for acquisition of an associate, certain other non-current assets, certain debtors, deposits and prepayments of the corporate offices, interests in certain joint ventures, amounts due from certain joint ventures and bank balances and cash; and

- all liabilities including tax payables are allocated to operating segments other than loan notes and its accrued coupon interest, certain creditors, deposits and accrued charges, lease liabilities and obligations under finance leases of the corporate offices.

For the year ended 31 March 2020

5. SEGMENT INFORMATION *(Continued)*

Other segment information

	Additions to property, plant and equipment and investment properties		Depreciation of property, plant and equipment		(Decrease) increase in fair value of investment properties		Interest income	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Property	**14,502**	32,102	**23,793**	20,536	**(176,908)**	1,520	**22,722**	21,206
Hotel and leisure	**375**	653	**75,771**	11,609	**–**	–	**–**	7,990
Finance	**–**	–	**–**	–	**–**	–	**61,480**	80,957
	14,877	32,755	**99,564**	32,145	**(176,908)**	1,520	**84,202**	110,153
Unallocated	**3,620**	1,510	**4,427**	2,425	**–**	–	**7,240**	3,297
Total	**18,497**	34,265	**103,991**	34,570	**(176,908)**	1,520	**91,442**	113,450

Geographical information

The Group's revenue from external customers based on location of properties and/or goods delivered or services delivered, and information about its non-current assets, excluding financial assets, by physical location of the assets are detailed below:

	Revenue from external customers		Carrying amount of non-current assets	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**164,414**	251,389	**2,275,847**	2,687,970
Macau	**–**	–	**1,078,458**	1,543,931
PRC	**4,572**	–	**577,301**	610,669
Canada	**6,374**	–	**265,099**	567,733
Others	**–**	10,910	**41,507**	41,613
	175,360	262,299	**4,238,212**	5,451,916

For the year ended 31 March 2020

5. SEGMENT INFORMATION *(Continued)*

Information about major customers

During the year, the Group had two (2019: two) customers with whom transactions have exceeded 10 per cent ("%") of the Group's revenue.

	2020 *HK$'000*	2019 *HK$'000*
Customer A – Finance	**31,363**	47,500
Customer B – Hotel and leisure	**25,482**	38,657

6. REVENUE

(i) Disaggregation of revenue

	2020 *HK$'000*	2019 *HK$'000*
Revenue from contracts with customers:		
Property		
Revenue from building management fee income	**945**	912
Revenue from properties commission income	**5,203**	2,099
Hotel and leisure		
Revenue from hotel accommodation	**77,769**	145,659
Revenue from food catering operation	**17,154**	25,481
	101,071	174,151
Revenue from other sources:		
Leases	**12,809**	11,314
Interest revenue from loan financing	**61,480**	76,834
Total revenue	**175,360**	262,299

For the year ended 31 March 2020

6. REVENUE *(Continued)*

(ii) Performance obligations for contracts with customers

Revenue from building management fee income

The Group provides building management services to customers. Such services are recognised as a performance obligation satisfied over time as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

The Group receives payment of building management fee at the beginning of each month according to contract terms.

Revenue from properties commission income

Revenue from properties commission income is recognised at a point in time when the related sale and purchase agreements are signed.

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.

The Group receives payment when the property transactions have been completed.

Revenue from hotel accommodation and food catering operation

The Group's revenue contracts with customers consist of hotel accommodation which is recognised as a performance obligation satisfied over time and food catering operation which is recognised at a point in time.

The transaction price for such transactions is recorded as revenue when the good or service is transferred or rendered to the customer during their stay at the hotel or when the delivery is made for food and beverage.

For hotel accommodation, individual customers are billed as incurred. The normal credit term for travel agents is 60 days upon rendering of services.

For food catering operation, payment of the transaction is due immediately at the point when the customer consumes the food and beverage.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All the revenue from contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For the year ended 31 March 2020

7. NET FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS

	2020	2019
	HK$'000	*HK$'000*
Decrease in fair values of financial assets at FVTPL:		
– held at the end of the reporting period (note)	**39,975**	188,766
– disposed of during the year	**34**	19,142
	40,009	207,908

note: During the year ended 31 March 2019, the decrease in fair values of financial assets at fair value through profit or loss was mainly due to a fair value loss of HK$211,540,000 recognised for the investment in shares in SMI Holdings Group Limited ("SMI Shares"), the trading of which on the Stock Exchange has been suspended since 3 September 2018. Due to a lack of quoted closing prices or recent transaction prices in the market, the quoted closing price was no longer available and thus the fair value of SMI Shares was measured using a valuation technique with significant unobservable inputs performed by independent professional valuers. Details of the valuation technique and inputs used to determine the fair value of SMI Shares are disclosed in Note 35(c).

8. OTHER INCOME, GAINS AND LOSSES

	2020	2019
	HK$'000	*HK$'000*
Bank interest income	**7,240**	3,297
Consultancy fee income	**20,604**	9,480
Net foreign exchange (loss) gain	**(2,489)**	1,415
Interest income on amounts due from joint ventures (Note 42(i))	**22,722**	29,196
Other interest income	**–**	4,123
Gain on repurchase of loan notes (Note 29)	**2,131**	–
Gain on assignment of other loan receivables	**19,284**	–
Others	**930**	1,298
	70,422	48,809

9. FINANCE COSTS

	2020 *HK$'000*	2019 *HK$'000*
Effective interest on loan notes (Note 29)	**82,478**	82,764
Interest on bank borrowings	**59,363**	45,527
Interest on lease liabilities	**2,174**	–
Interest on obligations under finance leases	**–**	37
Total borrowing costs	**144,015**	128,328
Less: amounts capitalised in qualifying assets	**(11,153)**	(6,556)
	132,862	121,772

10. TAXATION

	2020 *HK$'000*	2019 *HK$'000*
Hong Kong Profits Tax:		
Current tax	**172**	984
Overprovision in prior years	**–**	(27)
	172	957
United Kingdom Corporation Tax:		
(Over)underprovision in prior years	**(201)**	208
	(29)	1,165

Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime (i.e. the first HK$2.0 million of profits of a qualifying group entity to be taxed at 8.25%, and profits above HK$2.0 million to be taxed at 16.5%), while the profits of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at a flat rate of 16.5%.

Taxation arising in other jurisdictions was calculated at the rates prevailing in the relevant jurisdictions.

For the year ended 31 March 2020

10. TAXATION *(Continued)*

The tax charge for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2020	2019
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(972,033)**	141,055
Tax at the Hong Kong Profits Tax rate at 16.5%	**(160,385)**	23,274
Tax effect of share of results of joint ventures and associates	**42,776**	(93,634)
Tax effect of expenses not deductible for tax purpose	**96,907**	14,179
Tax effect of income not taxable for tax purpose	**(18,963)**	(14,130)
(Over)underprovision in prior years	**(201)**	181
Tax effect of tax losses not recognised	**48,739**	75,635
Utilisation of tax losses previously not recognised	**(7,325)**	(2,155)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,412)**	(2,000)
Income tax at concessionary rate	**(165)**	(185)
Tax (credit) charge for the year	**(29)**	1,165

Details of deferred taxation are set out in Note 31.

For the year ended 31 March 2020

11. (LOSS) PROFIT FOR THE YEAR

	2020 *HK$'000*	2019 *HK$'000*
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration		
– current year	**6,453**	6,542
– overprovision in previous years	**(93)**	(182)
	6,360	6,360
Directors' emoluments (Note 12(a))	**15,960**	46,114
Other staff costs:		
Salaries and other benefits	**99,909**	126,934
Equity-settled share-based payment expense	**326**	1,217
Retirement benefits scheme contributions	**4,861**	5,177
Total staff costs	**121,056**	179,442
Gross rental income	**(12,809)**	(11,314)
Less: direct operating expenses that generated rental income during the year	**3,788**	3,288
	(9,021)	(8,026)
Depreciation of property, plant and equipment	**103,991**	34,570
Cost of inventories recognised as an expense	**6,220**	8,436
Loss on disposal/written off of property, plant and equipment	**7**	91

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID INDIVIDUALS

(a) Directors' and chief executive's emoluments

Details of the emoluments paid or payable to each of the eight Directors including chief executive for their services rendered for the Group are as follows:

		Other emoluments			
	Fees	Salaries and other benefits	Equity-settled share-based payment expense	Retirement benefits scheme contributions	Total emoluments
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2020					
Executive Directors					
Cheung Hon Kit	10	3,480	261	–	3,751
Chan Fut Yan (note ii)	10	3,240	131	324	3,705
Cheung Chi Kit	10	2,280	75	114	2,479
Chan Yiu Lun, Alan	10	2,640	56	18	2,724
Wong Lai Shun, Benny	10	2,280	56	114	2,460
Independent Non-executive Directors					
Chan Pak Cheong Afonso	300	–	11	–	311
Kwok Ka Lap, Alva	200	–	11	–	211
Shek Lai Him, Abraham	300	–	19	–	319
	850	13,920	620	570	15,960

For the year ended 31 March 2020

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

		Other emoluments				
	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Discretionary and performance related incentive payments *HK$'000* (note i)	Equity-settled share-based payment expense *HK$'000*	Retirement benefits scheme contributions *HK$'000*	Total emoluments *HK$'000*
2019						
Executive Directors						
Cheung Hon Kit	10	3,480	16,000	829	7	20,326
Chan Fut Yan (note ii)	10	3,240	4,500	414	324	8,488
Cheung Chi Kit	10	2,280	2,800	237	114	5,441
Chan Yiu Lun, Alan	10	2,640	3,500	178	18	6,346
Wong Lai Shun, Benny	10	2,280	2,000	178	114	4,582
Independent Non-executive Directors						
Chan Pak Cheong Afonso	300	–	–	36	–	336
Kwok Ka Lap, Alva	200	–	–	36	–	236
Shek Lai Him, Abraham	300	–	–	59	–	359
	850	13,920	28,800	1,967	577	46,114

notes:

(i) During the year ended 31 March 2019, the amounts included discretionary and performance related incentive payments which are determined with reference to the Group's operating results, individual performance and comparable market statistics.

(ii) Mr. Chan Fut Yan is considered as chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The emoluments of the independent non-executive Directors shown above were for their services as Directors of the Company.

There was no arrangement under which a Director or the chief executive waived or agreed to waive any remuneration during both years.

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID INDIVIDUALS *(Continued)*

(b) Employees' emoluments

The employees' emoluments are based on their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions.

All the five individuals with the highest emoluments in the Group were Directors whose emoluments are included in the disclosures in Note 12(a) above.

During both years, no emoluments were paid by the Group to the five highest paid Directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DISTRIBUTION

	2020 ***HK$'000***	2019 *HK$'000*
Dividends recognised as distribution during the year:		
– First interim dividend, paid for the year ended 31 March 2020 – HK3 cents (first interim dividend, paid for the year ended 31 March 2019 – HK10 cents) per share	**28,988**	97,204
– Second interim dividend, paid for the year ended 31 March 2019 – HK12 cents (second interim dividend, paid for the year ended 31 March 2018 – HK12 cents) per share	**116,108**	112,526
	145,096	209,730
Dividends in form of:		
– Cash	**144,412**	125,990
– Scrip shares (Note 32(a) & (b))	**684**	83,740
	145,096	209,730
Dividend declared in respect of the year:		
– Second interim dividend declared for the year ended 31 March 2020 – HK5 cents (second interim dividend for the year ended 31 March 2019 – HK12 cents) per share	**47,870**	116,108

Subsequent to the end of the reporting period, the Board has resolved to declare a second interim dividend of HK5 cents per share for the year ended 31 March 2020, which will be payable in cash, with an alternative to elect scrip shares. The second interim dividend was calculated by reference to the 957,392,004 issued shares outstanding as at the date of this report.

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14. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	2020	2019
	HK$'000	*HK$'000*
(Loss) earnings:		
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	**(971,000)**	140,583

	2020	2019
Number of shares:		
Weighted average number of shares for the purpose of basic and diluted (loss) earnings per share	**967,412,582**	956,696,633

The effect of the exercise of the Company's share options was not taken into consideration for computing the diluted (loss) earnings per share for the years ended 31 March 2020 and 2019 as the exercise price of those share options was higher than the average market price for shares.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
At 1 April 2018	1,003,961	2,746	6,102	14,063	1,026,872
Exchange adjustments	–	(89)	(81)	(81)	(251)
Additions	11,417	12	1,911	445	13,785
Disposals/written off	–	(208)	(536)	–	(744)
At 31 March 2019	**1,015,378**	**2,461**	**7,396**	**14,427**	**1,039,662**
Adjustments upon application of HKFRS 16 (Note 2)	**70,649**	**–**	**–**	**–**	**70,649**
Exchange adjustments	**(561)**	**(137)**	**(140)**	**(134)**	**(972)**
Additions	**8,900**	**74**	**345**	**2,830**	**12,149**
Acquired on acquisition of a subsidiary	**–**	**29**	**37**	**–**	**66**
Disposals/written off	**–**	**–**	**(354)**	**(406)**	**(760)**
At 31 March 2020	**1,094,366**	**2,427**	**7,284**	**16,717**	**1,120,794**
DEPRECIATION					
At 1 April 2018	71,149	1,755	3,996	6,386	83,286
Exchange adjustments	–	(31)	(30)	(24)	(85)
Provided for the year	31,218	360	1,062	1,930	34,570
Eliminated on disposals/written off	–	(208)	(445)	–	(653)
At 31 March 2019	**102,367**	**1,876**	**4,583**	**8,292**	**117,118**
Exchange adjustments	**(183)**	**(105)**	**(100)**	**(85)**	**(473)**
Charge for the year	**100,450**	**379**	**1,145**	**2,017**	**103,991**
Eliminated on disposals/written off	**–**	**–**	**(354)**	**(362)**	**(716)**
At 31 March 2020	**202,634**	**2,150**	**5,274**	**9,862**	**219,920**
CARRYING VALUE					
At 31 March 2020	**891,732**	**277**	**2,010**	**6,855**	**900,874**
At 31 March 2019	913,011	585	2,813	6,135	922,544

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis, taking into account their residual values, as follows:

Leasehold land and buildings	50 years or the remaining term of the relevant lease, if shorter
Leasehold improvements	3 years or the remaining term of the relevant lease, if shorter
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	5 years

The Group has pledged leasehold land and buildings with carrying values of approximately HK$880,658,000 (2019: HK$909,613,000) to secure general banking facilities granted to the Group.

As at 31 March 2019, the carrying values of furniture, fixtures and equipment of the Group included an amount of approximately HK$553,000 in respect of assets held under finance leases.

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

	Leasehold land and buildings HK$'000	Furniture, fixtures and equipment HK$'000	Total HK$'000
As at 1 April 2019			
Carrying amount	70,649	553	71,202
As at 31 March 2020			
Carrying amount	7,887	415	8,302
For the year ended 31 March 2020			
Depreciation charge	69,099	138	69,237
Expense relating to short-term leases	1,192	–	1,192
Exchange adjustments	(377)	–	(377)
Total cash outflow for leases	87,699	160	87,859
Addition to right-of-use assets	6,714	–	6,714

For both years, the Group leased various offices and equipment for its operations. Lease contracts were entered into for fixed term of 1 year to 6 years. Leases of equipment with carrying amount of HK$553,000 as at 31 March 2019 were accounted for as finance leases during the year ended 31 March 2019 and carried interest at 5.78%. Lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determined the period for which the contract is enforceable.

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group as lessee *(Continued)*

Right-of-use assets (included in the property, plant and equipment) *(Continued)*

The Group regularly enters into short-term leases for office premises. As at 31 March 2020, the portfolio of short-term leases was similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

In respect of the entire balance of right-of-use assets and the associated lease liabilities, 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.

16. INVESTMENT PROPERTIES

Completed investment properties

	HK$'000
FAIR VALUE	
At 1 April 2018	900,000
Additions	20,480
Increase in fair value recognised in profit or loss	1,520
At 31 March 2019	922,000
Additions	6,348
Decrease in fair value recognised in profit or loss	(176,908)
At 31 March 2020	751,440

notes:

(a) The investment properties shown above are located in Hong Kong and held under long leases.

The valuations of investment properties as at 31 March 2020 and 2019 were performed by Asset Appraisal Limited, independent professional valuers.

(b) At 31 March 2020 and 2019, all of the Group's investment properties had been pledged to secure banking facilities granted to the Group.

(c) The unrealised loss on property revaluation recognised in profit or loss for the year amounted to HK$176,908,000 (2019: unrealised gain amounting to HK$1,520,000) which arose from the investment properties held at the end of the reporting period.

The Group leases out commercial properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 2 years.

16. INVESTMENT PROPERTIES *(Continued)*

Completed investment properties *(Continued)*

The key inputs used in valuing the investment properties as at 31 March 2020 and 2019 are as follows:

Category	Fair value hierarchy	Fair value as at 31.3.2020 HK$'000	Fair value as at 31.3.2019 HK$'000	Valuation techniques	Key unobservable inputs	Range or weighted average	Relationship of unobservable inputs to fair value
Commercial properties in Hong Kong	Level 3	**751,440**	922,000	Direct Comparison Method based on the average market observable transactions of similar properties after applying adjusting factors to reflect the conditions and locations of the subject properties	Adjusting factors on locations and conditions	Adjusting factors ranging from 69% to 115% (2019: ranging from 97% to 119%)	The higher the adjusting factor, the higher the fair value

In determining the fair value of the relevant properties, there was no change in valuation technique compared to that used in the prior year. The management has determined the appropriate valuation techniques and inputs for fair value measurements, and based on the highest and best use of the properties is their current use.

There were no transfers into or out of Level 3 during the year.

17. EQUITY AND FUND INVESTMENTS

	2020 HK$'000	2019 HK$'000
Listed equity securities in Hong Kong	**39,917**	69,113
Unlisted equity securities	**152,888**	27,200
Unlisted investment funds	**95,897**	95,596
	288,702	191,909
Analysed as:		
Current	**114,356**	121,816
Non-current	**174,346**	70,093
	288,702	191,909
Classified as:		
FVTOCI	**33,782**	62,243
FVTPL	**254,920**	129,666
	288,702	191,909

The fair values of the listed securities are determined based on the closing prices quoted in active markets in Hong Kong except for the suspended listed securities as disclosed in Note 7.

The above unlisted equity securities of HK$129,088,000 represents the Group's 19% equity interests in a private entity established in the PRC and is measured at fair value. This investment is not regarded as an associate of the Group because the Group is not able to exercise significant influence in the investee's relevant activities due to the absence of the right to appoint directors to the investee's board of directors.

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	2020 *HK$'000*	2019 *HK$'000*
Cost of unlisted investment in joint ventures	**1,288,989**	1,784,386
Share of post-acquisition results and other comprehensive expense, net of dividend	**(666,558)**	(605,053)
	622,431	1,179,333
Amounts due from joint ventures (note a)	**654,857**	684,220
Less: Impairment loss	**(11,022)**	(11,022)
Less: Share of post-acquisition losses that are in excess of cost of investment	**(143,056)**	(115,131)
	500,779	558,067
Amount due to a joint venture (note b)	**(11,635)**	–

notes:

(a) The amounts were non-trade in nature, unsecured, interest-free and had no fixed term of repayment, except for an amount of Canadian dollars ("CAD") 26,416,000 (equivalent to approximately HK$144,521,000) (2019: CAD24,647,000 (equivalent to approximately HK$144,877,000)) which carried interest at fixed rate of 15% (2019: 15%) per annum, and would be repayable on 1 March 2022.

(b) The amount was non-trade in nature, unsecured, non-interest bearing and repayable within one year from the end of the reporting period.

On 1 August 2019, a joint venture has paid CAD30,000,000 (equivalent to approximately HK$176,340,000) (2019: Nil) to the Group as a return of capital.

During the year ended 31 March 2020, the Group disposed of its entire equity interests in certain joint ventures with an aggregate carrying amount of HK$107,566,000, together with the amounts due from these joint ventures of HK$98,860,000 to the joint venture partners who are independent third parties at a consideration of HK$247,000,000, resulting in a gain on disposal of joint ventures of HK$40,574,000 (2019: Nil). The cash consideration of HK$215,414,000 was settled in full while the remaining consideration receivable in cash of HK$31,586,000 was expected to be settled within twelve months from the end of the reporting period.

On 31 March 2020, the Group capitalised the amounts due from joint ventures of HK$1,200,000 (2019: HK$156,087,000) as cost of investment in these joint ventures.

All of the Group's joint ventures were accounted for using equity method in these consolidated financial statements.

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18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

Details of the Group's material joint ventures at the end of the reporting period are set out below:

Name of entity	Place of incorporation/ establishment	Class of shares held	Nominal value of issued and fully paid share capital	Proportion of nominal value of issued share capital held by the Group		Proportion of voting power held		Principal activity
				2020	2019	**2020**	2019	
				%	%	**%**	%	
1488 Alberni Development Holdings Limited Partnership ("1488 Alberni LPDH")	Canada	N/A	N/A	**28**	28	**28 (note a)**	28 (note a)	Property development
1488 Alberni Investment Limited Partnership ("1488 Alberni LPI")	Canada	N/A	N/A	**28**	28	**28 (note a)**	28 (note a)	Property development
Bayshore Ventures JV Ltd. ("Bayshore")	British Virgin Islands	Ordinary	CAD172,200,000	**50**	50	**50**	50	Investment holding (note b)
More Cash Limited ("More Cash")	British Virgin Islands	Ordinary	US$100	**42**	42	**50**	50	Investment holding (note c)
More Star Limited ("More Star")	British Virgin Islands	Ordinary	US$10	**40**	40	**40 (note d)**	40 (note d)	Investment holding (note e)

notes:

(a) The Group is able to exercise joint control over the relevant activities of 1488 Alberni LPDH and 1488 Alberni LPI, limited partnerships incorporated in British Columbia, Canada, as the major decisions regarding the relevant activities of 1488 Alberni LPDH and 1488 Alberni LPI require unanimous consent of their respective shareholders according to the shareholders' agreements.

(b) The principal activities of its subsidiaries are holding of a hotel property and hotel operation in Vancouver, Canada.

(c) The principal activities of its subsidiaries are holding of a property in Guangzhou City, the PRC.

(d) The Group is able to exercise joint control over the relevant activities of More Star as the major decisions regarding the relevant activities of More Star require unanimous consent of both of the shareholders of More Star according to the shareholders' agreement.

(e) The principal activities of its subsidiaries are holding of a hotel property and hotel operation in Hong Kong.

The financial year end date for Bayshore is 31 December. For the purpose of applying the equity method of accounting, the consolidated financial statements of Bayshore for the year ended 31 December 2019 (2019: 31 December 2018) have been used. Appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2020.

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

The above table lists the joint ventures of the Group which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. Disclosing the details of other joint ventures would, in the opinion of the Directors, result in particulars of excessive length.

The financial information in respect of each of the Group's material joint ventures and the aggregate of other joint ventures is summarised as below. The summarised financial information below represents the amount shown in the joint ventures' financial statements prepared in accordance with HKFRSs.

	2020						2019						
	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	More Cash	More Star	Total	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	More Cash	More Star	Star Trail Limited ("Star Trail")	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Current assets	**1,180,600**	**62,137**	**68,299**	**14,276**	**22,666**	**1,347,978**	1,150,785	60,568	148,999	58,509	16,085	420,499	1,855,445
Non-current assets	**–**	**–**	**1,447,383**	**1,428,603**	**875,113**	**3,751,099**	–	–	1,762,953	1,612,700	1,199,113	–	4,574,766
Current liabilities	**(448,036)**	**(23,581)**	**(5,130)**	**(125,156)**	**(9,212)**	**(611,115)**	(484,430)	(25,496)	(58,884)	(175,385)	(4,583)	(207,082)	(955,860)
Non-current liabilities	**(747,733)**	**(39,354)**	**(981,296)**	**(626,813)**	**(812,994)**	**(3,208,190)**	(690,786)	(36,357)	(717,603)	(723,054)	(839,077)	(154,302)	(3,161,179)
The above amounts of assets and liabilities include the following:													
Cash and cash equivalents	**36,884**	**1,941**	**83,020**	**11,107**	**22,659**	**155,611**	37,587	1,978	128,293	55,989	16,072	2,501	242,420
Current financial liabilities (excluding trade and other payables and provisions)	**(446,546)**	**(23,502)**	**—**	**(115,221)**	**–**	**(585,269)**	(479,766)	(25,257)	—	(138,297)	–	(206,820)	(850,140)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(747,733)**	**(39,354)**	**(981,296)**	**(322,989)**	**(768,000)**	**(2,859,372)**	(690,786)	(36,357)	(701,688)	(370,210)	(800,000)	(154,302)	(2,753,343)

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

	2020						2019						
	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	More Cash	More Star	Total	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	More Cash	More Star	Star Trail	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**9,588**	**505**	**307,207**	**65,686**	**72,000**	**454,986**	12,061	635	355,839	25,112	72,000	–	465,647
(Loss) profit for the year/period	**(1,267)**	**(67)**	**(213,571)**	**(45,546)**	**(294,065)**	**(554,516)**	1,961	103	5,818	(2,559)	155,292	(4,983)	155,632
Other comprehensive income (expense) for the year/period	**10,856**	**572**	**5,708**	**(36,579)**	**–**	**(19,443)**	5,221	275	(4,017)	32,342	–	–	33,821
Total comprehensive income (expense) for the year/period	**9,589**	**505**	**(207,863)**	**(82,125)**	**(294,065)**	**(573,959)**	7,182	378	1,801	29,783	155,292	(4,983)	189,453
Dividends received from a joint venture during the year/period	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	54,800	–	54,800
The above (loss) profit for the year/period include the following:													
Depreciation and amortisation	**–**	**–**	**(40,359)**	**–**	**–**	**(40,359)**	–	–	(39,103)	–	–	–	(39,103)
Interest income	**9**	**–**	**1,921**	**–**	**184**	**2,114**	538	28	1,218	–	–	–	1,784
Interest expenses	**–**	**–**	**(43,785)**	**(20,426)**	**(27,787)**	**(91,998)**	–	–	(32,670)	(10,806)	(34,087)	(4,185)	(81,748)
Income tax credit (expense)	**–**	**–**	**156**	**36,387**	**(5,358)**	**31,185**	–	–	(140)	(616)	(5,946)	–	(6,702)

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

The reconciliation of the above summarised financial information to the carrying amount of the interests in the joint ventures recognised in the consolidated financial statements is as below:

	2020						2019						
	1488 Alberni LPDH	**1488 Alberni LPI**	**Bayshore**	**More Cash**	**More Star**	**Total**	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	More Cash	More Star	Star Trail	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Net (liabilities) assets of the joint ventures	**(15,169)**	**(798)**	**529,256**	**690,910**	**75,573**	**1,279,772**	(24,431)	(1,285)	1,135,465	772,770	371,538	59,115	2,313,172
Less: shared by non-controlling interests of the joint ventures	**–**	**–**	**–**	**(76,586)**	**–**	**(76,586)**	–	–	–	(76,320)	–	–	(76,320)
	(15,169)	**(798)**	**529,256**	**614,324**	**75,573**	**1,203,186**	(24,431)	(1,285)	1,135,465	696,450	371,538	59,115	2,236,852
Proportion of the Group's ownership interests in the joint ventures	**28%**	**28%**	**50%**	**42%**	**40%**	**N/A**	28%	28%	50%	42%	40%	50%	N/A
Net (liabilities) assets of interests in joint ventures attributable to the Group	**(4,247)**	**(223)**	**264,628**	**258,016**	**30,229**	**548,403**	(6,841)	(360)	567,733	292,509	148,615	29,558	1,031,214
Loss allocated in excess of investment costs	**4,247**	**223**	**–**	**–**	**–**	**4,470**	6,841	360	–	–	–	–	7,201
Carrying amount of the Group's interest in the joint ventures	**–**	**–**	**264,628**	**258,016**	**30,229**	**552,873**	–	–	567,733	292,509	148,615	29,558	1,038,415

Aggregate information of joint ventures that are not individually material:

	2020	2019
	HK$'000	*HK$'000*
The Group's share of loss	**(38,831)**	(113,977)
The Group's share of other comprehensive income	**558**	7,599
The Group's share of total comprehensive expense	**(38,273)**	(106,378)
Aggregate carrying amount of the Group's interests in these joint ventures	**69,558**	140,918

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES/DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE

	2020 HK$'000	2019 HK$'000
Cost of investment in associates, unlisted	**898,875**	881,356
Share of post-acquisition results and other comprehensive income, net of dividend or other return	**753,886**	1,250,870
	1,652,761	2,132,226
Amount due from an associate (note a)	**32,686**	16,686
Amount due to an associate (note b)	**(139,660)**	(408,128)

notes:

(a) The amount was non-trade in nature, unsecured, non-interest bearing and had no fixed repayment date. The management did not expect to receive the amount within twelve months from the end of the reporting period.

(b) The amount was unsecured, non-interest bearing and repayable within one year from the end of the reporting period.

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES/DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE *(Continued)*

All of these associates were accounted for using the equity method in these consolidated financial statements. Details of the Group's material associates at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ establishment	Class of share capital held	Nominal value of issued and fully paid share capital	Proportion of nominal value of issued share capital held by the Group		Proportion of voting power held		Principal activity
				2020 %	2019 %	**2020** %	2019 %	
Orient Town Limited ("Orient Town")	Hong Kong	Ordinary share	HK$700	**45**	45	**45**	45	Investment holding (note a)
Empresa de Fomento Industrial e Comercial Concórdia, S.A. ("Concordia")	Macau	Quota capital (note b)	MOP100,000,000	**35.5**	35.5	**35.5**	35.5	Property development
Rosedale Hotel Beijing Co., Ltd. ("Rosedale Beijing")	PRC	Registered capital	US$86,000,000	**20**	20	**20**	20	Property holding in Beijing
Wealth Explorer Holdings Limited ("Wealth Explorer")	British Virgin Islands	Ordinary share	US$1,000	**40**	40	**40**	40	Investment holding (note c)

notes:

(a) The principal activities of its subsidiaries are mainly property development and property management in Macau.

(b) Quota capital represents the Portuguese equivalence of registered capital as Portuguese is the official language of Macau.

(c) The principal activities of its subsidiaries are mainly property development in Hong Kong.

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results for the year or form a substantial portion of the net assets of the Group. Disclosing the details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

Summarised financial information in respect of each of the Group's material associates and the aggregate of other associates is set out below. The summarised financial information below represents the amount shown in the associates' financial statements prepared in accordance with HKFRSs.

The financial year end date for Rosedale Beijing is 31 December. For the purpose of applying the equity method of accounting, the consolidated financial statements of Rosedale Beijing for the year ended 31 December 2019 (2019: 31 December 2018) have been used. Appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2020.

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19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES/DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE *(Continued)*

	2020					2019				
	Orient Town HK$'000	Concordia HK$'000	Rosedale Beijing HK$'000	Wealth Explorer HK$'000	Total HK$'000	Orient Town HK$'000	Concordia HK$'000	Rosedale Beijing HK$'000	Wealth Explorer HK$'000	Total HK$'000
Current assets	7,542,012	6,851,550	453,016	1,917,330	16,763,908	7,609,427	6,029,636	502,699	1,842,785	15,984,547
Non-current assets	687,547	670,914	991,152	–	2,349,613	737,275	719,159	1,041,548	–	2,497,982
Current liabilities	(2,369,338)	(2,384,797)	(275,800)	(1,007,029)	(6,036,964)	(2,761,422)	(2,768,207)	(300,561)	(931,877)	(6,762,067)
Non-current liabilities	(3,218,677)	(3,218,677)	(106,325)	–	(6,543,679)	(1,538,178)	(1,538,178)	(116,422)	–	(3,192,778)
The above amounts of assets and liabilities include the following:										
Cash and cash equivalents	395,346	390,595	441,885	8,861	1,236,687	744,916	1,154,099	489,513	6,072	2,394,600
Current financial liabilities (excluding trade and other payables and provisions)	–	(17,647)	(292)	(997,044)	(1,014,983)	(30)	(13,324)	(5,834)	(925,979)	(945,167)
Non-current financial liabilities (excluding trade and other payables and provisions)	(3,168,780)	(3,168,780)	(106,325)	–	(6,443,885)	(1,480,857)	(1,480,857)	(116,422)	–	(3,078,136)
Revenue	374,443	374,443	11,935	–	760,821	3,844,046	3,844,046	67,191	–	7,755,283
Profit (loss) for the year	142,428	176,579	(50,106)	(607)	268,294	1,762,111	1,792,186	(47,660)	(226)	3,506,411
Other comprehensive expense for the year	–	–	(15,115)	–	(15,115)	–	–	(15,515)	–	(15,515)
Total comprehensive income (expense) for the year	142,428	176,579	(65,221)	(607)	253,179	1,762,111	1,792,186	(63,175)	(226)	3,490,896
Dividends received from associates during the year	452,025	60,900	–	–	512,925	126,000	130,500	–	–	256,500
The above profit (loss) for the year include the following:										
Depreciation and amortisation	(5,192)	(4,989)	(40,591)	–	(50,772)	(20,969)	(20,630)	(40,986)	–	(82,585)
Interest income	2,380	2,380	–	–	4,760	3,330	3,330	–	–	6,660
Interest expense	(44,864)	(44,864)	(10,145)	–	(99,873)	(34,249)	–	(2,378)	–	(36,627)
Income tax expense	(26,103)	(26,103)	–	–	(52,206)	(244,068)	(244,068)	–	–	(488,136)

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES/DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE *(Continued)*

The reconciliation of the above summarised financial information to the carrying amount of the interests in the associates recognised in the consolidated financial statements is as follows:

	2020					2019				
	Orient Town HK$'000	Concordia HK$'000	Rosedale Beijing HK$'000	Wealth Explorer HK$'000	Total HK$'000	Orient Town HK$'000	Concordia HK$'000	Rosedale Beijing HK$'000	Wealth Explorer HK$'000	Total HK$'000
Net assets of the associates	2,641,544	1,918,990	1,062,043	910,301	6,532,878	4,047,102	2,442,410	1,127,264	910,908	8,527,684
Less: shared by non-controlling interests of the associates	(843,031)	–	–	–	(843,031)	(1,316,748)	–	–	–	(1,316,748)
	1,798,513	1,918,990	1,062,043	910,301	5,689,847	2,730,354	2,442,410	1,127,264	910,908	7,210,936
Proportion of the Group's direct ownership interests in the associates	45%	8.7%	20%	40%	N/A	45%	8.7%	20%	40%	N/A
		(note (i))					(note (i))			
Net assets of interests in associates attributable to the Group	809,331	166,952	212,409	364,120	1,552,812	1,228,659	212,490	225,453	364,363	2,030,965
Goodwill	–	127,945	–	–	127,945	–	127,945	–	–	127,945
Capitalisation of imputed interest of non-interest bearing loans (note (ii))	(29,012)	–	–	–	(29,012)	(29,012)	–	–	–	(29,012)
Other adjustments	–	(1,208)	–	–	(1,208)	–	(1,208)	–	–	(1,208)
Carrying amount of the Group's interests in the associates	780,319	293,689	212,409	364,120	1,650,537	1,199,647	339,227	225,453	364,363	2,128,690

notes:

(i) As at 31 March 2020 and 2019, Orient Town held 59.5% interests in Concordia and a wholly-owned subsidiary of the Company held 8.7% in Concordia, thereby leading to the Group holding an effective equity interest of 35.5% in Concordia.

(ii) On initial recognition, the fair value adjustment of the non-interest bearing loans was treated as a capital contribution to Orient Town and recognised as part of the investment cost. Subsequent to the initial recognition, the imputed interest expense of Orient Town was capitalised in its properties under development.

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES/DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE *(Continued)*

Aggregate information of associates that are not individually material:

	2020 *HK$'000*	2019 *HK$'000*
The Group's share of profit (loss)	**3,811**	(5,643)
The Group's share of other comprehensive income	**341**	20
The Group's share of total comprehensive income (expense)	**4,152**	(5,623)
Aggregate carrying amount of the Group's interests in these associates	**2,224**	3,536

In June 2017, Precious Year Limited, a wholly-owned subsidiary of the Company, entered into an agreement to acquire 45.8% interests in Paul Y. Engineering Group Limited from The 13 (BVI) Limited, a wholly-owned subsidiary of South Shore Holdings Limited, a company listed on the Stock Exchange, at consideration of HK$265,200,000. As at 31 March 2020, the Group has paid the deposit of HK$159,000,000 (2019: HK$159,000,000) for the aforesaid acquisition and the transaction has not been completed.

20. OTHER LOAN RECEIVABLES

	2020 *HK$'000*	2019 *HK$'000*
Unsecured fixed-rate loan receivables	**240,523**	584,929
Unsecured variable-rate loan receivables	**46,405**	–
Secured variable-rate loan receivables	**67,728**	168,630
	354,656	753,559
Analysed as:		
Current	**286,928**	584,929
Non-current	**67,728**	168,630
	354,656	753,559

20. OTHER LOAN RECEIVABLES *(Continued)*

A maturity profile of the loan receivables as at 31 March 2020 and 2019, based on the maturity date is as follows:

	2020	2019
	HK$'000	*HK$'000*
On demand and due within 1 year	**286,928**	584,929
2 to 5 years	**67,728**	168,630
	354,656	753,559

The Directors perform ongoing evaluation of loss rates in assessing the ECL for the other loan receivables, taking into consideration factors including the repayment history, financial conditions, current creditworthiness and underlying collaterals, if any, of each borrower and forward-looking information.

At 31 March 2020, the Group's fixed-rate loan receivables of HK$80,000,000 (2019: HK$405,788,000), net of credit loss allowance for ECL of HK$240,000,000 (2019: HK$94,212,000) represented unsecured and unlisted loan notes issued by a company incorporated in Bermuda with limited liability with its shares listed on the Stock Exchange and carry interest at the fixed rate of 9.5% per annum (2019: fixed rate of 9.5% per annum) and matured on 27 November 2019. The fixed-rate loan receivables of HK$58,884,000 and HK$101,639,000 (2019: HK$77,920,000 and HK$101,221,000), net of credit loss allowance for ECL of HK$14,616,000 and HK$6,361,000 (2019: HK$80,000 and HK$6,779,000), respectively, are unsecured, carry interest at fixed rates ranging from of 7% to 12% per annum (2019: fixed rates ranging from of 7% to 12% per annum) and are repayable on demand and with scheduled repayment date within one year, respectively.

At 31 March 2020, the Group's variable-rate loan receivables represented drawn loan facility of CAD12,379,000 (equivalent to approximately HK$67,728,000) (2019: CAD28,688,000 (equivalent to approximately HK$168,630,000)), net of credit loss allowance for ECL of CAD5,000 (equivalent to approximately HK$27,000) (2019: CAD12,000 (equivalent to approximately HK$70,000)), granted to Caufield Investments Limited, a shareholder of Bayshore. The loan receivables are secured by 25.58% (2019:16.67%) equity interest in Bayshore, carry interest at CAD Prime Rate plus 1.25% per annum (2019: CAD Prime Rate plus 1.25% per annum) and are repayable on 31 May 2022. The unsecured variable-rate loan receivables of HK$13,467,000 and HK$32,938,000 (2019: Nil and Nil), net of credit loss allowance for ECL of HK$13,000 and HK$2,062,000 (2019: Nil and Nil), respectively, are unsecured, carry interest at variable rates ranging from Hong Kong Prime Rate to Hong Kong Prime Rate plus 2% per annum (2019: Nil) and are repayable on demand.

These loan receivables were accounted for as financial assets carried at amortised cost.

20. OTHER LOAN RECEIVABLES *(Continued)*

As determined by the management of the Group, an aggregate impairment allowance for other loan receivables of HK$269,938,000 had been recognised (2019: HK$20,771,000 has been reversed) during the year ended 31 March 2020. Impairment allowance of HK$2,075,000 (2019: HK$6,779,000) has been provided for new loans granted during the year ended 31 March 2020. Details of ECL assessment of other loan receivables are set out in Note 35(b).

At 31 March 2020, the effective interest rate of the variable-rate loan receivables was 7.93% per annum (2019: 13.33% per annum).

Before granting any new loans, the Directors will assess the potential borrower's credit quality and define credit limits of the borrower. The Directors perform ongoing evaluation of collectability in assessing the ultimate realisation of other loan receivables.

21. OTHER NON-CURRENT ASSETS

	2020 ***HK$'000***	2019 *HK$'000*
Tax indemnity asset (note a)	**91,304**	91,304
Rental deposits (note b)	**–**	20,000
Deposits paid (note c)	**54,166**	39,166
Interest receivables	**1,845**	16,439
Others	**6,236**	6,343
	153,551	173,252

notes:

(a) Prior to the Group's acquisition of Makerston Limited ("Makerston") from Rosedale Hotel Group Limited ("RHGL") in 2014, DS Eastin Limited ("DS Eastin"), a subsidiary of Makerston, completed a deemed disposal of 80% equity interest in Rosedale Beijing. As such, there was a potential tax liability for the capital gain on the deemed disposal of Rosedale Beijing to be borne by DS Eastin or Rosedale Beijing. Accordingly, a tax provision amounting to HK$66,744,000 was recognised.

Pursuant to the sale and purchase agreement, RHGL undertook to Silver Infinite Limited ("Silver Infinite"), a wholly-owned subsidiary of the Company, Makerston and DS Eastin (collectively known as the "Makerston Group") and Rosedale Beijing that RHGL will fully indemnify Silver Infinite, the Makerston Group and Rosedale Beijing against any taxation under the PRC Enterprise Income Tax Law arising from the deemed disposal, when the same is payable by the Makerston Group and/or Rosedale Beijing, and all demands, claims, proceedings, actions, liabilities, costs and expenses. Accordingly, a tax indemnity asset of HK$66,744,000 was recognised upon the completion of the acquisition of Makerston.

On 23 November 2018, the Group completed the acquisition of 42% interest in More Cash which holds 75% equity interests in the sino-foreign cooperative joint venture (the "PRC JV"). The PRC JV is the owner of portions of a composite complex known as "Dabiao International Centre" situated in Haizhu District, Guangzhou City, the PRC. Pursuant to the sale and purchase agreement, the vendor undertook to the Group that the vendor will fully indemnify the Group against any taxation under the PRC Enterprise Income Tax Law arising from the disposal, when the same is payable by the Group, and all demands, claims, proceedings, actions, liabilities, costs and expenses. Accordingly, a tax indemnity asset of HK$24,560,000 was recognised upon the completion of the acquisition of More Cash.

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21. OTHER NON-CURRENT ASSETS *(Continued)*

notes: *(Continued)*

(b) The amount represented refundable rental deposits paid to a joint venture, Fortress State International Limited ("Fortress State") in connection with hotel operating agreements, which entitle the Group to manage and operate a hotel exclusively in Hong Kong for a period of 6 years. The rental deposits have been fully refunded upon the end of the lease term on 31 March 2020.

(c) The amounts represented refundable deposit of HK$39,166,000 paid to an independent third party with a view of setting up a company in Vietnam which was proposed to hold and develop a parcel of land in Vietnam and deposit of HK$15,000,000 paid to an independent third party for acquiring 20% equity interests in Uni-Dragon Limited which indirectly holds THE 13 Hotel, a 22-storey luxury 5-star hotel located at Cotai Strip in Macau.

22. DEPOSITS PAID FOR ACQUISITION OF LEASEHOLD LAND

The amount represented deposits paid for acquisition of leasehold land for a property development project situated in the PRC. The Directors intend to hold the leasehold land for development of properties held for sale in the ordinary course of business.

23. STOCK OF PROPERTIES

	2020 ***HK$'000***	2019 *HK$'000*
Properties under development for sale	**1,132,610**	906,150
Completed properties held for sale	**199,813**	204,787
	1,332,423	1,110,937

At 31 March 2020, stock of properties included an amount of approximately HK$1,132,610,000 (2019: HK$906,150,000) which is expected to be realised after more than twelve months from the end of the reporting period.

24. DEBTORS, DEPOSITS AND PREPAYMENTS

	2020	2019
	HK$'000	*HK$'000*
Trade debtors	**3,479**	3,100
Refundable earnest money (note i)	**21,884**	23,512
Other debtors, deposits and prepayments (note ii)	**185,537**	143,123
	210,900	169,735

notes:

(i) This represented the amount paid by the Group for the possible acquisition of interests in properties located in Canada.

(ii) The other debtors, deposits and prepayments mainly represented interest receivables generated from other loan receivables, consideration receivable from disposal of a joint venture, prepayment on acquisition of land for property development and rental deposit to be refunded upon the end of a lease.

The management of the Group has concluded that credit loss for refundable earnest money for potential acquisition of interests in properties located in the PRC of HK$21,810,000 (2019: HK$23,337,000) had been fully provided as at 31 March 2020.

The Group's credit terms are negotiated at terms determined and agreed with its trade customers. The Group allows a credit period of up to 60 days (2019: 60 days) to its trade customers. The following is an aged analysis presented based on the invoice date issued to trade customers at the end of the reporting period:

	2020	2019
	HK$'000	*HK$'000*
Trade debtors aged:		
0 – 60 days	**3,474**	2,956
61 – 90 days	**–**	77
Over 90 days	**5**	67
	3,479	3,100

Details of ECL assessment of trade debtors and other debtors and deposits are set out in Note 35(b).

25. BANK BALANCES AND CASH

Bank balances carry interest at market variable rates which range from 0.01% to 3.25% (2019: 0.01% to 3.03%) per annum.

26. DEBT INVESTMENTS

During the year ended 31 March 2020, the Group acquired unlisted bonds at an aggregate consideration amounting to HK$94,703,000, which are accounted for as financial assets at FVTPL as they are managed and evaluated on a fair value basis. Their fair values are determined based on the quoted prices for identical assets in the market.

27. CREDITORS, DEPOSITS AND ACCRUED CHARGES

	2020 *HK$'000*	2019 *HK$'000*
Creditors, deposits and accrued charges	**176,868**	159,175
Accrued coupon interest on loan notes	**33,861**	34,595
	210,729	193,770

Creditors, deposits and accrued charges include trade creditors amounting to HK$1,287,000 (2019: HK$1,905,000) and advances from non-controlling interests amounting to HK$84,305,000 (2019: HK$56,244,000) which are non-trade in nature, unsecured, interest-free and have no fixed term of repayment.

The following is an aged analysis of trade creditors presented with reference to the invoice date at the end of the reporting period:

	2020 *HK$'000*	2019 *HK$'000*
Trade creditors aged:		
0 – 60 days	**1,287**	1,905

28. LEASE LIABILITIES

	2020 ***HK$'000***
Lease liabilities payable:	
Within one year	**4,750**
Within a period of more than one year but not more than two years	**3,785**
	8,535
Less: Amount due for settlement with 12 months shown under current liabilities	**(4,750)**
Amount due for settlement after 12 months shown under non-current liabilities	**3,785**

29. LOAN NOTES

The movements of the loan notes for the year are set out below:

	2020	2019
	HK$'000	*HK$'000*
At the beginning of the year	**1,547,059**	1,538,209
Effective interest charged (Note 9)	**82,478**	82,764
Coupon interest paid/payable	**(73,856)**	(74,509)
Exchange realignment	**(18,829)**	595
Repurchased	**(17,016)**	–
At the end of the year, classified as a non-current liabilities, repayable in 2 to 5 years	**1,519,836**	1,547,059

In October 2016, a wholly-owned subsidiary of the Group (the "Issuer") issued guaranteed loan notes (the "Notes") with a nominal value of US$200,000,000 (equivalent to approximately HK$1,508,846,000), which are guaranteed by the Company and listed on the Stock Exchange. The Notes bear coupon interest at 4.75% per annum and will mature on 14 October 2021.

Pursuant to the subscription agreement, the Issuer has the right to redeem the Notes in whole but not in part at the sum of (a) the principal amount outstanding on the Notes; and (b) the outstanding interests up to the date of redemption.

In addition, at any time the Controlling Shareholders (as defined in the announcement of the Company dated 6 October 2016) (i) cease to hold, directly or indirectly, at least 35% of the voting rights of the issued share capital of the Company; or (ii) cease to be the largest single shareholder of the Company, the holder of the Notes will have the right to require the Issuer to redeem all but not in part of the Notes at 101% of their principal amount, together with accrued interest.

The Notes include the values of the early repayment options as the options for holder and issuer is closely related to the host instrument. Furthermore, the Issuer, the Company or any of their respective subsidiaries may at any time purchase the Notes in the open market or otherwise and at any price.

During the year ended 31 March 2020, the Group repurchased the Notes with the principal amount of US$2,200,000 (equivalent to HK$17,016,000) at cash consideration of HK$14,885,000, giving rise to gain on early repurchase amounted to HK$2,131,000, being difference between the carrying amount of loan notes derecognised and the consideration paid.

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30. BANK BORROWINGS

	2020 *HK$'000*	2019 *HK$'000*
Bank borrowings:		
Secured	**1,738,160**	1,379,552
Unsecured	**–**	99,993
	1,738,160	1,479,545
Carrying amount repayable within one year	**100,800**	107,148
Carrying amount of bank borrowings that contain a repayment on demand clause:		
Within one year	**406,597**	199,535
More than one year, but not exceeding two years	**67,600**	224,546
More than two years, but not exceeding five years	**1,163,163**	948,316
Amount due within one year shown under current liabilities	**1,738,160**	1,479,545

Bank borrowings comprise	Carrying amount 2020 *HK$'000*	 2019 *HK$'000*
Variable-rate borrowings:		
Hong Kong Interbank Offered Rate ("HIBOR") plus 1.25% to 2.25% (2019: HIBOR plus 1.25% to 2.32%) per annum for HK$ bank loan	**1,637,360**	1,372,397
London Interbank Offered Rate ("LIBOR") plus 2.25% (2019: LIBOR plus 2.25%) per annum for Pound Sterling ("GBP") bank loan	**100,800**	107,148
	1,738,160	1,479,545

note: The effective interest rate of bank borrowings at the end of the reporting period was 3.42% (2019: 3.30%).

31. DEFERRED TAXATION

The followings are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation *HK$'000*	Tax losses recognised *HK$'000*	Total *HK$'000*
At 1 April 2018	14,597	(14,597)	–
Charged (credited) to profit or loss	1,368	(1,368)	–
At 31 March 2019	15,965	(15,965)	–
Charged (credited) to profit or loss	1,590	(1,590)	–
At 31 March 2020	**17,555**	**(17,555)**	**–**

At 31 March 2020, the Group has unused tax losses of HK$2,847,349,000 (2019: HK$2,086,679,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$106,396,000 (2019: HK$96,760,000) of such losses. No deferred tax asset has been recognised in respect of the remaining unused tax losses of approximately HK$2,740,953,000 (2019: HK$1,989,919,000) due to the unpredictability of future profit streams. Included in unused tax losses are tax losses of HK$2,687,544,000 (2019: HK$1,943,674,000) which may be carried forward indefinitely under current tax regulation in Hong Kong and the remaining tax losses of HK$159,805,000 (2019: HK$143,005,000) will expire from 2021 to 2025 (2019: 2020 to 2024).

There was no other unrecognised deferred taxation for the year or of the end of the reporting years.

32. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2018, 31 March 2019 and 31 March 2020	40,000,000,000	400,000
Issued and fully paid:		
At 1 April 2018	937,712,734	9,377
Issue as scrip dividend for (note a)		
– 2018 second interim dividend	34,324,792	343
– 2019 first interim dividend	3,249,417	33
At 31 March 2019	975,286,943	9,753
Issue as scrip dividend for 2019 second interim dividend (note b)	430,061	5
Shares repurchased and cancelled (note c)	(15,062,000)	(151)
At 31 March 2020	960,655,004	9,607

notes:

(a) During the year ended 31 March 2019, pursuant to the scrip dividend schemes announced by the Company, the Company issued 34,324,792 and 3,249,417 new ordinary shares of HK$0.01 each in the Company to its shareholders on 17 September 2018 and 29 January 2019, representing approximately HK$77,062,000 and HK$6,678,000, who elected to receive scrip dividend in respect of the second interim dividend for the year ended 31 March 2018 and the first interim dividend for the year ended 31 March 2019, respectively. These shares ranked pari passu with the then existing shares of the Company in all respects.

(b) During the year ended 31 March 2020, pursuant to the scrip dividend scheme announced by the Company, the Company issued 430,061 new ordinary shares of HK$0.01 each in the Company to its shareholders on 30 August 2019, representing approximately HK$684,000, who elected to receive scrip dividend in respect of the second interim dividend for the year ended 31 March 2019. These shares ranked pari passu with the then existing shares of the Company in all respects.

(c) During the year ended 31 March 2020, the Company repurchased a total of 18,325,000 ordinary shares at an aggregate consideration, including direct expenses, of HK$25,594,000. 15,062,000 ordinary shares were cancelled during the current year and the remaining 3,263,000 ordinary shares were subsequently cancelled on 2 April 2020.

33. SHARE-BASED PAYMENT TRANSACTIONS

A share option scheme was adopted on 17 August 2012 pursuant to a resolution passed by the shareholders of the Company on the same date, for the primary purpose of providing incentives to eligible persons and will expire on 16 August 2022 (the "Share Option Scheme"). Under the Share Option Scheme, the Directors may grant share options to the following eligible persons to subscribe for shares in the Company:

(i) any employee or proposed employee (whether full-time or part-time) or executives, including executive director, of any member of the Group, the Controlling Shareholders, any entity in which any member of the Group holds any direct or indirect equity interests (the "Invested Entity") and/or their respective subsidiaries; or

(ii) any non-executive director (including independent non-executive directors) of any member of the Group, the Controlling Shareholders or any Invested Entity; or

(iii) any consultant, adviser or agent (legal, financial or professional) engaged by any member of the Group or any Invested Entity; or

(iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any Invested Entity.

Share options granted should be accepted within 21 days after the date of grant, upon payment of HK$1 per each grant of the share options. The exercise price shall be determined by the Board and shall be at least the highest of: (i) the closing price of the shares on the date of grant of the share options; or (ii) the average closing price of shares for the five business days immediately preceding the date of grant; or (iii) the nominal value of a share on the date of grant.

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised is determined by the Board at its absolute discretion, save that no option may be exercised more than ten years from the date of grant.

The maximum number of shares in respect of which share options under the Share Option Scheme may be granted when aggregated with the maximum number of shares in respect of which options may be granted under all the other schemes (the "Scheme Limit") is 10% of the total number of shares in issue on the adoption date of the Share Option Scheme. The Scheme Limit may be refreshed by a resolution in shareholders' meeting such that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes shall not exceed 10% of the total number of shares in issue as at the date of such shareholders' approval. However, the Scheme Limit and any increase in the Scheme Limit shall not result in the number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and other schemes exceed 30% of the total number of shares in issue from time to time. No person shall be granted a share option, within 12-month period of the date of grant, exceeding 1% of the total number of shares in issue as at the date of grant.

On 4 April 2018, the Company granted a total of 27,020,000 share options to the eligible participants to subscribe for the shares of the Company under the Share Option Scheme, with vesting period ranging from 1 to 2 years. During the year ended 31 March 2020, the Group recognised the total expense of HK$946,000 (2019: HK$3,184,000) in relation to the share options granted by the Company.

33. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

The fair values of the share options granted to Directors and employees on 4 April 2018 were HK$2,592,000 and HK$1,122,000, respectively. The fair values were determined at the grant date on the basis of a valuation carried out by an independent professional valuer using Binomial Model. The following data and assumptions were used to calculate the fair values of the options at the grant date:

Closing price of the Shares on the date of grant	HK$2.57
Exercise price	HK$2.57
Expected volatility	18.44%
Expected option life	4 years
Risk-free rate	1.743%
Expected dividend yield	8.56%

The expected volatility measured at the standard deviation is based on the historical data of the daily share price movement of the Company.

The value of an option varies with different variables of certain subjective assumptions.

The Group measured the fair value of share options granted to other participants by reference to the fair value of service rendered, amounted to HK$520,000 at the date of grant.

The following table sets out the details of the Company's share options held by Directors, employees and other participants, and movements in such holdings during the current and prior years:

					Number of share options							
Date of grant	Vesting proportion	Vesting period	Exercise period	Exercise price per share (subject to adjustments) *HK$*	Outstanding at 1.4.2018	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 31.3.2019	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 31.3.2020
Directors:												
4.4.2018	50%	4.4.2018 – 3.4.2019	4.4.2019 – 3.4.2022	2.57	–	8,300,000	–	–	8,300,000	–	–	8,300,000
	50%	4.4.2018 – 3.4.2020	4.4.2020 – 3.4.2022	2.57	–	8,300,000	–	–	8,300,000	–	–	8,300,000
Employees:												
4.4.2018	50%	4.4.2018 – 3.4.2019	4.4.2019 – 3.4.2022	2.57	–	3,560,000	–	(120,000)	3,440,000	–	(185,000)	3,255,000
	50%	4.4.2018 – 3.4.2020	4.4.2020 – 3.4.2022	2.57	–	3,560,000	–	(120,000)	3,440,000	–	(185,000)	3,255,000
Other participants (note):												
4.4.2018	50%	4.4.2018 – 3.4.2019	4.4.2019 – 3.4.2022	2.57	–	1,650,000	–	–	1,650,000	–	–	1,650,000
	50%	4.4.2018 – 3.4.2020	4.4.2020 – 3.4.2022	2.57	–	1,650,000	–	–	1,650,000	–	–	1,650,000
					–	27,020,000	–	(240,000)	26,780,000	–	(370,000)	26,410,000
Exercisable at the end of the years					–				–			13,205,000
Weighted average exercise price per share *(HK$)*					N/A	2.57	N/A	2.57	2.57	N/A	2.57	2.57

note: The other participants are consultants of the Group.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of loan notes and bank borrowings (which are disclosed in Notes 29 and 30, respectively), net of cash and cash equivalents and equity attributable to owners of the Company comprising issued share capital and reserves.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2020 ***HK$'000***	2019 *HK$'000*
Financial assets		
Mandatorily measured at FVTPL	**540,141**	317,439
FVTOCI	**33,782**	62,243
Amortised cost (including cash and cash equivalents)	**1,348,131**	1,771,785
Financial liabilities		
Amortised cost	**3,581,636**	3,588,473

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity and fund investments, debt investments, debtors and deposits, other loan receivables, amounts due from joint ventures, amount due from an associate, bank balances and cash, creditors and deposits, amount due to a joint venture, amount due to an associate, lease liabilities, obligations under finance leases, loan notes and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other 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.

For the year ended 31 March 2020

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk

The carrying amounts of the Group entities' foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(i) *Currency risk*

Several subsidiaries of the Company have certain foreign currency bank balances, amount due from an associate, other loan receivables, refundable earnest monies, equity and fund investments, debt investments, loan notes and certain creditors and deposits which expose the Group to foreign currency risk. Management has closely monitored foreign exchange exposure and will undertake procedures necessary to mitigate the currency risk.

	Monetary assets		**Monetary liabilities**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
US$	**88,375**	10,746	**(1,553,697)**	(1,581,654)
CAD	**21,884**	23,512	**–**	–

Sensitivity analysis

The Group is mainly exposed to effects of fluctuation in US$ and CAD.

The functional currency of the respective group entities is HK$. The Group's exposure to the currency risk of US$ is limited because HK$ is pegged to US$.

The following table details the Group's sensitivity to a 5% (2019: 5%) increase or decrease in HK$ against CAD. 5% (2019: 5%) is the sensitivity rate used and represents management's assessment of the reasonably possible change in foreign exchange rates.

	Impact of CAD	
	2020	2019
	HK$'000	*HK$'000*
5% appreciation of the functional currency: Increase in post-tax loss for the year (2019: decrease in post-tax profit for the year)	**(914)**	(982)
5% depreciation of the functional currency: Decrease in post-tax loss for the year (2019: increase in post-tax profit for the year)	**914**	982

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate amount due from a joint venture, fixed-rate other loan receivables, fixed-rate lease liabilities and loan notes as set out in Notes 18, 20, 28 and 29, respectively.

The Group is also exposed to cash flow interest rate risk in relation to bank balances, variable-rate other loan receivables and bank borrowings as set out in Notes 25, 20 and 30, respectively. It is the Group's policy to keep its bank borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR, CAD Prime Rate and LIBOR.

Sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period which carried floating market interest rate. The analysis is prepared assuming the amount of asset and liability outstanding at the end of the reporting period was outstanding for the whole year. Bank balances are excluded from the analysis as the management considers the change in interest rate is not significant. A 100 basis points (2019: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss (2019: post-tax profit) for the year ended 31 March 2020, excluding the capitalised borrowing costs of approximately HK$2,739,000 (2019: HK$2,010,000), would increase/decrease by HK$11,248,000 (2019: decrease/increase by HK$8,985,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate other loan receivables and bank borrowings.

(iii) Other price risk

The Group is exposed to equity price risk arising from equity and fund investments and debt investments. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's other price risk is mainly concentrated on listed equity and fund investments and debt investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

For the year ended 31 March 2020

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(iii) Other price risk (Continued)

Sensitivity analysis

The sensitivity analysis below includes equity and fund investments and debt investments that are carried at fair values and has been determined based on the exposure to equity/debt price risks at the end of the reporting period.

If the prices of the respective equity and debt instruments had been 30% (2019: 30%) higher/lower:

- post-tax loss (2019: post-tax profit) for the year ended 31 March 2020 would decrease/increase by HK$83,934,000 (2019: increase/decrease HK$32,481,000) as a result of the changes in fair value of equity and fund investments and debt investments measured at FVTPL; and

- investment revaluation reserve would increase/decrease by HK$8,462,000 (2019: HK$15,592,000) as a result of the changes in fair value of equity and fund investments measured at FVTOCI.

Credit risk and impairment assessment

As at 31 March 2020 and 2019, other than trade debtors, other debtors and deposits, other loan receivables, other non-current assets, amounts due from joint ventures, amounts due from associates and bank balances and cash whose carrying amounts best represent the maximum exposure to credit risk as disclosed in Note 35(a), the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to undrawn loan commitments to joint ventures and financial guarantees provided by the Group is disclosed in Notes 38 and 43, respectively.

Trade debtors arising from contracts with customers

The management of the Group considers the balance of trade debtors within lifetime ECL as at 31 March 2020 and 2019 was insignificant and accordingly no allowance for credit losses is provided.

Other debtors and deposits

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model under application of HKFRS 9 on other debtors and deposits by individual assessment on 12m ECL basis where there had been no significant increase in credit risk since initial recognition and for certain other debtors and deposits assessing on lifetime ECL basis for those balances in which credit risk has increased significantly since initial recognition.

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Other loan receivables and interest receivables (included in other non-current assets and debtors, deposits and prepayments)

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due or being demanded for repayment. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing the lending limits of each individual borrower when appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees from the borrowers. In this regard, the Directors consider that the credit risk in relation to other loan receivables and interest receivables are monitored on a revolving basis and subject to a quarterly or more frequent review. The Group performs impairment assessment under ECL model under application of HKFRS 9 by individual assessment on 12m ECL basis where there had been no significant increase in credit risk since initial recognition and for certain other loan receivables and interest receivables assessing on lifetime ECL basis for those balances in which credit risk has increased significantly since initial recognition.

For a specific other loan and associated interest receivables measured at lifetime ECL, it is considered to be credit-impaired as the amounts have been overdue for over 90 days, trading of the shares of the debtor on the Stock Exchange has been suspended and winding up petitions have been filed against the debtor by other independent parties. Management updated their inputs into ECL measurement with respect to probability of default and loss given default which resulted in an increase in the loss allowance of HK$253,788,000 during the current year. The estimates take into account of forward-looking information available without undue cost or effort in the form of expectations on worsened economic environment and continuous adverse effect of COVID-19. The Group reassessed the reasonableness of the estimation of ECL provision, based on the assessment of ECL provision performed by professional valuers engaged by the management of the Group.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Amounts due from associates and joint ventures and undrawn loan commitments and financial guarantees to an associate and joint ventures

The Directors consider that the credit risk in relation to amounts due from associates and joint ventures are monitored on a revolving basis and subject to a quarterly or more frequent review. The Group performs impairment assessment under ECL model under application of HKFRS 9 by individual assessment on 12m ECL basis where there had been no significant increase in credit risk since initial recognition and for an amount due from a joint venture assessing on lifetime ECL basis for the balance in which credit risk has increased significantly since initial recognition.

For amounts due from associates and joint ventures assessed on 12m ECL basis, the management of the Group considers the credit risks are limited with reference to underlying asset values of respective associates and joint ventures. For amount due from a joint venture assessed under lifetime ECL, the management of the Group considers the amount is credit-impaired with reference to the financial condition of the joint venture.

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Amounts due from associates and joint ventures and undrawn loan commitments and financial guarantees to an associate and joint ventures (Continued)

Undrawn loan commitments and financial guarantees to an associate and joint ventures are assessed to be insignificant with reference to the estimation of the amount and timing of future cash flows, collateral values and underlying asset values of respective associate and joint ventures. Therefore, the loss allowance is not material.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% (2019: 100%) of the trade debtors as at 31 March 2020.

The Group has concentration of credit risk in other loan receivables as disclosed in Note 20, as four borrowers accounted for 87% (2019: two borrowers accounted for 76%) of the total other loan receivables as at 31 March 2020. At 31 March 2020, the majority of borrowers of the loan receivables are either listed company in Hong Kong, private companies and an individual (2019: listed company in Hong Kong or private company).

The Group does not have any other significant concentration of credit risk, other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, amounts due from joint ventures as set out in Note 18, amounts due from associates as set in Note 19, other loan receivables as set out in Note 20, debtors as disclosed above and refundable earnest money as set out in Note 24. The Group assesses the credit risk by reviewing and monitoring the financial performance of the counterparties and the management considers the default risk is not significant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade debtors	Other financial assets and other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays in full amount after due dates but usually settles after due date	Lifetime ECL – not credit-impaired	12m 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

For the year ended 31 March 2020

35. 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 trade debtors, other debtors and deposits, other loan receivables, other non-current assets, amounts due from joint ventures, amounts due from associates and bank balances which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2020 HK$'000	2019 HK$'000
Financial assets at amortised costs						
Amounts due from joint ventures (note a)	18	N/A	Low risk	12m ECL	**295,703**	370,294
		N/A	Loss	Lifetime ECL – credit-impaired	**11,022**	11,022
					306,725	381,316
Amounts due from associates (note a)	19	N/A	Low risk	12m ECL	**32,686**	16,686
Other loan receivables	20	N/A	Low risk	12m ECL	**224,235**	354,700
		N/A	Doubtful	Lifetime ECL – not credit-impaired	**73,500**	500,000
		N/A	Loss	Lifetime ECL – credit-impaired	**320,000**	–
					617,735	854,700
Other non-current assets	21	N/A	Low risk	12m ECL	**2,085**	38,931
Trade debtors (note c)	24	N/A	Low risk	Lifetime ECL – not credit-impaired	**3,479**	3,100
Other debtors and deposits	24	N/A	Low risk	12m ECL	**138,379**	52,791
		N/A	Doubtful	Lifetime ECL – not credit-impaired	**10,036**	16,137
		N/A	Loss	Lifetime ECL – credit-impaired	**38,862**	23,337
					187,277	92,265
Bank balances	25	Baa2-Aaa	Low risk	12m ECL	**513,681**	525,740
Other items						
Undrawn loan commitments to joint ventures (note b)	38	N/A	Low risk	12m ECL	**42,933**	56,522
Financial guarantee contracts (note b)	43	N/A	Low risk	12m ECL	**1,657,145**	1,630,522

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

notes:

(a) For the amounts due from joint ventures and associates, the Directors consider the ECL are insignificant with reference to the estimation of the amount and timing of future cash flows, collateral values and underlying asset values of respective associates and joint ventures, except for an amount due from a joint venture which is credit-impaired.

(b) For undrawn loan commitments to joint ventures and financial guarantee contracts, the gross carrying amount represents the maximum amount the Group guaranteed under the respective contracts.

(c) For trade debtors, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The ECL on the trade debtors are assessed collectively using a provision matrix, grouped by shared credit risk characteristics and the loss allowance is not material.

During the year ended 31 March 2020, the Group provided HK$269,938,000 (2019: reversed HK$13,992,000), reversed HK$2,252,000 (2019: provided HK$590,000), and provided HK$24,109,000 (2019: reversed HK$1,030,000) net impairment allowance for other loan receivables, other non-current assets and other debtors and deposits respectively.

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

The following table shows the movements in ECL that have been recognised for other loan receivables, other non-current assets, other debtors and deposits and amount due from a joint venture.

	Other loan receivables				Other non-current assets (note i)	Other debtors and deposits (note ii)				Amount due from a joint venture	
	12m ECL HK$'000	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Sub-total HK$'000	12m ECL HK$'000	12m ECL HK$'000	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Sub-total HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2018	195	114,938	–	115,133	1,902	5	4,433	23,923	28,361	11,022	156,418
Changes due to financial instruments recognised as at 1 April:											
– Impairment losses reversed	(45)	(20,726)	–	(20,771)	–	(4)	(1,393)	–	(1,397)	–	(22,168)
– Exchange adjustments	–	–	–	–	–	–	–	(586)	(586)	–	(586)
Financial assets newly originated	6,779	–	–	6,779	590	367	–	–	367	–	7,736
At 31 March 2019	6,929	94,212	–	101,141	2,492	368	3,040	23,337	26,745	11,022	141,400
Changes due to financial instruments recognised as at 1 April:											
– Transfer to doubtful	(80)	80	–	–	–	(1)	1	–	–	–	–
– Transfer to credit-impaired	–	(94,212)	94,212	–	–	–	(784)	784	–	–	–
– Impairment losses recognised	–	14,535	253,788	268,323	–	–	264	2,338	2,602	–	270,925
– Impairment losses reversed	(460)	–	–	(460)	(2,492)	–	(2,256)	–	(2,256)	–	(5,208)
– Derecognition upon assignment	–	–	(108,000)	(108,000)	–	–	–	(7,674)	(7,674)	–	(115,674)
– Exchange adjustments	–	–	–	–	–	–	–	(1,527)	(1,527)	–	(1,527)
Financial assets newly originated	2,075	–	–	2,075	240	428	1,731	21,604	23,763	–	26,078
At 31 March 2020	8,464	14,615	240,000	263,079	240	795	1,996	38,862	41,653	11,022	315,994

notes:

(i) Other non-current assets with ECL provided mainly included interest receivables generated from other loan receivables.

(ii) Other debtors and deposits with ECL provided mainly included interest receivables generated from other loan receivables and refundable earnest money.

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35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Changes in the ECL provision of other loan receivables are mainly due to:

	Increase (decrease) in ECL				
	2020			2019	
	12m ECL	**Lifetime ECL (not credit-impaired)**	**Lifetime ECL (credit-impaired)**	12m ECL	Lifetime ECL (not credit-impaired)
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Settlement of other loan receivables with a gross carrying amount of HK$97,156,000 (2019: HK$40,000,000)	**(460)**	**–**	**–**	(45)	–
Settlement in full of other loan receivables with a gross carrying amount of Nil (2019: HK$110,000,000)	**–**	**–**	**–**	–	(20,726)
New other loan receivables with a gross carrying amount of HK$48,479,000 (2019: HK$108,000,000)	**2,075**	**–**	**–**	6,779	–
Transfer to lifetime ECL upon reaching doubtful status and increase in allowance of other loan receivables with a gross carrying amount of HK$73,500,000 (2019: Nil)	**(80)**	**14,615**	**–**	–	–
Transfer to credit-impaired upon reaching default and increase in allowance of other loan receivables with a gross carrying amount of HK$500,000,000 (2019: Nil)	**–**	**(94,212)**	**348,000**	–	–
Assignment of other loan receivables with a gross carrying amount of HK$180,000,000 (2019: Nil)	**–**	**–**	**(108,000)**	–	–

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35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Changes in the ECL provision of other debtors and deposits are mainly due to:

	Increase (decrease) in ECL				
	2020			2019	
	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	12m ECL	Lifetime ECL (not credit-impaired)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Settlement of other loan interest receivables with a gross carrying amount of HK$11,973,000 (2019: HK$3,945,000)	–	(2,256)	–	(4)	–
Settlement in full of other loan interest receivables with a gross carrying amount of Nil (2019: HK$7,390,000)	–	–	–	–	(1,393)
New other loan interest receivables with a gross carrying amount of HK$13,579,000 (2019: HK$5,846,000)	428	–	–	367	–
New other loan interest receivables with a gross carrying amount of HK$8,702,000 (2019: Nil)	–	1,731	–	–	–
New other loan interest receivables with a gross carrying amount of HK$31,363,000 (2019: Nil)	–	–	21,604	–	–
Transfer to lifetime ECL upon reaching doubtful status and increase in allowance of other loan interest receivables with a gross carrying amount of HK$1,333,000 (2019: Nil)	(1)	265	–	–	–
Transfer to credit-impaired upon reaching default and increase in allowance of other loan interest receivables with a gross carrying amount of HK$4,164,000 (2019: Nil)	–	(784)	3,122	–	–
Assignment of other loan interest receivables with a gross carrying amount of HK$12,790,000 (2019: Nil)	–	–	(7,674)	–	–

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Changes in the ECL provision of other non-current assets are mainly due to:

	Increase (decrease) in 12m ECL	
	2020	2019
	HK$'000	*HK$'000*
Settlement of other loan interest receivables with a gross carrying amount of HK$21,737,000 (2019: Nil)	**(2,492)**	–
New other loan interest receivables with a gross carrying amount of HK$2,085,000 (2019: HK$7,579,000)	**240**	590

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Directors are taking active steps to improve the future liquidity position of the Group by generating sufficient operating funds internally and utilising undrawn banking facilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms and has been drawn up according to 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 table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Liquidity tables

	Weighted average interest rate %	On demand or less than 3 months HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2020 HK$'000
2020						
Non-derivative financial liabilities						
Creditors and deposits	–	172,345	–	–	172,345	172,345
Amount due to an associate	–	139,660	–	–	139,660	139,660
Amount due to a joint venture	–	11,635	–	–	11,635	11,635
Lease liabilities (Note 28)	4.33	1,596	3,532	3,949	9,077	8,535
Bank borrowings – variable rate	3.42	1,742,837	–	–	1,742,837	1,738,160
Loan notes – fixed rate	4.75	18,250	54,750	1,573,343	1,646,343	1,519,836
		2,086,323	58,282	1,577,292	3,721,897	3,590,171
Financial guarantee contracts (Note 43)		1,657,145	–	–	1,657,145	–
Undrawn loan commitments to joint ventures (Note 38)		42,933	–	–	42,933	–

	Weighted average interest rate %	On demand or less than 3 months HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2019 HK$'000
2019						
Non-derivative financial liabilities						
Creditors and deposits	–	153,741	–	–	153,741	153,741
Amount due to an associate	–	408,128	–	–	408,128	408,128
Obligations under finance leases – fixed rate	5.78	40	120	479	639	568
Bank borrowings – variable rate	3.30	1,378,115	109,073	–	1,487,188	1,479,545
Loan notes – fixed rate	4.75	18,132	54,397	1,569,256	1,641,785	1,547,059
		1,958,156	163,590	1,569,735	3,691,481	3,589,041
Financial guarantee contracts (Note 43)		1,630,522	–	–	1,630,522	–
Undrawn loan commitments to joint ventures (Note 38)		56,522	–	–	56,522	–

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35. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Bank loans with a repayment on demand clause are included in the "on demand or less than 3 months" time band in the above maturity analysis. As at 31 March 2020, the carrying amounts of these bank loans amounted to HK$1,637,360,000 (2019: HK$1,372,397,000). Taking into account the Group's financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that the undiscounted principal and interest of such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements as below.

	2020 ***HK$'000***	2019 *HK$'000*
Less than 3 months	**33,819**	172,303
3 months to 1 year	**413,386**	67,334
1 to 5 years	**1,367,733**	1,293,850
	1,814,938	1,533,487

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for undrawn loan commitments to joint ventures are the maximum amounts the Group committed to grant loans to the joint ventures. Based on expectations at the end of the reporting period, the Group considers that it is more likely that the Group is able to control the drawdown of the loan as the Group exercises joint control over the joint venture.

The amount included above for variable interest rate instrument for non-derivative financial liabilities is subject to change if variable interest rate differs from those estimates of interest rates determined at the end of reporting period based on spot rates.

(c) Fair value measurement of financial instruments

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

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets 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 as set out in Note 3) based on the degree to which the inputs to the fair value measurements is observable.

35. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurement of financial instruments *(Continued)*

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

Set out below is the information about how the fair values of the Group's financial assets that are measured at fair value are determined, including the valuation techniques and inputs used:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31.3.2020 **HK$'000**	31.3.2019 HK$'000				
Financial assets at FVTPL						
Listed equity securities in Hong Kong	**29,935**	34,070	Level 1	Quoted closing prices in an active market	N/A	N/A
Listed equity securities in Hong Kong (notes i and ii)	**–**	–	Level 3	Market approach which uses relevant information generated by certain companies with comparable businesses	Estimated number of operating cinemas and estimated number of operating screens	An increase in the estimated number of operating cinemas and estimated number of operating screens would result in an increase in fair value, and vice versa
	29,935	34,070				
Unlisted investment funds in overseas	**95,897**	95,596	Level 3	Net asset value of the unlisted equity and partnership investments that are the deemed resale price of the investments provided by the external counter-parties	Net asset value	An increase in the net asset value would result in an increase in fair value, and vice versa
Unlisted equity interest in the PRC	**129,088**	–	Level 3	Income approach which uses discounted cash flow method to capture the present value of the expected future economic benefits to be derived from the operation of the business, based on an appropriate discount rate	Operating cash flow	An increase in the estimated operating cash flow would result in an increase in fair value, and vice versa
Unlisted bond and interest rate linked notes	**80,145**	–	Level 2	Quoted prices for identical or similar assets in market that are not active	N/A	N/A
Financial assets at FVTOCI						
Listed equity securities in Hong Kong	**9,982**	35,043	Level 1	Quoted closing prices in an active market	N/A	N/A
Unlisted equity securities in overseas markets	**23,800**	27,200	Level 3	Market approach which uses relevant information generated by certain companies with comparable businesses	Minority and marketability discount of 25% (2019: 25%) (note iii)	A significant increase in the minority and marketability discount would result in a significant decrease in fair value, and vice versa

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35. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurement of financial instruments *(Continued)*

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

notes:

(i) The fair values of the suspended listed equity securities and unlisted equity securities as at 31 March 2020 and 2019 are determined by Asset Appraisal Limited, independent professional valuers, using the market approach.

(ii) Reconciliation of Level 3 fair value measurement of financial assets is as follows:

	Unlisted investment funds in overseas *HK$'000*	Unlisted equity securities *HK$'000*	Listed equity securities *HK$'000*	Unlisted equity interest in the PRC *HK$'000*	Total *HK$'000*
At 1 April 2018	7,062	30,300	–	–	37,362
Transfer (note)	–	–	146,261	–	146,261
Addition	54,018	–	–	–	54,018
Unrealised gain (loss), recognised in:					
– profit or loss	34,516	–	(146,261)	–	(111,745)
– other comprehensive expense	–	(3,100)	–	–	(3,100)
At 31 March 2019	95,596	27,200	–	–	122,796
Addition	–	–	–	146,400	146,400
Unrealised gain (loss), recognised in:					
– profit or loss	301	–	–	(17,312)	(17,011)
– other comprehensive expense	–	(3,400)	–	–	(3,400)
At 31 March 2020	95,897	23,800	–	129,088	248,785

note: During the year ended 31 March 2019, following the suspension of trading and due to a lack of quoted closing prices or recent transaction prices in the market, the quoted closing price was no longer available and thus the fair value of such listed equity securities was measured using a valuation technique performed by independent professional valuers with significant unobservable inputs made by the management and hence classified as Level 3 of the fair value hierarchy. An approximately 20% increase in the number of operating screens holding all other variables constant would result in zero fair value of the Level 3 suspended listed equity securities.

(iii) A 5% increase/decrease in the minority and marketability discount holding all other variables constant would decrease/increase the fair value of the unlisted equity securities in overseas by HK$1,600,000 (2019: HK$1,800,000).

Except as disclosed in note (i), there was no other transfer amongst Level 1, Level 2 and Level 3 for both years.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

36. 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. Interest payments in relation to below liabilities are included in other payables and accruals and presented in operating cash flow.

	Amount due to an associate	Amount due to non-controlling interests (included in creditors, deposits and accrued charges)	Dividend payable	Lease liabilities	Obligations under finance leases	Bank borrowings	Loan notes	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2018	132,532	9,094	–	–	125	1,476,900	1,538,209	3,156,860
Financing cash flows	275,596	47,150	(125,990)	–	(140)	13,081	–	209,697
Scrip dividend	–	–	(83,740)	–	–	–	–	(83,740)
Dividends recognised as distribution	–	–	209,730	–	–	–	–	209,730
Addition	–	–	–	–	583	–	–	583
Finance costs	–	–	–	–	–	–	82,764	82,764
Coupon interest paid	–	–	–	–	–	–	(74,509)	(74,509)
Exchange adjustment	–	–	–	–	–	(10,436)	595	(9,841)
At 31 March 2019	408,128	56,244	–	–	568	1,479,545	1,547,059	3,491,544
Adjustment (Note 2)	–	–	–	86,776	(568)	–	–	86,208
At 1 April 2019	408,128	56,244	–	86,776	–	1,479,545	1,547,059	3,577,752
Financing cash flows	(268,468)	31,102	(144,412)	(86,667)	–	265,221	(14,885)	(218,109)
Scrip dividend	–	–	(684)	–	–	–	–	(684)
Dividends recognised as distribution	–	–	145,096	–	–	–	–	145,096
Addition	–	–	–	6,714	–	–	–	6,714
Finance costs	–	–	–	2,174	–	–	82,478	84,652
Coupon interest paid	–	–	–	–	–	–	(73,856)	(73,856)
Gain on repurchase of loan notes	–	–	–	–	–	–	(2,131)	(2,131)
Others	–	(3,041)	–	–	–	–	–	(3,041)
Exchange adjustment	–	–	–	(462)	–	(6,606)	(18,829)	(25,897)
At 31 March 2020	139,660	84,305	–	8,535	–	1,738,160	1,519,836	3,490,496

37. MAJOR NON-CASH TRANSACTIONS

On 29 November 2019, the Group acquired 9.5% effective interests in Renaissance Shanghai Caohejing Hotel ("SH Renaissance") at a consideration of HK$146,400,000 from an independent third party. An unsecured fixed-rate loan receivables in the principal amount of HK$180,000,000, together with interest accrued of HK$12,790,000, were assigned to the vendor as partial settlement of the consideration for the acquisition of SH Renaissance at an agreed value of HK$96,400,000.

38. CAPITAL AND OTHER COMMITMENTS

	2020 ***HK$'000***	2019 *HK$'000*
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of:		
– construction of investment properties	**3,070**	4,202
– acquisition of stock of properties	**–**	8,280
– equity and fund investments	**34,014**	40,138
	37,084	52,620
Other commitments:		
– construction of stock of properties	**50,850**	139,890
– investment in associates	**391,200**	106,200
– investments in joint ventures	**11,449**	15,072
– loans to joint ventures	**42,933**	56,522
– capital contribution in a company for a proposed land development in Vietnam	**9,820**	9,941
	506,252	327,625
	543,336	380,245

39. OPERATING LEASE COMMITMENTS

The Group as lessee

	2019 *HK$'000*
Minimum lease payments paid under operating leases during the year:	
Premises	80,328

39. OPERATING LEASE COMMITMENTS *(Continued)*

The Group as lessee *(Continued)*

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2019 *HK$'000*
Within one year	87,215
In the second to fifth year inclusive	2,667
	89,882

Operating lease payments represent rentals payable by the Group for certain of its office premises and hotel. Leases are negotiated for lease terms of one to six years and rentals are fixed.

The Group as lessor

Property rental income earned during the year was HK$12,809,000 (2019: HK$11,314,000). The properties which were leased out as at 31 March 2020 had rental yield of approximately 1% (2019: 1%) and with committed tenants with the longest tenure for two (2019: two) years.

Minimum lease payment receivables on leases are as follows:

	2020 ***HK$'000***
Within one year	**4,364**
In the second year	**662**
	5,026

At 31 March 2019, the Group had contracted with tenants for the following future minimum lease payments:

	2019 *HK$'000*
Within one year	2,443
In the second to fifth year inclusive	1,070
	3,513

40. PLEDGE OF ASSETS

At the end of the reporting period, the Group's bank borrowings and credit facilities were secured by the following:

	2020	2019
	HK$'000	*HK$'000*
Property, plant and equipment	**880,658**	910,166
Investment properties	**751,440**	922,000
Stock of properties	**875,432**	752,922
Debt investments	**80,145**	–
	2,587,675	2,585,088

41. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme which is registered under the Occupational Retirement Scheme Ordinance for eligible employees. The assets of the scheme are separately held in funds under the control of trustees.

The cost charged to the consolidated statement of profit or loss represents contributions paid or payable to the fund by the Group at rates specified in the rules of the scheme. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the end of the reporting period, the Group had no significant forfeited contributions, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contributions payable by the Group in future years.

With effect from 1 December 2000, the Group has also joined the Mandatory Provident Fund Scheme (the "MPF Scheme") for employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee.

Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. The contributions to the MPF Scheme charged to the consolidated statement of profit or loss represent contributions paid or payable to the funds by the Group at rates specified in the rules of the scheme with a cap. No forfeited contribution is available to reduce the contribution payable in future years.

The employees of the subsidiaries in the PRC are members of state-managed retirement benefits schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

The total costs charged to the consolidated statement of profit or loss of HK$5,431,000 (2019: HK$5,754,000) represented contributions paid or payable to the schemes by the Group during the year.

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42. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

(i) During the year, the Group entered into the following transactions with related parties:

Related party	notes	Nature of transaction	2020 HK$'000	2019 HK$'000
Joint ventures:				
Fortress State (as defined in Note 21(b))		Interest income	–	7,990
	(a)	Cash payment on lease	**80,000**	76,800
1488 Alberni LPDH (as defined in Note 18)		Interest income	**21,586**	20,146
1488 Alberni LPI (as defined in Note 18)		Interest income	**1,136**	1,060
City Synergy Limited		Management fee income	**30**	360
Whiterfield Peak Limited		Management fee income	**90**	240
Associates:				
Concordia (as defined in Note 19)		Management fee income	**120**	120
Macau Properties Holdings Limited		Rental income	**1,173**	1,165
Concordia Property Development Holdings Limited		Consultancy fee expense	**18,000**	14,000
Other related companies:				
Hi Park Limited ("Hi Park")	(b)	Licence fee received	**599**	588
		Rental and management fee income	**981**	641
		Short term lease expense	**29**	29
Vectr Venture Limited ("Vectr")	(c)	Rental income and management fee income	**997**	1,088
Other related parties:				
Dr. Chan Kwok Keung, Charles	(d)	Discretionary bonus on consultancy service	–	10,000

notes:

(a) At 31 March 2019, the Group had commitments for the future minimum lease payments under non-cancellable operating lease with Fortress State amounting to HK$80,000,000 which fall due within one year. Upon initial application of HKFRS 16, right-of-use assets of HK$63,106,000 and lease liabilities of HK$78,188,000 were recognised. The rental contract expired on 31 March 2020.

(b) Mr. Cheung Hon Kit, an executive Director, is a shareholder of Hi Park.

(c) Vectr is controlled by Mr. Chan Yiu Lun, Alan, being an executive Director.

(d) Dr. Chan Kwok Keung, Charles and his associates are the Controlling Shareholders as disclosed in Note 1.

42. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

Related party transactions *(Continued)*

(ii) Compensation of key management personnel

The remuneration of key management personnel, representing the Directors, during the year was as follows:

	2020 **HK$'000**	2019 HK$'000
Short-term benefits	**14,770**	43,570
Equity-settled share-based payment expense	**620**	1,967
Post-employment benefits	**570**	577
	15,960	46,114

The remuneration of Directors is determined by the remuneration committee, with reference to the prevailing market conditions, their duties and responsibilities and time spent on the affairs of the Group as well as their performance.

Related party balances

Details of the outstanding balances with related parties are set out in the consolidated statement of financial position and Notes 18 and 19.

Other related party transactions

The Company provided corporate guarantees for loan facilities granted to certain joint ventures and an associate. Details of the guarantees are set out in Note 43.

43. FINANCIAL GUARANTEE CONTRACTS

At the end of the reporting period, the Group has entered into financial guarantee contracts by provision of corporate guarantees in respect of the credit facilities granted by the banks to its joint ventures and an associate, with the respective granted amounts as follows:

	2020 **HK$'000**	2019 HK$'000
a 50% owned joint venture	**–**	91,000
a 40% owned associate	**565,707**	565,707
a 50% owned joint venture	**58,000**	58,000
a 40% owned joint venture	**307,200**	320,000
a 28% owned joint venture in Canada	**214,463**	230,418
a 50% owned joint venture in Canada	**511,775**	365,397
	1,657,145	1,630,522

The amounts disclosed above represent the aggregate amounts that could be required to be paid if the guarantees were called upon in entirety as at 31 March 2020, of which HK$1,355,123,000 (2019: HK$1,307,070,000) has been utilised by the associate/joint ventures.

The ECL for outstanding financial guarantees are assessed to be immaterial as at 31 March 2020 and 2019.

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44. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	**2020** **HK$'000**	2019 HK$'000
Non-current assets			
Investments in subsidiaries		**1,232,095**	1,203,306
Amounts due from subsidiaries		**5,352,078**	5,199,359
		6,584,173	6,402,665
Current assets			
Deposits and prepayments		**331**	291
Amount due from a subsidiary		**–**	105,760
Bank balances and cash		**273,539**	261,300
		273,870	367,351
Current liabilities			
Deposits and accrued changes		**984**	1,017
Amount due to a subsidiary		**–**	105,760
Bank borrowings		**–**	99,993
		984	206,770
Net current assets		**272,886**	160,581
Total assets less current liabilities		**6,857,059**	6,563,246
Non-current liability			
Amount due to a subsidiary		**273,372**	289,708
		6,583,687	6,273,538
Capital and reserves			
Share capital		**9,607**	9,753
Reserves	(a)	**6,574,080**	6,263,785
		6,583,687	6,273,538

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44. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

(a) Reserves

	Share premium *HK$'000*	Treasury shares *HK$'000*	Contributed surplus *HK$'000* (note i)	Capital redemption reserve *HK$'000* (note ii)	Share-based payment reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
THE COMPANY							
At 1 April 2018	3,313,021	–	113,020	9,185	–	2,869,097	6,304,323
Profit and total comprehensive income for the year	–	–	–	–	–	82,644	82,644
Recognition of equity-settled share-based payments (Note 33)	–	–	–	–	3,184	–	3,184
Issue of shares pursuant to scrip dividend scheme for							
– 2018 second interim dividend	76,719	–	–	–	–	–	76,719
– 2019 first interim dividend	6,645	–	–	–	–	–	6,645
Dividends recognised as distribution (Note 13)	–	–	–	–	–	(209,730)	(209,730)
At 31 March 2019	3,396,385	–	113,020	9,185	3,184	2,742,011	6,263,785
Profit and total comprehensive income for the year	–	–	–	–	–	479,209	479,209
Recognition of equity-settled share-based payments (Note 33)	–	–	–	–	946	–	946
Issue of shares pursuant to scrip dividend scheme for 2019 second interim dividend	679	–	–	–	–	–	679
Repurchase of shares (Note 32(c))	(22,405)	(3,038)	–	151	–	(151)	(25,443)
Dividends recognised as distribution (Note 13)	–	–	–	–	–	(145,096)	(145,096)
At 31 March 2020	3,374,659	(3,038)	113,020	9,336	4,130	3,075,973	6,574,080

notes:

(i) The contributed surplus of the Company represented the credit arising from capital reduction pursuant to the capital reorganisation on 13 March 2010.

(ii) The capital redemption reserve represented the share capital repurchased and cancelled.

For the year ended 31 March 2020

45. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 March 2020 and 2019 are as follows:

Name of subsidiary	Place of incorporation/ registration/ establishment	Issued and fully paid share capital/ registered capital	Total attributable equity interest held by the Company 2020 %	2019 %	Principal activities
Advance Tech Limited	Hong Kong	HK$1 ordinary share	**100**	100	Securities investment
Anyone Holdings Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Property development
Assets Island Limited	Hong Kong	HK$1 ordinary share	**100**	100	Property development
Beam Castle Limited	British Virgin Islands	US$1 ordinary share	**100**	—	Investment holding
CWB Land Limited	Hong Kong	HK$209 ordinary shares	**100**	100	Property development
Dormax Limited	Hong Kong	HK$1 ordinary share	**100**	100	Property development
DS Eastin	Hong Kong	HK$20 ordinary shares	**100**	100	Investment holding
Eagle Spirit Holdings Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Global Intelligence Investments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Great Intelligence Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Property investment
ITC Properties Finance Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Money lending
ITC Properties (Hong Kong) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties Investment (China) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties (Macau) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties Management Limited	Hong Kong	(i) HK$2,000 ordinary shares (ii) HK$500,000 non-voting deferred shares (note a)	**100**	100	Securities investment and provision of management services
ITC Properties (Overseas) Limited	British Virgin Islands	US$100 ordinary shares	**100**	100	Investment holding

For the year ended 31 March 2020

45. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration/ establishment	Issued and fully paid share capital/ registered capital	Total attributable equity interest held by the Company 2020 %	2019 %	Principal activities
ITC Properties (Townsend House) Company Limited	United Kingdom	GBP1 ordinary share	**90.1**	90.1	Property investment and development
ITCP Alberni Holdings Limited	Canada	(i) CAD4,760,100 common shares (ii) CAD2,284,210 preferred shares (2019: (i) CAD4,760,100 common shares (ii) CAD1,812,632 preferred shares)	**100**	100	Investment holding
Keen Step Corporation Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Property investment
Le Petit Rosedale Hotel Limited	Hong Kong	HK$1 ordinary share	**100**	100	Hotel operation
Lion Speed Developments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Securities and fund investments
Million Orient Limited	Hong Kong	HK$1 ordinary share	**100**	100	Investment holding
Prime Paramount Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Rank Ace Investments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Property investment
Rosedale Group Management Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Provision of management services
Rosedale Hotel Kowloon Limited	Hong Kong	HK$1 ordinary share	**100**	100	Hotel operation
Rosedale Restaurant and Catering Limited	Hong Kong	HK$1,991,061,472 ordinary shares	**100**	100	Restaurant operation
Silver Infinite	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Smart Eagle Holdings Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Solid Riches Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Success Well Investment Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Property investment

45. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration/ establishment	Issued and fully paid share capital/ registered capital	Total attributable equity interest held by the Company 2020 %	2019 %	Principal activities
Top Century International Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Treasure Generator Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Loan note issuer
Unique Way Limited	British Virgin Islands	US$2 ordinary shares	**100**	100	Investment holding
Utmost Sound Limited	British Virgin Islands	US$1,000 ordinary shares	**72**	72	Investment holding
三亞創新產業開發有限公司	PRC (note b)	RMB275,389,430	**100**	100	Property development

notes:

(a) The non-voting deferred shares, which are not held by the Group, carry no rights to (i) dividends, (ii) receive notice of or attend or vote at any general meeting of the company and (iii) participate in any distribution on winding up practically.

(b) This subsidiary is a wholly foreign-owned enterprise established in the PRC.

Other than Treasure Generator Limited which is the Issuer of the Notes as disclosed in Note 29, none of the subsidiaries had any debt securities outstanding at the end of the reporting period or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. Disclosing the details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

FINANCIAL SUMMARY

	For the year ended 31 March				
	2016	2017	2018	2019	**2020**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Revenue	143,402	188,871	246,625	262,299	**175,360**
Profit (loss) before taxation	1,467,846	302,849	183,626	141,055	**(972,033)**
Taxation	(9,227)	(24)	(1,477)	(1,165)	**29**
Profit (loss) for the year	1,458,619	302,825	182,149	139,890	**(972,004)**
Profit (loss) attributable to:					
Owners of the Company	1,460,094	303,238	182,488	140,583	**(971,000)**
Non-controlling interests	(1,475)	(413)	(339)	(693)	**(1,004)**
	1,458,619	302,825	182,149	139,890	**(972,004)**

	As at 31 March				
	2016	2017	2018	2019	**2020**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	7,679,130	9,442,543	8,983,396	9,171,176	**7,891,649**
Total liabilities	(2,164,232)	(3,865,117)	(3,446,488)	(3,832,062)	**(3,829,785)**
	5,514,898	5,577,426	5,536,908	5,339,114	**4,061,864**
Equity attributable to:					
Owners of the Company	5,516,749	5,574,275	5,532,655	5,336,124	**4,060,285**
Non-controlling interests	(1,851)	3,151	4,253	2,990	**1,579**
	5,514,898	5,577,426	5,536,908	5,339,114	**4,061,864**

Note: The Group has retrospectively applied HKFRS 9 and HKFRS 15 at 1 April 2018 and HKFRS 16 at 1 April 2019 without restatement of comparative figures.

Location	Approximate gross floor area *(sq. ft.)*	Lease term	Use	Stage of completion	Group's ownership
PROPERTIES HELD FOR SELF USE AND INVESTMENT					
30/F., Bank of America Tower, No. 12 Harcourt Road, Central, Hong Kong	13,880	Long	Office	Completed	100%
Le Petit Rosedale Hotel, No. 7 Moreton Terrace, Causeway Bay, Hong Kong	31,000	Long	Hotel	Completed	100%
250 Hennessy, No. 250 Hennessy Road, Wanchai, Hong Kong	55,600	Long	Office/Car parks	Completed	100%
The Westin Bayshore, 1601 Bayshore Drive, Vancouver, British Columbia, Canada	449,000	Freehold	Hotel/Conference/ Ancillary uses	Completed	50%
Rosedale Hotel Kowloon, No. 86 Tai Kok Tsui Road, Tai Kok Tsui, Hong Kong	110,000	Long	Hotel	Completed	40%
Portions of Dabiao International Centre, No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City, PRC	640,000	Medium	Commercial/ Office/Hotel/ Car parks	Completed	31.5%

SCHEDULE OF PRINCIPAL PROPERTIES

Location	Approximate gross floor area *(sq. ft.)*	Lease term	Use	Stage of completion	Group's ownership
STOCK OF PROPERTIES UNDER DEVELOPMENT					
Hyde Park, No. 205 Hai Tan Street, Sham Shui Po, Hong Kong	38,770 (Gross site area approximately 4,550 sq. ft.)	Long	Residential/ Commercial	Superstructure works in progress	100%
Nos. 41, 43 and 45 Pau Chung Street, To Kwa Wan, Hong Kong	30,000 (Gross site area approximately 3,532 sq. ft.)	Long	Residential/ Commercial	Foundation works in progress (Anticipated completion date: 2021)	100%
Townsend House, 5 Greycoat Place, London, United Kingdom	26,531 (Gross site area approximately 6,098 sq. ft.)	Freehold	Residential/ Commercial (note i)	Demolition in progress	90.1%
Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, Hong Kong	23,535 (Gross site area approximately 9,100 sq. ft.)	Long	Residential (note ii)	Compulsory sale applied	72%
No. 23 Po Shan Road, Mid-levels, Hong Kong	80,000 (Gross site area approximately 15,000 sq. ft.)	Long	Residential	Foundation works completed (Anticipated completion date: 2021)	40%
Lote 2 to Lote 12 of One Oasis, Sky Oasis and Grand Oasis, Estrada de Seac Pai Van, Coloane, Macau	1,735,000 (Gross site area approximately 302,000 sq. ft.)	Medium	Residential/ Commercial	Development by phase (Anticipated completion date: 2020 to 2021 in phases)	35.5%
1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Proposed: 648,000 (Gross site area approximately 43,230 sq. ft.)	Freehold	Residential/ Commercial	Rezoning approved	28%

notes:

(i) The property is currently for commercial use and is planned to be redeveloped for residential and commercial use.

(ii) The property is currently for industrial use and is planned to be redeveloped for residential use upon completion of the acquisition of the remaining units and compliance with town planning issues.

In this annual report, the following expressions have the following meanings unless otherwise specified:

Annual General Meeting	the annual general meeting of the Company to be held at 15/F., 250 Hennessy, 250 Hennessy Road, Wanchai, Hong Kong on Friday, 11 September 2020 at 10:30 a.m.
Board	the board of Directors
Bye-laws	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time
CAD	Canadian dollars, the lawful currency of Canada
CG Code	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Company	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 199)
Director(s)	the director(s) of the Company
Group	the Company and its subsidiaries
HK$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
Macau	Macau Special Administrative Region of the PRC
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
MOP	Macau Patacas, the lawful currency of Macau
PRC	the People's Republic of China, and for the purpose of this annual report, excluding Hong Kong, Macau and Taiwan
RMB	Renminbi, the lawful currency of the PRC
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
Share(s)	ordinary share(s) of HK$0.01 each in the issued share capital of the Company

Shareholder(s)	holder(s) of the Share(s)
Share Option Scheme	the existing share option scheme of the Company adopted on 17 August 2012
Stock Exchange	The Stock Exchange of Hong Kong Limited
sq. ft.	square feet
sq. m.	square metres
US$	United States dollars, the lawful currency of the United States
Year	the financial year ended 31 March 2020
%	per cent.

In case of any inconsistency, the English version of this annual report shall prevail over the Chinese version.

德祥地產集團有限公司
ITC PROPERTIES GROUP LIMITED

30/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong