FEC 遠東發展

遠東發展有限公司
Far East Consortium International Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 035

Embracing a better tomorrow

ANNUAL REPORT 2021

Contents

Corporate Information

BOARD OF DIRECTORS

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

Independent Non-Executive Directors
Kwok Wai CHAN
Kwong Siu LAM
Lai Him Abraham SHEK

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

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

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

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

ESG STEERING COMMITTEE
Wing Kwan Winnie CHIU (Chairman)
Cheong Thard HOONG
Wai Hung Boswell CHEUNG

MANAGING DIRECTOR
Cheong Thard HOONG

CHIEF FINANCIAL OFFICER
Wai Hung Boswell CHEUNG

COMPANY SECRETARY
Wai Hung Boswell CHEUNG

AUTHORISED REPRESENTATIVES
David CHIU
Wai Hung Boswell CHEUNG

LEGAL ADVISORS
Ashurst
Deacons
Kao, Lee & Yip
MinterEllison LLP
Reed Smith Richards Butler
Woo Kwan Lee & Lo

AUDITOR
Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

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

Malaysia
Public Bank Berhad
OCBC Bank (Malaysia) Berhad

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

Australia
Australia and New Zealand Banking Group Limited
Bank of China (Hong Kong) Limited
China Minsheng Banking Corp., Ltd., Hong Kong Branch
Commonwealth Bank of Australia
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Ping An Bank Co., Ltd. Hong Kong Branch
Taipei Fubon Commercial Bank Co., Ltd
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
United Overseas Bank Limited, Sydney Branch

Mainland China
China Construction Bank Corporation
Dah Sing Bank (China) Limited
Industrial and Commercial Bank of China Limited
Nanyang Commercial Bank (China) Limited
Shanghai Pudong Development Bank

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

PLACE OF INCORPORATION

Cayman Islands

REGISTERED OFFICE

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

PRINCIPAL OFFICE

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

SHARE REGISTRAR

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

LISTING INFORMATION

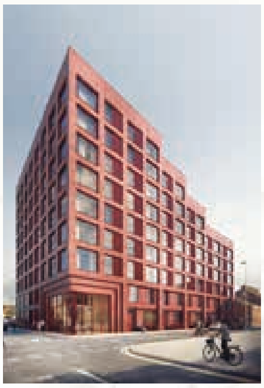
Ordinary Shares (Code: 035)
3.75% USD Medium Term Notes 2021 (Code: 4310)
4.5% USD Medium Term Notes 2023 (Code: 5011)
7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited (Code: 5781)
5.1% USD Medium Term Notes 2024 (Code: 40556)
The Stock Exchange of Hong Kong Limited

WEBSITE

http://www.fecil.com.hk

Major Events of Financial Year 2021

APR 2020



The Group launched a residential project – New Cross Central in Manchester

JUN 2020

The Group together with Hengan International Group Company Limited, proactively sourced and donated 1,000,000 face masks to primary and secondary schools, hospitals as well as disadvantaged groups in Hong Kong and China to fight against the coronavirus

AUG 2020

The Group started the handover process of West Side Place (Towers 1 and 2) in Melbourne

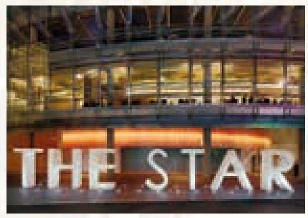
SEP 2020

The Group entered into a new 18-year lease contract with a flagship sports goods retailer for its Wuhan mall for a yearly rental of approximately HK$50 million, with 8% step-up increase every three years

The Group sold out all residential units and entered into agreements to sell all retail units of Artra in Singapore

OCT 2020

The Group launched a safe deposit box business, Far East Vault. The Group converted the basement of Silka Far East, Hong Kong into a safe deposit box operation providing around 4,500 safe deposit boxes



The Group partnered with The Star to acquire a site in Pyrmont, Sydney and intended to co-develop a mixed-use tower

The Group won four awards at "10th Asian Excellence Award 2020"

The Group launched a residential project – Hyll on Holland in Singapore

Major Events of Financial Year 2021

NOV 2020

BCG successfully priced its inaugural Australian dollar-denominated RMBS bond. The transaction was upsized to AUD416 million

The Group bought back US$50 million of 2021 notes through tender offer and issued 12.25-year notes of HK$200 million at a 5.25% coupon

DEC 2020

Mr. Chris Hoong, Executive Director and Managing Director of the Company received "Directors Of The Year Awards 2020" by The Hong Kong Institute of Directors

The Group established the Sustainability Steering Committee to drive the development of its sustainability initiatives

JAN 2021

The Group completed the issuance of US$235 million 5.10 percent 3-year Notes due 2024 under Medium Term Note Programme

FEB 2021

Mortgage lending business of BCG expanded into UK market

MAR 2021

The Group launched a residential project – Victoria Riverside in Manchester

APR 2021

The Group subscribed HK$129.5 million convertible bonds issued by a subsidiary of Bonjour Holdings Limited

25 years FinanceAsia | FinanceAsia ASIA'S BEST COMPANIES 2021

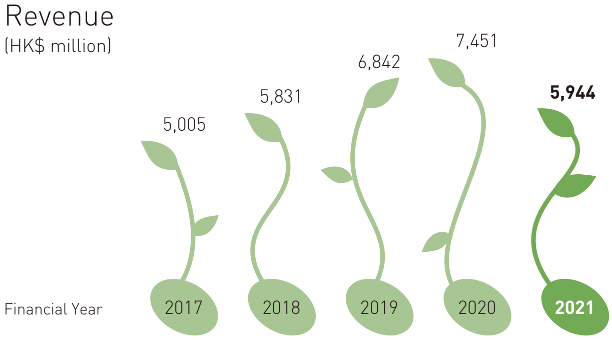
The Group won six awards in "FinanceAsia's 2021 Asia's Best Companies" Poll Including "Asia's Overall Best Managed Listed Company"

Statement of Profit or Loss Highlights

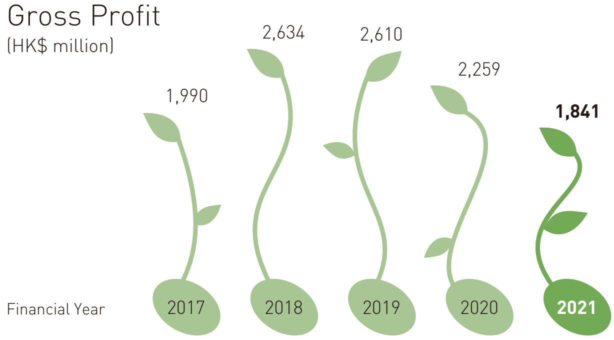
HK$ million, unless otherwise stated

	For the financial year ended 31 March					
	2017	2018	2019	2020	**2021**	CAGR
Revenue	5,005	5,831	6,842	7,451	**5,944**	4.4%
Gross Profit	1,990	2,634	2,610	2,259	**1,841**	-1.9%
Net profit attributable to Shareholders	1,118	1,567	1,714	366	**543**	-16.5%
Adjusted cash profit[1]	1,157	1,649	1,457	842	**722**	-11.1%
Adjusted cash profit[1] margin (%)	23.1	28.3	21.3	11.3	**12.1**	n/a
Total dividend (HK cents)	18.5	22.0	22.0	19.0	**19.0**	0.7%

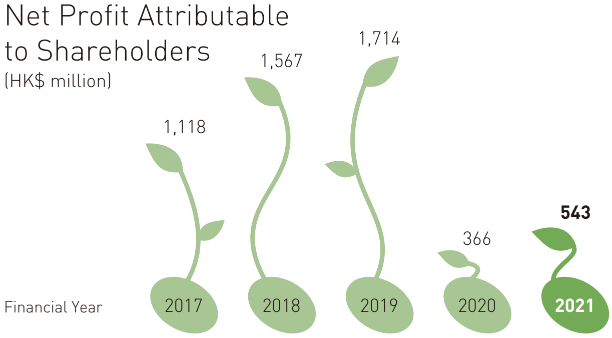
Revenue
(HK$ million)



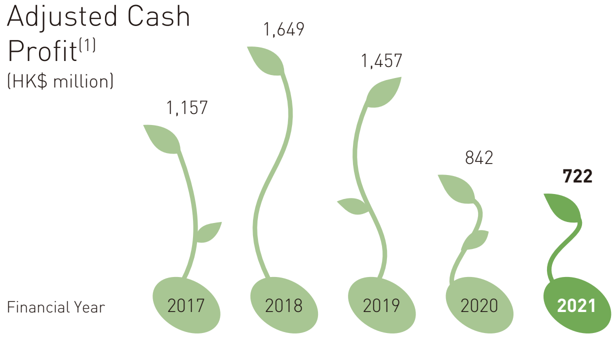
Gross Profit
(HK$ million)



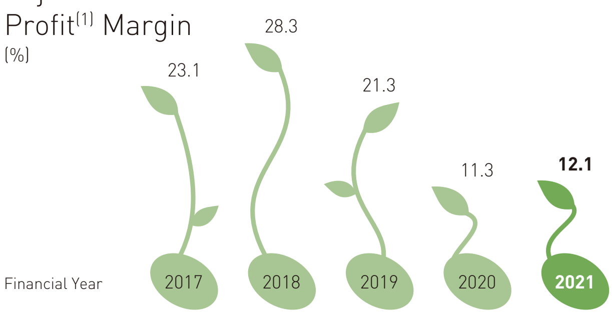
Net Profit Attributable to Shareholders
(HK$ million)



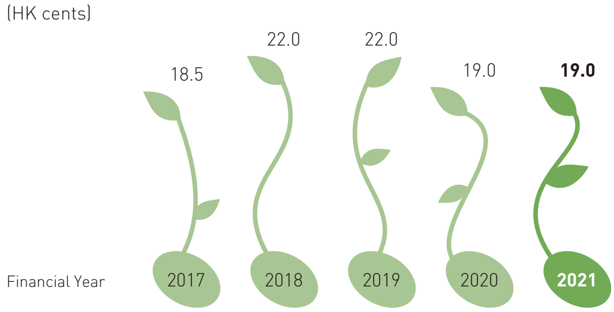
Adjusted Cash Profit[1]
(HK$ million)



Adjusted Cash Profit[1] Margin
(%)



Total Dividend
(HK cents)



Note:

(1) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to net profit attributable to shareholders. The amounts are adjusted for minority interests.

Statement of Financial Position Highlights

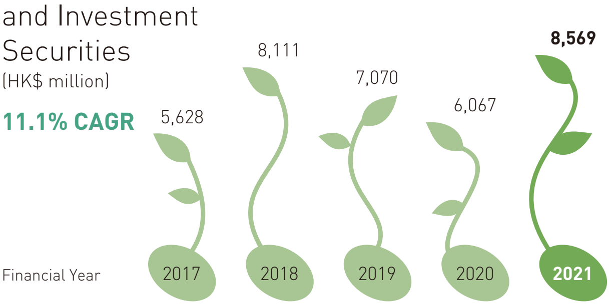
HK$ million, unless otherwise stated

	As at 31 March					
	2017	2018	2019	2020	**2021**	CAGR
Cash balance and investment securities	5,628	8,111	7,070	6,067	**8,569**	11.1%
Current ratio	2.57	2.01	2.81	2.24	**1.54**	n/a
Net gearing ratio[1] (%)	31.5	28.7	45.4	56.7	**54.9**	n/a
Total adjusted assets[2]	41,754	50,082	56,916	58,128	**67,451**	12.7%
Adjusted net asset value attributable to Shareholders[2]	24,146	28,564	31,251	27,467	**31,347**	6.7%
Adjusted net asset value per share[2] (HK$)	10.79	12.41	13.29	11.59	**13.09**	4.9%

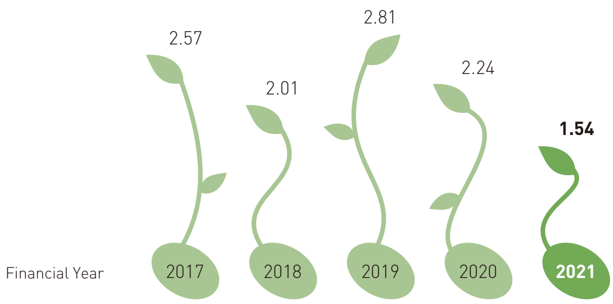
Cash Balance and Investment Securities

(HK$ million)

11.1% CAGR

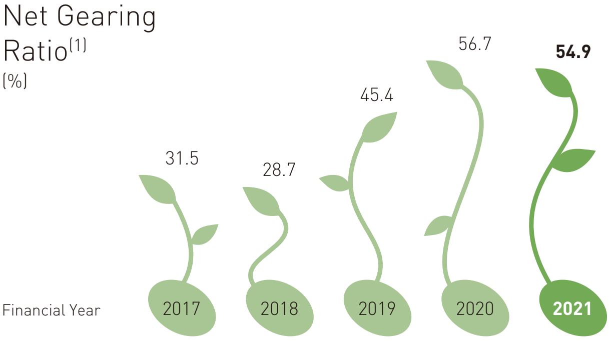


Current Ratio



Net Gearing Ratio[1]

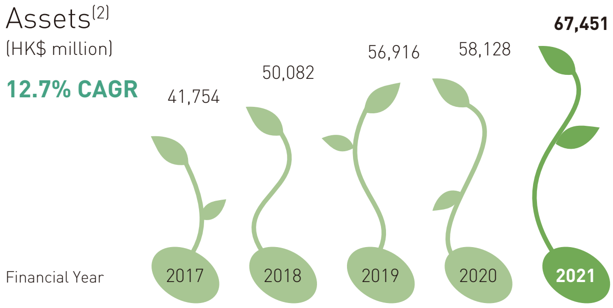
(%)



Total Adjusted Assets[2]

(HK$ million)

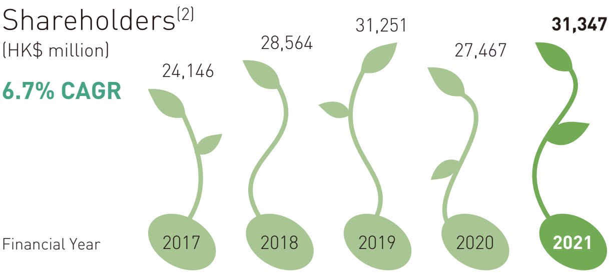
12.7% CAGR



Adjusted Net Asset Value Attributable to Shareholders[2]

(HK$ million)

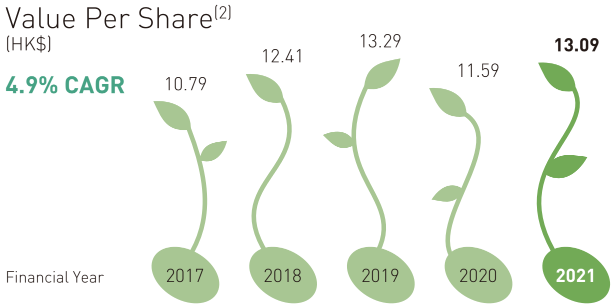
6.7% CAGR



Adjusted Net Asset Value Per Share[2]

(HK$)

4.9% CAGR



Notes:

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

(2) Adjusted for hotel revaluation surplus.

CAPTURE THE UPSWING

The Towers at Elizabeth Quay, Perth

Chairman and Chief Executive Officer's Statement

I am pleased to announce to our Shareholders that despite the COVID-19 pandemic and its impact on the economy, the Group has remained profitable in FY2021, largely due to our strategy of diversification and our efforts to contain costs. With vaccine rollouts speeding up across the globe, I am optimistic that we will soon see the light at the end of the tunnel.

In addition to the COVID vaccine, the National Security Law will help restore stability, thus cementing Hong Kong as a desirable post-pandemic travel destination for the Mainland Chinese. This is of great benefit to us and our hotel businesses. Mainland China handled the COVID pandemic very efficiently, meaning fewer restrictions for its population; at the same time, its population has become wary of travelling overseas. Hong Kong's close proximity makes it an obvious choice for those with the pent-up desire to travel, revitalising the hotel industry and driving more business to our Dorsett brand hotels. Even amidst the pandemic, Dorsett has remained proactive by working with local governments to provide vital support services. By providing facilities for self-quarantine and accommodation for healthcare personnel, Dorsett continues to demonstrate its consistent commitment to social responsibility. These efforts have been well-recognised, propelling the Group to win multiple awards, including the "Gold Award" at The Asset ESG Corporate Awards 2020, "Most Committed to Social Causes in Hong Kong" in FinanceAsia's Best Companies Poll in both 2020 and 2021, "Most Committed to the Highest Governance Best Standards in Hong Kong" in FinanceAsia's Best Companies Poll 2021, and "Best Environmental Responsibility" at the 10th Asian Excellence Awards 2020. To capitalise on our robust recurring revenue, we are proceeding as planned with most of our construction pipeline, including the Ritz-Carlton Melbourne and Queen's Wharf Brisbane.

The Group has always had a forward-thinking mindset with a view to maintain future growth, which is why we built up a strong and diversified property development portfolio. Our presale revenues stood at HK$13.8 billion as of 31 March 2021, which provide us with good visibility for the mid-term future. We believe that the low interest rate environment and solid demand from the middle-class will continue to benefit the property development market.

As part of our diversification strategy, the Group owns car parks and gaming operations worldwide. Lockdown measures have impacted business, but we managed to maintain a positive EBITDA despite facing tremendous challenges. We are confident that we will see an improvement as restrictions are lifted. Although these operations comprise a smaller part of our portfolio, we are positive that they will continue to contribute to the reliability of the Group's revenues. BC Invest, our mortgage lending platform catering mostly to non-residents seeking a mortgage in Australia and UK, has been growing very fast. It is expected to continue to grow by broadening its product offering in Australia and internationally.

The Group fully shares the growing concerns from stakeholders in relation to ESG, which affects all walks of life. Therefore, the Group has established a sustainability steering committee to activate ESG developments and strategies. For example, we have actively worked with Hengan International Group Company Limited to procure and donate 1,000,000 face masks to primary and secondary schools, hospitals, and disadvantaged groups in Hong Kong and China. We have sought to replace single-use bathroom amenities with dispensers and provide eco-friendly reusable cutlery to our quarantine guests. Moreover, we have taken the initiative to source and distribute latex gloves internationally to offset the critical shortage that the world faced. Again, we are proud of the accolades that we have received, with the Group winning over 40 awards in 2020 alone.

Established for over half a century, the Group is not a new economy business but its appeal is solid. The proof lies in our financials, which have remained healthy throughout challenging times and enabled us to maintain dividend payouts, a solid measure of financial health. I have always believed that turbulence carries an opportunity to grow another platform; in this case, our sights are set on sustainable growth. Our strong balance sheet provides a reliable basis for the Group to grasp valuable investment opportunities.

I would like to take this opportunity to thank our shareholders, financiers, partners, and colleagues for their steadfast support, which underpins our business's steady growth and is fundamental for the Group's success.

David CHIU
Chairman and Chief Executive Officer

24 June 2021

Aspen at Consort Place, London

Managing Director's Report

POSITIONING FOR A RECOVERY

In FY2021, the world economy continued to grapple with the damage caused by the global COVID-19 pandemic. Many countries, states and cities were hit by unexpected and sporadic lockdowns and/or curfews and, travel was severely restricted or even forbidden in numerous regions. Many governments and central banks did intervene and proactively provided support in the form of fiscal stimuli and loose monetary policy, including quantitative easing. Whilst these actions helped to mitigate the impact of COVID-19, many segments of the global economy remained critically impacted.

The Group's businesses were hit by COVID-19 in FY2021, and this for the first time for the entirety of the financial year.

The property development business was partly unscathed thanks to the strong demand for residential properties and our very geographically diversified portfolio of projects. The hospitality segment of the economy was particularly hard hit which affected our hotel and gaming businesses with lower occupancy/rates, and temporary casino closures, respectively. Our car parking business was also affected with reduced business and travel activities. But despite the above, the Group recorded satisfactory financial results with an increase in net profit attributable to shareholders. A summary of our key achievements is set out below:

The construction site, Aspen at Consort Place, London

Key Achievements and Business Progress Update

Property Development

- We recorded cumulative presales of HK$13.8 billion as at 31 March 2021 which provides the Group with a good visibility of revenue in the coming years, after recognition of HK$5.9 billion revenue for FY2021.

- We added development land in Manchester and Sydney (via a 50/50 joint venture with The Star) to our development pipeline and maintained a healthy total GDV pipeline of approximately HK$55.6 billion as at 31 March 2021.

- We launched successfully a number of new projects including New Cross Central and Victoria Riverside in Manchester and maintained healthy presales for the recently launched projects such as Aspen at Consort Place in London and Queen's Wharf Residences (Tower 4) in Brisbane as well as various projects in Australia and Hong Kong.

- We commenced construction of Aspen at Consort Place in London and made good progress on all of our residential developments with a number now near completion. This includes Mount Arcadia in Hong Kong, West Side Place Stage 1 in Melbourne, Hornsey Townhall and Meadowside in UK.

Hotel Operations and Management

- We continued in FY2021 where we left last year and pushed through additional rationalisation actions to control costs across different geographies resulting in a sustainable cost structure that will be effective even under a prolonged period of COVID-19 pandemic.

- We were one of the first hotel groups to target the quarantine business and secured a number of contracts in different geographies, including Hong Kong, Singapore and UK.

- We continued with a number of hotel construction projects with Ritz-Carlton Melbourne, Dorsett Gold Coast and Dorsett Shepherds Bush extension (which will be operated as serviced apartments) earmarked for completion in the second half of FY2022.

Dorsett Gold Coast, Australia

Car Park Operations

- After a number of years of investment to upgrade our technological platform for car park management, our car park division now has a sophisticated operating and monitoring system which will enable it to effectively scale up its operations.

- Despite operating under a difficult business environment which resulted in many of our competitors recording losses, Care Park managed to stay EBITDA positive with the successful implementation of a rationalisation programme.

- The division has also started to implement an asset recycling programme selling down some smaller non-core assets in our portfolio. The financial effect of this initiative will be reflected in the current financial year.

Care Park

Gaming Operations

- The gaming division managed to deliver EBITDA positive results despite having to close its operations in the Czech Republic for a significant part of the financial year. This profitability was achieved through a combination of resilient attendance, costs control efforts as well as government support during the year.

- In order to continue to service our customers even under a COVID-19 environment and to broaden our targeted customer base, TWC initiated ground work for the award of a Malta online gaming license. This will allow us to target players in certain European countries initially.

- Destination Brisbane Consortium continued to make good progress in the construction of the world class Queen's Wharf Brisbane integrated resorts project. The first gaming component of the resorts is scheduled to open in FY2023.

Route 55 Casino, Czech Republic

Mortgage Financing Business

- BC Group's mortgage loan portfolio reached a total size of AUD1.2 billion (HK$7.1 billion) as at 31 March 2021, an increase of AUD190 million (HK$1.1 billion) from a year ago.

- The business expanded into UK market and the initial response from the market has been extremely positive.

- In November 2020, BC Group completed successfully an inaugural A$416 million RMBS issue, effectively recycling in the public market parts of its portfolio. We expect more RMBS issuance this year and in the coming years.

- The business delivered strong growth momentum and is expected to deliver an even faster growth rate in the coming years as the business expands into new geographies and segments of the mortgage market outside the non-resident market.

Other new businesses

- During the year, First International Property, the Group's newly established property agency business progressed well. The Group also commenced a safe deposit box business through a newly set up subsidiary, Far East Vault, with a total of 4,500 boxes in Tsuen Wan, Hong Kong.

Far East Vault, Hong Kong

FarEast Vault 遠東保庫

Results Highlights

In FY2021, the Group recorded revenue of HK$5.9 billion (FY2020: HK$7.5 billion), a reduction of 20.2% given the backdrop of very challenging operating conditions, especially in the hospitality segments. Despite lower revenue, all our divisions reported positive EBITDA. Adjusted gross profit and net profit of the Group were HK$2.2 billion and HK$806 million, respectively which, represented a decrease of 17.1% and an increase of 46.2% change compared to the year before.

The results for the year were supported by higher contribution and margin on our residential projects offset by lower contribution from the other divisions given the full impact of COVID-19. The results were supported by a revaluation gain thanks to entering into a new significant long-term lease for our retail assets in Wuhan.

The Group net cash profit was HK$722 million (FY2020: HK$842 million) demonstrating resilient cash generation capability of the Group's businesses. To demonstrate the Group's long-term commitment to dividend payout, the Board recommended a final dividend of HK$15 cents per share. Together with an interim dividend of HK$4 cents per share, the total dividend for the year will amount to HK$19 cents per share.

Net asset value per share increased by 12.9% to HK$13.09 as a result of profits for the year and favourable currency movements.

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

Positioning the Group for a Recovery

We have maintained a conservative position in liquid assets such as investment in listed securities and cash deposits in order to safely steer through an uncertain period of time. With governments and central banks around the world providing significant amount of liquidity to stimulate the economy, we are increasingly feeling confident that the global economy will emerge very strongly with the property segment benefiting from both the stimulus and the low interest rate environment.

During this year, the Group decided to push ahead with a number of larger projects whilst putting on hold temporarily some smaller ones. In particular, we are now in a good position to benefit from any recovery in the hospitality segment.

The recent monetisation of some of our assets will enable us to recycle our capital and crystalize development gains and we shall continue the initiative in the current financial year.

The Group's robust development pipeline is supported by a strong balance sheet and we are in a good position to benefit from a recovery in business activities.

Capital Structure and Balance Sheet Management

During the year, we issued a 3-year US$235 million bond which was well received by the market. We also secured HK$9.6 billion of bank facilities to refinance our short-term loans due and for new projects. With the staged completion of West Side Place, we repaid over A$220 million construction loans. The construction loan of Artra in Singapore was also fully repaid during the year.

The Group continues to hold 8 hotels unencumbered valued at HK$3.9 billion and approximately HK$4.1 billion of various unsold inventory. These could be monetized or used as collateral to raise more funds. Furthermore, the Group continues to review its portfolio of assets and does not exclude the possibility that some assets may be monetized if the consideration is deemed attractive. Our net gearing level also remained at a relatively low level of 54.9% measure on the basis of net debt to total assets adjusted for hotel revaluation surpluses.

Post Year-End

The Group invested in a HK$129.5 million 8% coupon convertible bond secured on the equity of the holding company that holds Bonjour Tower and guaranteed by Bonjour Holdings Limited. As part of the deal, the Group was given a right of first refusal to acquire the property which has the potential to be redeveloped into residential units in Tsuen Wan.

The Star, the Group's joint venture partner in Queen's Wharf Brisbane alongside Chow Tai Fook Enterprise Ltd, and in which the Group has an approximately 4.9% stake, made a merger proposal to Crown Resorts Ltd. In the event that a merger is consummated, it would create the largest gaming and entertainment company in Australia.

The Group entered into an agreement on 15 June 2021 to sell both holding company and operating company of Dorsett City London for an enterprise value of GBP 115 million. The Group expects to record a net profit of GBP 50 million (HK$533 million) upon completion of the sale.

BCG completed its second RMBS offering raising AUD 500 million at a blended interest rate of 2.1% per annum. A number of high profile investors again supported the transaction.

Managing Director's Report

West Side Place, Melbourne

BCG took a 19.9% stake in Novatti's dedicated banking subsidiary with a view of providing more services to its existing customers once the banking licence is obtained and being the provider of choice for all mortgages. Novatti is a Fintech company listed in Australia. BC Group is also considering a number of additional acquisition opportunities to accelerate its growth.

CORPORATE GOVERNANCE AND ENVIRONMENTAL SOCIAL GOVERNANCE

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

Examples of awards include:

- Six awards in "FinanceAsia's 2021 Asia's Best Companies", including "Asia's Overall Best Managed Company" and "Best Managed Listed Company in Hong Kong";
- Four awards in "10th Asian Excellence Award 2020", including "Best Investor Relations Company" and "Best Environmental Responsibility";
- Six awards in "HKIRA 6th Investor Relations Awards", including "Best IR Company", "Best ESG (E)", "Best ESG (S)" and "Best ESG (G)";
- Gold Award at "The Asset ESG Corporate Awards 2020";
- "Best IR website" at "IR Magazine Awards Greater China 2020"; and
- Two awards in "4th China Excellent IR Award".

Last but not least, I am very honoured to have received the "Directors Of The Year Awards 2020" by The Hong Kong Institute of Directors. This recognition highlights our commitment to the highest standards in the pursuit of good corporate governance, transparent and regular investor relations, superior environmental social governance and sustainable development.

PROSPECTS

Under the current global economic environment, the Group has remained prudent and cautious whilst slowly preparing for a re-opening of the global economy. At the same time, we have remained committed to planning, developing and building all our residential and hotel developments and seeking avenues to grow our car park business and our mortgage lending business.

Many of the growth opportunities available to us are organic in nature. Leveraging our existing footprint and teams, we have explored and will continue to explore a number of exciting investment opportunities, providing attractive investment returns. The Group will also entertain acquisitions. In particular, we have seen many opportunities in the hospitality business, car park business and mortgage lending business. Naturally, we will continue to replenish our land bank across all regions where we are active, with a renewed focus on Hong Kong.

Over the years, we have built an attractive portfolio of assets where significant development profits has been generated. In addition, in a low interest rate environment, these assets have grown in value post completion of their construction. We plan to continue to monetize some of our assets to crystalize the gains and redeploy the capital into projects delivering higher returns on capital. As the economy re-opens, a number of third parties have approached us wanting to discuss potential purchases of our assets. This is a good sign that we have built attractive properties.

COVID-19 is not yet fully eradicated and could continue to disrupt the global economy with partial lockdowns and restrictions on business and leisure travel. Yet, the Group is getting prepared to face the pent-up demand that will drive, in particular, the hospitality segment.

The Group's hotel business continues to expand with 3 new hotels coming online this year and a further 10 hotels still in their planning and construction phase. These hotels will contribute to our expanding footprint and will, hopefully, capture the return of business and leisure travelers. We are seeing a strong rebound in travel in regions where high levels of vaccinations have been achieved. In Hong Kong, once the COVID-19 situation has further improved, we hope that borders will re-open and the quarantine regime will be alleviated. This will encourage travelers to come shopping, attend conferences and exhibitions and join business meetings in person. This is particularly true for Mainland China, which remains the largest contributor of business and leisure travelers to Hong Kong. Overall, the Group remains optimistic that the hospitality sector is due a strong come back and has a bright future. We are positioning our existing and new hotels to capture the upcoming increase in business.

We continue to see strong interest in the residential properties we develop globally. Our projects are selling well and settlements are going through relatively smoothly, despite COVID-19. We are focused on replenishing the land bank in locations that we deem very attractive. The key selling points typically include, to name a few; strong population growth/migration, education hubs, up and coming cities. We have a strong preference for jurisdictions that we understand well, including the legal system, and where we can easily deploy our teams on the ground. The Group intends to continue to participate in land auctions but also to look for original methods to secure new developments, such as partnering with corporates to redevelop their properties.

Managing Director's Report

Care Park

Our Car Park operations have weathered the storm relatively better than most of our competitors. The Group had already been very focused on minimizing costs and expenses, using technology to grow revenues and reduce overheads and, very importantly, avoiding contracts or leases that commit to large minimum payments to landlords. Yet, inevitably, the traffic in our owned and managed car parks was diminished partly due to lockdowns and a major switch to "work from home" arrangements. Encouragingly, users are coming back to our car parks as many are coming back to work and avoiding public transportation. In addition, we see numerous opportunities to grow as many owners of car park spaces are seeking ways to monetize their assets via straight disposals or by entering into long term concession arrangements.

Performance in our gaming operations was impacted by the intermittent closure of our casinos located in the Czech Republic. Based on past experience, we are confident that patrons will return to our venues in great numbers. We are also exploring the possibility of seeking an online gaming license in Malta which would allow the Group to target a far larger audience and leverage its existing offline infrastructure. In Australia, the construction of Queen's Wharf Brisbane's integrated resort is on track. The opening is planned for FY2023 and once opened, we expect to receive solid recurring income from that property.

BCG reached a number of milestones in FY2021 and it's just the beginning. We expect BCG to continue to seek growth opportunities by entering new segments in existing markets or by further diversifying geographically, through organical grown and via acquisitions. The response to our launch into UK has been very encouraging. BCG also issued its first RMBS, totaling A$416 million, in November 2020 and its second, totaling A$500 million, in June 2021. BCG well funded and ready to embark on its next growth phase.

The Group has continued to manage its liquidity and indebtedness with prudence and discipline. As at 31 March 2021, the Group had a healthy liquidity position of approximately HK$8.6 billion and a net gearing ratio of 54.9%. Throughout the year, the Group repaid or refinanced notes and loans and sought to extend the maturity profile of its indebtedness. This active management of our liabilities will continue going forward. Overall, the Group stands on solid foundations with available undrawn credit facilities of HK$5.2 billion and a number of hotel and property assets unencumbered.

In conclusion, through the quick implementation of cost cutting and repositioning initiatives, all the efforts of our staff and the support of our stakeholders, the Group has weathered the COVID-19 pandemic relatively well. The Group remained profitable and built a strong and liquid balance sheet to continue to seize growth opportunities. The focus on monetizing selected assets will illuminate the value of our portfolio and unblock capital to be redeployed in higher return investment opportunities. Our portfolio diversification remains a core strength of the Group. We are well positioned to capture the rebound in economic activity expected in the next 12 months and are committed to deliver a sustainable and progressive dividend to our shareholders.

Profile of Directors and Senior Management

TAN SRI DATO' DAVID CHIU, B.SC.

(Executive Director, Chairman and Chief Executive Officer)

Tan Sri Dato' David CHIU, aged 67, holds a double degree of Bachelor of Science in Business Administration and Economics at the University of Sophia, Japan. He is a prominent businessman with over 30 years' experience in the property development and extensive experience in the hotel development. In his business career, he established a number of highly successful business operation through organic growth and acquisitions, covering Mainland China, Hong Kong, Japan, Malaysia, Singapore and Australia. Since 1978, Tan Sri Dato' David CHIU had been the Managing Director of Far East Consortium Limited (the predecessor of the Company). He was appointed as Deputy Chairman and Chief Executive Officer of the Company on 8 December 1994 and 8 October 1997 respectively. On 8 September 2011, Tan Sri Dato' David CHIU has been appointed as the Chairman of the Company. He is also a director of various Subsidiaries. Currently, he is the chairman and a non-executive director of i-CABLE Communications Limited (stock code: 1097).

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

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

(Executive Director and Managing Director)

Mr. HOONG, aged 52, was appointed as an Executive Director of the Company in August 2012. He joined the Group in September 2008 as the Managing Director. He is responsible for the formulation and implementation of the Group overall strategies for development. He brings with him a wealth of knowledge in corporate development and extensive experience in mergers and acquisitions as well as international capital markets.

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

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

MR. DENNIS CHIU, B.A.

(Executive Director)

Mr. CHIU, aged 62, was appointed as an Executive Director of Far East Consortium Limited (the predecessor of the Company) in 1978. He has been actively involved in the business development in the Mainland China, Singapore and Malaysia. He is also a director of various Subsidiaries.

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

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

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

(Executive Director)

Mr. WILLIAMS, aged 69, was appointed as an Executive Director of the Company in 2000. He is responsible for all property developments in Australia. He resides in Melbourne, Australia. He holds a degree of Bachelor of Civil Engineering from Melbourne University. Before joining the Australian operations of the Company, he was a director of all development companies of the Lend Lease Group, Australia's largest property developer. Mr. WILLIAMS has extensive experience in all facets of property development and is the past president of the St. Kilda Road Campaign Inc. He is also a director of various Subsidiaries.

MS. WING KWAN WINNIE CHIU, B.Sc.

(Executive Director)

Ms. CHIU, aged 41, was appointed as an Executive Director of the Company in June 2019. She obtained a degree of Bachelor of Science in Business Management in King's College London, University of London in 2003. She became honorary fellowships of the Hong Kong Academy for Performing Arts and Vocational Training Council in 2017. She was appointed as Justice of the Peace of the HKSAR in July 2016. She has also served as a committee member in some government committees including Betting and Lotteries Commission since August 2017 and the Business Facilitation Advisory Committee since July 2018. She is a council member of The Better Hong Kong Foundation since 2012; a member of the committee of overseers of Wu Yee Sun College of the Chinese University of Hong Kong since August 2016; an advisor of Our Hong Kong Foundation since January 2018; a board member of the Community Chest since June 2018; a primary company representative of Dorsett at Hong Kong General Chamber of Commerce since June 2018; an honorary vice president of GHM (Guangdong Hong Kong Macao) Hotel General Managers Society since February 2019; a board member of YPO Hong Kong Chapter, and a member of Hong Kong – Japan Business Co-operation Committee.

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

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

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

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

MR. KWOK WAI CHAN

(Independent Non-executive Director)

Mr. CHAN, aged 62, was appointed as an Independent Non-executive Director of the Company in November 2005. He is a member of The Hong Kong Securities and Investment Institute and a member of CPA Australia. Mr. CHAN is a director of High Progress Consultants Limited and also an independent non-executive director of Chinese Estates Holdings Limited (stock code: 127), China Investments Holdings Limited (stock code: 132), Tern Properties Company Limited (stock code: 277) and National Electronics Holdings Limited (stock code: 213).

MR. KWONG SIU LAM

(Independent Non-executive Director)

Mr. LAM, aged 87, was appointed as an Independent Non-executive Director of the Company in September 2011. He was the delegate of the 10th National People's Congress. Mr. LAM currently serves as the vice chairman of BOC International Holdings Limited, the honorary chairman of Hong Kong Federation of Fujian Association, the life honorary chairman of Hong Kong Fukien Chamber of Commerce, the vice chairman of Fujian Hong Kong Economic Co-operation, the life honorary chairman of the Chinese General Chamber of Commerce, an adviser of the Hong Kong Chinese Enterprises Association and the honorary president of the Chinese Bankers Club of Hong Kong. In addition, Mr. LAM has been a non-executive director of Bank of China International Limited (formerly known as "BOCI Capital Limited") since July 2002. Currently, he is an independent non-executive director of Fujian Holdings Limited (stock code: 181), Xinyi Glass Holdings Limited (stock code: 868), Yuzhou Group Holdings Company Limited (formerly known as "Yuzhou Properties Company Limited") (stock code: 1628) and Skymission Group Holdings Limited (stock code: 1429). Mr. LAM was an independent non-executive director of Vico International Holdings Limited (stock code: 1621) until April 2019 and China Overseas Land & Investment Limited (stock code: 688) until June 2020. Mr. LAM was awarded the HKSAR Gold Bauhinia Star in 2016 and Silver Bauhinia Star in 2003. He has more than 50 years of banking experience.

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

(Independent Non-executive Director)

Mr. SHEK, aged 76, was appointed as an Independent Non-executive Director of the Company in June 2019. He obtained a bachelor degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970, respectively. He became the honorary fellow of Lingnan University, The Hong Kong University of Science and Technology, The University of Hong Kong and The Education University of Hong Kong in November 2008, June 2014, September 2016 and March 2018, respectively. In addition to his achievements in the academic field, Mr. SHEK has also earned certain honorary titles in various ambits. He was appointed as Justice of the Peace in July 1995 and awarded the Silver Bauhinia Star and Gold Bauhinia Star in the HKSAR 2007 and 2013 Honors Lists, respectively. He has also been a member of the advisory committee board of the Independent Commission Against Corruption since January 2017. He has been a non-executive director of Mandatory Provident Fund Schemes Authority of Hong Kong until March 2021. He has also been the chairman and an independent member of the Board of Governors of English Schools Foundation until May 2021. Mr. SHEK is currently a member of the Legislative Council for the HKSAR, the Honorary Member of The Hong Kong University of Science and Technology, the Court and the Council Member of The University of Hong Kong, and a member of the executive committee of Hong Kong Sheng Kung Hui Welfare Council Limited.

In addition, Mr. SHEK is an independent non-executive director of the following listed companies and collective investment schemes, all of which are listed on the Stock Exchange: (a) Paliburg Holdings Limited (stock code: 617); (b) Lifestyle International Holdings Limited (stock code: 1212); (c) Chuang's Consortium International Limited (stock code: 367); (d) NWS Holdings Limited (stock code: 659); (e) Country Garden Holdings Company Limited (stock code: 2007); (f) Chuang's China Investments Limited (stock code: 298); (g) ITC Properties Group Limited (stock code: 199); (h) China Resources Cement Holdings Limited (stock code: 1313); (i) Lai Fung Holdings Limited (stock code: 1125); (j) Cosmopolitan International Holdings Limited (stock code: 120); (k) Everbright Grand China Assets Limited (stock code: 3699); (l) CSI Properties Limited (Stock Code: 497); (m) Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (stock code: 1881); (n) Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (stock code: 2778); (o) Landing International Development Limited (stock code: 582); and (p) Hao Tian International Construction Investment Group Limited (stock code: 1341). He has been the independent non-executive director of Goldin Financial Holdings Limited (stock code: 530), and was appointed as Vice Chairman and redesignated to executive director since March 2021. He has also retired as the independent non-executive director of SJM Holdings Limited (stock code: 880), and was appointed as the advisor since May 2021.

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

MR. WAI HUNG BOSWELL CHEUNG

(Chief Financial Officer and Company Secretary)

Mr. CHEUNG served the Group as Chief Financial Officer and Company Secretary of the Company for about 10 years. He was responsible for financial management, investor and banking relations, and company secretarial matters of the Group. Mr. CHEUNG is an independent non-executive director of Capinfo Company Limited, a company listed on the Stock Exchange (stock code: 1075) and an audit committee member of AGORA Hospitality Group Co. Ltd, a company listed on the Tokyo Stock Exchange.

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

EMBRACE THE UNKNOWN CHANGE FOR CHANCES

Queen's Wharf, Brisbane

Five-Year Financial Summary

	For the year ended 31 March				
	2017 HK$'000	2018 HK$'000	2019 HK$'000	2020 HK$'000	**2021** **HK$'000**
RESULTS					
Revenue	5,005,309	5,831,127	6,842,319	7,450,604	**5,943,694**
Profit before taxation	1,566,639	2,156,133	2,312,486	837,321	**1,265,827**
Income tax expense	(433,780)	(570,735)	(543,761)	(286,340)	**(460,087)**
Profit for the year	1,132,859	1,585,398	1,768,725	550,981	**805,740**
Basic earnings per share	51 cents	69 cents	74 cents	15.5 cents	**22.9 cents**

	As at 31 March				
	2017 HK$'000	2018 HK$'000	2019 HK$'000	2020 HK$'000	**2021** **HK$'000**
ASSETS AND LIABILITIES					
Total assets	28,399,961	34,488,949	39,077,863	41,779,991	**49,900,788**
Total liabilities	(17,456,246)	(21,345,067)	(25,445,601)	(27,466,257)	**(32,846,525)**
	10,943,715	13,143,882	13,632,262	14,313,734	**17,054,263**
Non-controlling interests	(151,913)	(173,070)	(219,186)	(290,667)	**(373,330)**
Owners' funds	10,791,802	12,970,812	13,413,076	14,023,067	**16,680,933**

Management Discussion and Analysis

Queen's Wharf Brisbane

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2021 was approximately HK$5.9 billion, a decrease of 20.2% as compared with FY2020, driven primarily by (i) the lower revenue from property development due to less completions and (ii) the adverse impact of the COVID-19 outbreak on the hotel, car park and gaming operations. Gross profit (before depreciation of hotel and car park assets) ("adjusted gross profit") came in at HK$2.2 billion, as compared with HK$2.6 billion for FY2020. A breakdown of the Group's revenue and gross profit is set out below:

	Property development HK$'000	Hotel operations and management HK$'000	Car park operations and facilities management HK$'000	Gaming operations HK$'000	Others HK$'000	Total HK$'000
FY2021						
Revenue	**4,226,066**	**888,958**	**502,195**	**87,811**[i]	**238,664**	**5,943,694**
Gross profit	**1,525,059**	**106,312**	**(4,413)**	**9,573**	**204,952**	**1,841,483**
Depreciation	**–**	**290,709**[ii]	**32,941**[ii]	**11,219**	**–**	**334,869**
Adjusted gross profit	**1,525,059**	**397,021**	**28,528**	**20,792**	**204,952**	**2,176,352**
Adjusted gross profit margin	**36.1%**	**44.7%**	**5.7%**	**23.7%**	**85.9%**	**36.6%**
FY2020						
Revenue	4,834,976	1,345,534	759,782	271,223[i]	239,089	7,450,604
Gross profit	1,404,126	402,320	100,776	146,282	205,848	2,259,352
Depreciation	–	322,352[ii]	28,015[ii]	14,160	–	364,527
Adjusted gross profit	1,404,126	724,672	128,791	160,442	205,848	2,623,879
Adjusted gross profit margin	29.0%	53.9%	17.0%	59.2%	86.1%	35.2%

Notes:

(i) After deduction of gaming tax amounting to HK$37 million (FY2020: HK$89 million).

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

Management Discussion and Analysis

Revenue from sales of properties amounted to approximately HK$4,226 million in FY2021, a decrease of 12.6% as compared with FY2020. Major contributors to the revenues were the revenue recognized from West Side Place (Towers 1 and 2) in Melbourne, Artra in Singapore and the remaining inventory from our Hong Kong, Shanghai and Guangzhou projects. Gross profit of approximately HK$1,525 million was recorded during FY2021, representing a 8.6% year-on-year increase, as a result of the delivery of West Side Place (Towers 1 and 2) and Artra which had of higher gross profit margin.

Impacted by the significant drop in tourism and business traffic globally since early 2020, revenue from hotel operations and management dropped 33.9% as compared with last year to approximately HK$889 million in FY2021. Adjusted gross profit margin for the Group's hotel operations dropped to 44.7% in FY2021 from 53.9% in FY2020, resulting from the reduction in overall hotel ARR and OCC across the world.

Revenue from car park operations and facilities management recorded a material reduction of 33.9% year-on-year to HK$502 million in FY2021, mainly due to lockdowns and the related travel restrictions imposed by relevant governments. Adjusted gross profit of approximately HK$29 million was recorded for FY2021, a 77.8% drop year-on-year.

Revenue from gaming operations decreased year-on-year by 67.6% to approximately HK$88 million (net of gaming tax) in FY2021. The lower revenue was primarily driven by the temporary closure of casinos announced by the Czech Republic government from April to June 2020 and the nil dividend received on The Star shares attributable to FY2021.

The Group's overall performance in FY2021 was hampered by the outbreak of COVID-19 since the early of 2020. The Group's recurring income businesses have particularly suffered as a result of the travel restrictions worldwide followed by various degrees of business closures. Some of the Group's hotels and gaming operations were forced to close temporarily which inevitably impacted the Group's recurring income businesses. However, the Group managed to be profitable with the profit attributable to shareholders of the Company standing at approximately HK$543 million for FY2021, an increase of 48.5% as compared with HK$366 million for FY2020.

Adjusted cash profit[i] was approximately HK$722 million for FY2021, a decrease of 14.3% from HK$842 million recorded for FY2020.

Note:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to net profit attributable to shareholders. The amounts are adjusted for minority interests.

The view from West Side Place, Melbourne

2. Liquidity, financial resources and net gearing

The following table sets out the Group's bank and cash balances, investment securities (which are considered as cash equivalent items due to their easily monetizable nature), bank loans and borrowings, obligations under finance leases, and equity as at 31 March 2021.

Consolidated statement of financial position	As at 31 March 2021 HK$ million	As at 31 March 2020 HK$ million
Bank loans, notes and bonds		
Due within 1 year[i]	12,274	6,506
Due 1–2 years	5,939	8,297
Due 2–5 years	6,581	8,264
Due more than 5 years	2,783	393
Total bank loans, notes and bonds	27,577	23,460
Investment securities	4,143	3,027
Bank and cash balances[ii]	4,426	3,040
Liquidity position	8,569	6,067
Net debts[iii]	19,008	17,393
Carrying amount of the total equity[iv]	17,054	14,314
Add: hotel revaluation surplus	17,550	16,348
Total adjusted equity	34,604	30,662
Net gearing ratio (net debts to total adjusted equity)	54.9%	56.7%
Net debts to total adjusted assets[v]	28.2%	29.9%

Notes:

(i) Includes an amount of approximately HK$1,153 million which is reflected as liabilities due within one year even though such sum is not repayable within one year, as the relevant banks and/or financial institutions have discretionary rights to demand immediate repayment.

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

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

(iv) Includes perpetual capital notes.

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

To better manage the Group's liquidity position, the Group's treasury operation allocates a portion of its cash position to marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed-income securities and investments in fixed-income funds, the investment in the listed shares of The Star, which the Group intends to hold for the long term, as well as the investment in notes issued by the trusts which hold the mortgage portfolio managed by BCG, an entity 52.03% owned by the Group.

Management Discussion and Analysis

The liquidity position of the Group as at 31 March 2021 was approximately HK$8.6 billion. The Group's total adjusted equity as at 31 March 2021 was approximately HK$34,604 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$17,550 million, which is based on independent valuations assessed as at 31 March 2021, and including the perpetual capital notes. The net gearing ratio of the Group fell to 54.9% as at 31 March 2021 from 56.7% as at 31 March 2020.

	As at 31 March 2021 HK$ million	As at 31 March 2020 HK$ million
The Company's notes	**5,219**	3,548
Unsecured bank loans	**3,554**	3,380
Secured bank loans		
– Property development and investment	**8,966**	7,589
– Hotel operations and management	**8,153**	7,292
– Car park operations and facilities management	**738**	629
– Gaming operations	**94**	93
– Others	**853**	929
Total bank loans, notes and bonds	**27,577**	23,460

During the FY2021, the Group continued to manage its financial position prudently. We (i) issued 10-year notes for a principal amount of HK$200 million at 5.15% coupon, 12.25-year notes for a principal amount of HK$200 million at 5.25% coupon and 3-year notes for a principal amount of US$235 million at 5.10% coupon; (ii) entered into a facility agreement with a group of banks for a 3-year unsecured term loan facility of HK$1,500 million; (iii) repurchased an aggregate principal amount of US$22 million of 3.75% notes due 2021 and 4.5% notes due 2023 and completed a tender offer of approximately US$50 million of our 3.75% note due 2021; and (iv) refinanced and repaid approximately HK$2,558 million of construction loans for Hong Kong, Australia and Singapore. The Group will continue to adopt a conservative approach to maintain a flexible and solid financial position.

Living Room, Aspen at Consort Place, London


Queen's Wharf, Brisbane

As at 31 March 2021, the Group's undrawn banking facilities stood at approximately HK$5.2 billion. Of this amount, approximately HK$2.3 billion is associated to construction/development facilities while the balance of approximately HK$2.9 billion is for the Group's general corporate use. The unutilized banking facilities, together with presales to be recognised from the Group's upcoming property development projects, place the Group in a solid financial position to fund not only its existing business and operations but also its expansion going forward.

In addition, a total of 8 hotel assets were unencumbered as at 31 March 2021, the capital value of which amounted to HK$3.9 billion based on independent valuations assessed as at 31 March 2021. The Group has other assets unencumbered such as unsold residential units, retail assets and commercial assets. These assets can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

3. Foreign exchange management

In FY2021, the contribution from the Group's non-Hong Kong operations was positively influenced by the movement of foreign currencies against the Hong Kong dollar. The table below sets forth the exchange rates of the Hong Kong dollar against the local currency of countries where the Group has significant operations:

Rate	**As at 31 March 2021**	As at 31 March 2020	Change
HK$/AUD	**5.90**	4.78	23.4%
HK$/RMB	**1.18**	1.09	8.3%
HK$/MYR	**1.87**	1.79	4.5%
HK$/GBP	**10.66**	9.57	11.4%
HK$/CZK	**0.35**	0.31	12.9%
HK$/SGD	**5.77**	5.44	6.1%

The rebound in all currencies against the Hong Kong dollar has had a very positive effect on the value of our net assets and our adjusted equity.

4. Net asset value per share

	As at 31 March 2021 HK$ million	As at 31 March 2020 HK$ million
Equity attributable to shareholders of the Company	**13,797**	11,119
Add: Hotel revaluation surplus	**17,550**	16,348
Total net asset value	**31,347**	27,467
Number of shares issued (million)	**2,395**	2,369
Net asset value per share	**HK$13.09**	HK$11.59

Adjusting for the revaluation surplus on hotel assets of approximately HK$17,550 million, based on independent valuations assessed as at 31 March 2021, the net asset value attributable to shareholders was approximately HK$31,347 million. Net asset value per share for the Company as at 31 March 2021 was approximately HK$13.09.

5. Capital expenditures

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

During FY2021, the Group's capital expenditures amounted to approximately HK$728 million, primarily attributable to the Dorsett Melbourne and the Ritz-Carlton Melbourne in the West Side Place development, the ongoing capital expenditures in relation to our hotels across Australia. The capital expenditures were funded through a combination of borrowings and internal resources.

Given COVID-19, we have reviewed closely each of our projects and all significant capital expenditures. In some cases, we have put on hold or delayed slightly the timing of these expenditures where we felt it was consistent with the operating environment.

6. Capital commitments

The Group continued to review very closely its capital commitments and to seek to optimise its investments and outgoings. It also has put more energy in reviewing its asset portfolio to identify potential assets ripe for disposal.

	As at 31 March 2021 HK$ million	As at 31 March 2020 HK$ million
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**865**	1,187
Commitment to provide credit facility to BCG	**214**	94
Others	**14**	17
	1,093	1,298

BUSINESS REVIEW

1. Property division

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

Property development

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

Total attributable cumulative presales value of the Group's residential properties under development amounted to approximately HK$13.8 billion as at 31 March 2021, an increase of HK$1.6 billion or 13.0% compared with 31 March 2020. Most presales proceeds are not reflected in the Group's consolidated income statement until the point in time when the relevant projects are completed. The following table sets out a breakdown of the Group's total cumulative attributable presales value of residential properties under development as at 31 March 2021.

Developments	Location	Attributable presales HK$ million	Actual/ Expected financial year of completion
West Side Place (Towers 1 and 2)	Melbourne	2,878[i]	FY2021/FY2022
West Side Place (Tower 3)	Melbourne	2,540	FY2024
West Side Place (Tower 4)	Melbourne	2,680	FY2024
Queen's Wharf Residences (Tower 4)	Brisbane	1,451	FY2024
Perth Hub	Perth	564	FY2022
The Star Residences (Tower 1)	Gold Coast	473	FY2023
The Star Residences – Epsilon (Tower 2)	Gold Coast	397	FY2024
Aspen at Consort Place	London	1,079	FY2025
Hornsey Town Hall	London	343	FY2022
MeadowSide (Plots 2 and 3)	Manchester	585	FY2022
MeadowSide (Plot 5)	Manchester	421	FY2022
New Cross Central	Manchester	173	FY2023
Victoria Riverside	Manchester	47	FY2023
Hyll on Holland	Singapore	63	FY2024
Cuscaden Reserve	Singapore	12	FY2024
Dorsett Place Waterfront Subang	Subang Jaya	128	FY2023
Total		13,834	

Note:

(i) Excludes contracted presales already recognized as revenue up to 31 March 2021.

As at 31 March 2021, the expected attributable GDV of the Group's active residential property development projects under various stages of development across the regions was approximately HK$55.6 billion.

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

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Pipeline developments				
Melbourne				
West Side Place				
– Towers 1 and 2	631,000	3,226	Completed by stage	FY2021/FY2022
– Tower 3	518,000	2,669	Launched	FY2024
– Tower 4	621,000	3,173	Launched	FY2024
Bourke Street	595,000	2,762	FY2022	FY2024
Perth				
Perth Hub	230,000	919	Launched	FY2022
Brisbane				
Queen's Wharf Residences[iii]				
– Tower 4	253,000	1,735	Launched	FY2024
– Tower 5	269,000	1,846	Planning	Planning
– Tower 6	269,000	1,846	Planning	Planning

Management Discussion and Analysis

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Gold Coast				
The Star Residences[iv]				
– Tower 1	111,000	531	Launched	FY2023
– Tower 2 – Epsilon	109,000	619	Launched	FY2024
– Towers 3 to 5	374,000	2,122	Planning	Planning
Hong Kong				
Mount Arcadia	84,000	1,678	FY2022	FY2022
London				
Aspen at Consort Place	377,000	4,421	Launched	FY2025
Hornsey Town Hall	108,000	1,009	Launched	FY2022
Ensign House	270,000	2,629	Planning	Planning
Manchester				
MeadowSide				
– Plots 2 and 3	220,000	985	Launched	FY2022
– Plot 5	99,000	427	Launched	FY2022
– Plot 4	238,000	1,141	Planning	Planning
Victoria North[v]				
– New Cross Central	62,000	269	Launched	FY2023
– Victoria Riverside	458,000	2,143	Launched	FY2023
– Network Rail	1,532,000	6,124	Planning	Planning
– Others	1,202,000	4,679	Planning	Planning
Singapore				
Hyll on Holland[vi]	192,000	3,158	Launched	FY2024
Cuscaden Reserve[vii]	16,000	363	Launched	FY2024
Malaysia				
Dorsett Place Waterfront Subang[viii]	525,000	1,009	Launched	FY2023
Total developments pipeline as at 31 March 2021	**9,363,000**	**51,483**		
Completed developments available for sale				
Perth				
The Towers at Elizabeth Quay	94,000	771		
Shanghai				
King's Manor	23,000	154		
The Royal Crest II	22,000	157		
District 17A	18,000	102		
Guangzhou				
Royal Riverside	111,000	411		

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Malaysia				
Dorsett Bukit Bintang	28,000	133		
Hong Kong				
Marin Point	56,000	593		
Manor Parc	48,000	603		
The Garrison	400	10		
Others	1,000	36		
Singapore				
21 Anderson Road	86,000	1,126		
Total completed developments available for sale as at 31 March 2021	**487,400**	**4,096**		
Total pipeline and completed developments available for sale as at 31 March 2021	**9,850,400**	**55,579**		

Notes:

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

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

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

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

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

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

(vii) Total saleable floor area of this development is approximately 160,000 sq. ft.. The Group has 10% interest in the development.

(viii) Total saleable floor area of this development is approximately 1,050,000 sq. ft.. The Group has 50% interest in the development.

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

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

Property investment

Property investment comprises investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore and Australia. In FY2021, a fair value gain on investment properties of approximately HK$383 million was recorded. This was attributable primarily to the revaluation gain from the Wuhan mall (see below) which was offset by revaluation losses elsewhere due to weak market conditions globally. As at 31 March 2021, the valuation of investment properties was approximately HK$8.2 billion (31 March 2020: HK$7.2 billion).

In FY2021, the Group entered into a new 18-year lease contract with a flagship sports goods retailer for its Wuhan mall located in the heart of downtown Wuhan. The 18-year lease commencing in October 2020 comprises seven floors with a total retail area of approximately 312,000 sq. ft.. Yearly rental payments will amount to approximately HK$50 million, with a 8.0% step-up every three years. This new lease is approximately 100% higher than the previous equivalent rent received and has led to a revaluation gain of the Wuhan mall of approximately RMB300 million or HK$341 million.

The Group acquired a site at Baoshan District in 2019 in Shanghai which is adjacent to another parcel of land acquired in 2018. These two sites are intended to be developed altogether into a few blocks of residential units to be leased out for recurring income.

In addition, the Group acquired in 2019 a commercial plot in Kai Tak, Hong Kong. Apart from a flagship Dorsett hotel comprising of approximately 400 rooms, the Group intends to develop some office and retail space with approximately 195,000 sq. ft. in GFA. Construction is in progress and financing is in place for this project.

Australia

Melbourne

West Side Place is a mixed-use residential development located in the CBD of Melbourne. The project is comprised of approximately 3,000 apartments spreading over 4 towers with a total saleable floor area of approximately 2.2 million sq. ft. and a GDV of HK$11.5 billion.

West Side Place, Melbourne

The development consists of two hotels, including one under the Group's Dorsett brand with approximately 300 hotel rooms located in Tower 3, and another hotel to be operated by Ritz-Carlton with approximately 250 hotel rooms located at the top of Tower 1. All four towers have been launched for presales as of FY2019. Towers 1 and 2 comprise a total of 1,377 apartments with a total saleable floor area of approximately 1.1 million sq. ft. and a total expected GDV of HK$5.6 billion. The lower levels of Towers 1 and 2 were completed in FY2021. The handover process started in August 2020 and is expected to continue by phase in FY2022. Tower 3 comprises 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK$2.7 billion. HK$2.5 billion worth of units were presold as at 31 March 2021 and is expected to be completed in FY2024. Tower 4 comprises 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$3.2 billion. HK$2.7 billion worth of units were presold as at 31 March 2021 and is expected to be completed in FY2024. With the strong presales recorded for this development, the Group is expected to have significant cash flow and earnings in the coming few years.

Following the successful launch of the various stages of West Side Place, the Group has replenished its pipeline in Melbourne by securing a development site on 640 Bourke Street, which is in Melbourne CBD near the West Side Place development. The property has obtained approval to be redeveloped into a residential project with a total saleable floor area of approximately 595,000 sq. ft. and is expected to provide approximately 876 residential units. Presales of this development is expected to be launched in FY2022, with completion of the development expected to be in FY2024.

Management Discussion and Analysis

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in saleable floor area of residential apartments, a luxury Ritz-Carlton hotel of 205 rooms opened in November 2019 and some commercial and retail space as well as other ancillary facilities. As at 31 March 2021, the expected GDV of the remaining apartments available for sales was HK$771 million.

The Towers at Elizabeth Quay, Perth

The Perth City Link is a large project being undertaken by the Western Australian Government to reconnect the Perth CBD and the entertainment district. Perth Hub, being the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena representing Lots 2 and 3A of the Perth City Link project, featuring 314 residential apartments with total expected GDV of HK$919 million and approximately 260 hotel rooms to be operated by Dorsett. As at 31 March 2021, the Group has presold HK$564 million worth of units. The project is expected to be completed in FY2022.

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

The Ritz-Carlton, Perth

Brisbane

The Destination Brisbane Consortium, a joint venture between the Group, The Star and CTF, entered into development agreements with the Queensland State, Australia for the delivery of the QWB located in Brisbane. The QWB Project comprises:

(i) an integrated resort component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are made progressively commencing from signing of the QWB Project documents up to completion of the QWB Project which is expected by the end of FY2024; and

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

Queen's Wharf, Brisbane

Together with the Group's portion of the land premium for this residential component, the total capital commitment of the Group is expected to be approximately AUD300 million which the Group intends to fund from its internal resources. The QWB Project encompasses a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane, and envisages three residential towers, three world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development GFA of the QWB Project is expected to be approximately 380,000 sq. m. of which approximately 147,000 sq. m. relates to the residential component.

Management Discussion and Analysis

The Group launched the highly awaited Queen's Wharf Residences (Tower 4) in FY2020. Tower 4 is the only residential tower directly connected to the integrated resort development, featuring 667 residential apartments with a total saleable floor area of approximately 506,000 sq. ft. and a GDV of HK$3.5 billion. Having launched in February 2020, the project received a strong response with GDV of HK$2.9 billion (attributable GDV of HK$1.5 billion) already presold as at 31 March 2021. Completion of the development is expected to be in FY2024.

Gold Coast

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

The first tower of the development will feature a 313-room Dorsett hotel and 422 residential apartments with a total saleable floor area of approximately 332,000 sq. ft. and a GDV of HK$1.6 billion. Total presold value of HK$1.4 billion (attributable GDV of HK$473 million) was recorded as at 31 March 2021 and the completion of the first tower of the development is expected to take place in FY2023.

The Star Residences, Gold Coast

Following the successful launch of the first tower, planning approval has been granted for the other four towers of the development. Epsilon, which is the second tower of the development, will feature a 201-room five-star hotel and 457 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a GDV of HK$1.9 billion. Presales was launched with positive responses in May 2019, with a total presold value of HK$1.2 billion (attributable GDV of HK$397 million) being presold as at 31 March 2021. Completion of the development is expected in FY2024.

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

The Star, Sydney

Sydney

In October 2020, the Group partnered with The Star to acquire a site in Pyrmont, Sydney, located next to the existing site where The Star operates its casino in Sydney. The intention is to co-develop a mixed-use tower. This project will grow its current footprint in Sydney.

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai over a number of years. The development comprises a diversified portfolio of residences including low-rise apartments, high-rise apartments and town houses. The two phases of the development, namely King's Manor and Royal Crest II, continued to make a contribution to the Group's revenue and profit with HK$300 million of GDV being delivered in FY2021.

Situated at the riverside with a large portion of greenery and designed in modern art deco style, Royal Riverside in Guangzhou is a 5-tower residential development comprising 607 apartments. The entire development has been completed with a total of 544 apartments already sold and delivered for approximately HK$2.0 billion of GDV as at 31 March 2021. In FY2021, 112 apartments were sold for a recognized value of HK$479 million. The project, with a higher-than-usual gross profit margin, is expected to contribute to the Group's performance in the coming year.

Hong Kong

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

Located in a prime location in the center of Tai Wai and at the meeting point of two MTR lines, The Garrison is a residential development which the Group acquired through a government tender. This development comprises of 118 residential units totaling approximately 29,000 sq. ft. in saleable floor area and a GDV of HK$674 million with a commercial component of approximately 5,600 sq. ft. in GFA. Completed in FY2020, the project was virtually sold out and handed-over to buyers as at 31 March 2021, representing 99% of total GDV. The last unit was sold and will be delivered in 1H FY2022.

Mount Arcadia, Hong Kong

Marin Point is a residential development at Sha Tau Kok which the Group acquired through a government tender. This development comprises 261 low-rise apartments with approximately 103,000 sq. ft. in the saleable floor area. Cumulative GDV of about HK$495 million having been sold and delivered as at 31 March 2021, representing 46% of the total GDV, and the remaining units will be sold on a completed basis.

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

The Group also acquired through a government tender a residential development site at Tai Po Road, Mount Arcadia. Comprising over 62 apartments and 4 houses, the project has a saleable floor area of approximately 84,000 sq. ft. and a GDV of HK$1.7 billion. Presales permit has been launched in June 2021.

Dorsett Place Waterfront Subang, Subang Jaya

Malaysia

Dorsett Place Waterfront Subang is a joint development between the Group and Malaysia Land Properties Sdn. Bhd. The Group has a 50% interest in this development. The project is next to the Group's renowned 5-star hotel, Dorsett Grand Subang. Consisting of three blocks, the development will offer 1,989 fully-serviced suites. Presales of the development project was launched in September 2019 with HK$255 million of total GDV having been presold as at 31 March 2021. Completion of the development is expected in FY2023.

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

United Kingdom

London

Aspen at Consort Place, London

Hornsey Town Hall, located in North London, is a mixed-use redevelopment project which involves the conversion of an existing townhall into a hotel/serviced apartment tower and a town hall with communal areas, as well as a residential component which will provide 146 apartments with a saleable floor area of approximately 108,000 sq. ft.. This development also has a commercial component of 35,800 sq. ft.. Presales for the residential component of this development was launched in FY2019 with GDV of about HK$343 million presold as at 31 March 2021. Completion of the development is expected in FY2022.

Aspen at Consort Place is a mixed-use development site at Marsh Wall, Canary Wharf in London, which was granted planning approval for a complex featuring private residences of approximately 377,000 sq. ft. in saleable floor area consisting of approximately 495 private residential units, a hotel of approximately 230 rooms, affordable housing units and commercial space. The residential component of the project was launched with positive responses in late January 2020 and captured presales of HK$1.1 billion as at 31 March 2021. The completion of the development is expected to be in FY2025.

The Group continued to grow its business footprint and strengthen its development presence in the UK. In February 2020, an agreement was executed for the acquisition of Ensign House in Canary Wharf, London, which is adjacent to Aspen at Consort Place. The 4,572 sq.m. site currently comprises an office building with a surface car park which will be demolished and replaced with a residential led mixed-use development. The project is still under planning.

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

Manchester

Victoria North is a mega-scale development project in Manchester which spans across an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria Station and taking in the neighborhoods of New Cross, the Lower Irk Valley and Collyhurst. This project is expected to deliver in excess of 15,000 new homes over the next decade, allowing the city center to expand and providing the optimal mix of high-quality housing. The vision of this project is to create a series of distinct yet clearly connected communities that make the most of the area's natural resources.

Victoria Riverside, Manchester

The SRF of the Victoria North development was approved by the MCC in February 2019. The SRF provides an illustrative masterplan in order to guide development proposals within Victoria North. It will be used to guide and co-ordinate development brought forward by the joint venture formed between the Group and MCC, to deliver a series of vibrant, sustainable and integrated residential neighborhoods within the extended city center of Manchester.

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

The Victoria North project is expected to provide the Group with a significant and long-term pipeline within the United Kingdom. As at 31 March 2021, the Group has already secured land plots within the Victoria North area providing a pipeline with a saleable floor area of more than 3 million sq. ft. which is expected to deliver approximately 4,500 new homes over the next 5 years.

MeadowSide is a residential development site in Manchester at NOMA which is one of the major residential growth areas of the city and is sitting on the doorstep of the Group's Victoria North development. The development will feature 4 towers comprising more than 744 apartments with approximately 557,000 sq. ft. of saleable floor area around the historic Angel Meadow park near Victoria Station which is one of the transportation hubs in the city. 3 Plots are currently under presales; Plot 2 and 3, with a total saleable area of approximately 220,000 sq. ft. and GDV of HK$985 million, were launched for presales with GDV of HK$585 million having been presold as at 31 March 2021. Plot 5 with a total saleable area of approximately 99,000 sq. ft. and GDV of HK$427 million was launched in March 2019 for presales with approximately 99% of units having been presold as at 31 March 2021. Construction work is progressing smoothly and Plots 2, 3 and 5 are scheduled for completion in FY2022.

New Cross Central is one of the initial sites acquired from MCC as part of the development agreement for the Victoria North. The development, located within New Cross at the northern edge of the Manchester city center, comprising 80 residential units with a saleable floor area of approximately 62,000 sq. ft. and a GDV of HK$269 million, was launched in April 2020 for presales with GDV of HK$173 million having been presold as at 31 March 2021. Construction work is progressing smoothly and the project is scheduled for completion in FY2023.

Victoria Riverside is located within the Victoria North masterplan area in close proximity to major transport links including Victoria Station and Manchester city center. It is a key gateway into the Victoria North masterplan area, expanding the city center northwards from MeadowSide. It will be predominately residential development incorporating high-quality public realm, commercial and leisure use and a landmark building. The development features three towers comprising more than 634 units with approximately 458,000 sq.ft. of saleable floor area. Presales of the development was launched in late March 2021 and already captured presales value of HK$47 million as at 31 March 2021. Completion of the development is expected to be in FY2023.

Singapore

Artra is a residential project located next to the Redhill MRT station in Singapore with approximately 409,000 sq. ft. in a saleable floor area and is owned by a joint venture in which the Group has a 70% interest. The project was completed with all units presold and delivered as at 31 March 2021.

Hyll on Holland, Singapore

Hyll on Holland is premium residential development sites at Holland Road. Completion of the acquisition of both sites took place in FY2019. The two adjacent sites are amalgamated and redeveloped into a residential development with an attributable saleable floor area of approximately 192,000 sq. ft., in which the Group accounts for 80% interest. Presales of the development was launched in FY2021 with attributable GDV HK$63 million presold, as at 31 March 2021, and expected to be completed in FY2024.

Management Discussion and Analysis

The development located at Cuscaden Reserve is a residential development site at the prime District 9 of Singapore. The development is expected to provide approximately 16,000 sq. ft. in attributable saleable floor area. The Group has a 10% interest in the joint venture which is undertaking the development. Presales of the development was launched in FY2020 with completion of the development expected to be in FY2024.

2. Hotel operations and management

Dorsett Wan Chai, Hong Kong

The Group owns and operates its hotel portfolio through three distinct lines of business, with focus on the three to four-star hotel segment. These include Dorsett Hotels and Resorts, featuring the upscale "Dorsett Grand" and the mid-scale "Dorsett", the value-led "Silka" branded hotels, and the "d.Collection" which features boutique hotels with unique identities. The Group's hotels under these three lines of business are collectively referred to as the "Dorsett Group" with a combined 6,507 rooms in 11 cities over in Hong Kong, Malaysia, Mainland China, Singapore and the UK.

As at 31 March 2021, the Group owned and operated 31 hotels and owned 13 hotels in the development pipeline. These included the wholly-owned Dorsett Group, TWC and the Ritz-Carlton hotel in Perth as well as the partially-owned Sheraton Grand Mirage and Oakwood Premier AMTD. The 31 hotels represent approximately 8,100 rooms in total, spreading over Hong Kong, Mainland China, Singapore, Malaysia, Australia, the UK and Continental Europe. Moreover, the Group also manages 3 other hotels in Malaysia with approximately 830 rooms.

In early 2020, hospitality, including hotels, was one of the first industries affected by the pandemic after travel was forced to a virtual halt, and it may be one of the last to recover. Many challenges remain for the industry in the coming years, including the resurgence of COVID-19, new strains of the coronavirus, and a slow vaccine rollout. Therefore, we anticipate travel to return to pre-COVID-19 level by 2022-2023, depending on the locations.

Despite this being one of the most difficult operating years, we have a highly motivated and decicated team and associates who show the true meaning of passion and loyalty and help the Group consistently living up to its unique brand proposition by offering excellent service to our guests. Being well prepared to operate in the "new normal" post COVID-19, some of our hotels have already implemented artificial intelligence cleaning and delivery robots in response to the trend of growing demand for hotel hygiene and safety measures.

In the long run, the Group strives to create shareholder value by investing in new hotels through ownership and management and improving our existing assets through the long-term appreciation in capital value, as well as from the increasing operating yield of our hotel properties. Despite delays in constructions due to the pandemic, we continue to make progress with the development of our hotel projects in Hong Kong, Australia and London.

The overview of Dorsett Kai Tak, Hong Kong

The Group's first Dorsett Hotel in Australia, Dorsett Gold Coast, is expected to open at the end of 2021, which will then be followed by Dorsett Perth, Dorsett Melbourne and Dorsett Brisbane as well as three new properties in London and Dorsett Kai Tak which will be the Group's new flagship hotel in Hong Kong in the next few years. We also target to open Ritz-Carlton Melbourne in early 2022, which will be our second Ritz-Carlton hotels in Australia, in addition to Ritz-Carlton Perth.

The following table summarizes the operating performance of the Group's owned hotels by region for FY2021 and FY2020 in local currency ("LC") and Hong Kong dollars ("HK$").

	Occupancy Rate		Average room rate		RevPAR		Revenue (million)	
	FY2021	FY2020	**FY2021**	FY2020	**FY2021**	FY2020	**FY2021**	FY2020
Hong Kong (HK$)	**75.5%**	70.8%	**533**	578	**402**	409	**469**	472
Malaysia (MYR)	**37.4%**	65.6%	**160**	197	**60**	129	**44**	102
Mainland China (RMB)	**43.6%**	55.7%	**273**	389	**119**	217	**97**	166
Singapore (SGD) [i]	**75.3%**	76.0%	**138**	174	**104**	133	**10**	15
United Kingdom (GBP)	**12.9%**	74.3%	**68**	129	**9**	96	**3**	24
Australia (AUD) [ii][iii]	**39.2%**	61.0%	**410**	354	**161**	216	**20**	11
			(HK$)	(HK$)	**(HK$)**	(HK$)	**(HK$ million)**	(HK$ million)
Dorsett Group Total [iv]	**54.6%**	**67.0%**	**513**	**607**	**280**	**406**	**860**	**1,224**
TWC Hotel Group	**17.4%**	**58.8%**	**607**	**634**	**106**	**373**	**29**	**121**

Notes:

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

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

(iii) FY2020 amounts represent results of Ritz-Carlton Perth for the period from 19 November 2019 to 31 March 2020.

(iv) Excludes TWC Group but includes Ritz-Carlton Perth.

FY2021 was another difficult year for the Group and none of us could have envisaged that the impact of the COVID-19 would be so severe, prolonged and widespread. The global tourism industry has been devastated with a loss of almost US$4.5 trillion, and nearly 62 million jobs lost in 2020, which represents a drop of 18.5% to leave just 272 million employed across the industry globally, according to the World Travel and Tourism Council ("WTTC"). Although we believe that demand for hotels will return once the global economy recovers, we expect that global travel restrictions, quarantine and safety concerns will continue to deter people from travelling in the foreseeable future and that a full recovery will take several years.

In order to mitigate the continuing negative impact of COVID-19, the Group has implemented a widespread range of cost saving and financial management measures, as well as identified new business opportunities (e.g. self or government mandated quarantine guests, government and healthcare worker contracts), safeguarded our associates and given back to the society. As of 31 March 2021, we have looked after over 4,000 healthcare personnel and frontliners as well as over 130,000 quarantine guests in our hotels globally. On the operations side, we enhanced and strengthened our stringent hygiene and safety protocols, with our number one priority being the safety of our guests and associates. The pandemic has only reaffirmed the importance of our core values. Social responsibility has always been and will continue to be deeply integrated in our Group, which also aligns with each one of our associates' own personal values.

Thanks to our global colleagues who have fully embraced our commitment to preventing the spread of COVID-19 in the local community by providing accommodation, preparing meals and other forms of support, the Group's total revenue for the hotel operations and management was approximately HK$889 million for FY2021, representing a 33.9% decrease compared with FY2020. In terms of the operating performance of the Dorsett Group, OCC decreased by 12.4 percentage points to 54.6% and ARR dropped 15.5% to HK$513 per night. As a result, RevPAR experienced a decline of 31.0% to HK$280.

Hong Kong

Dorsett Wan Chai, Hong Kong

The situation for the hospitality industry was challenging in our home market Hong Kong, which had already suffered from social unrest and mass protests in 2019 and early 2020. Due to the pandemic, borders have been closed to non-residents since March 2020, leading to a drop of 95% in tourist arrivals of both general visitors and overnight visitors in 2020.

We were the first to proactively support our community by welcoming medical staff and returning Hong Kong residents with quarantine requirements to our hotels as well as working from January 2020 with local charity Harmony House to provide accommodation for families suffering from domestic abuse. And thanks to the joint efforts of our colleagues, all of our Hong Kong hotels' OCC and RevPAR have outperformed our competitor sets in spite of these challenging situations during FY2021.

Dorsett Tsuen Wan, our largest hotel in Hong Kong with 546 rooms, was selected by the Hong Kong government as a holding center for flight arrivals in Hong Kong for 2 months starting from 17 August 2020. Silka Seaview, Silka Tsuen Wan and Dorsett Kwun Tong were selected by the Hong Kong government as close contact quarantine centers in December 2020. While Silka Tsuen Wan and Dorsett Kwun Tung remain as close contact quarantine centers, Silka Seaview and our 5 other hotels in Hong Kong were selected by Hong Kong government as designated hotels to take care of guests with government mandatory quarantine requirements. Cosmo Hotel was under contract to accommodate medical staff during FY2021.

As a result, total revenue for Hong Kong hotel operations were maintained at approximately the same level as FY2020, contributing approximately HK$469 million which accounted for approximately 52.7% of the Group's hotel revenue. OCC in Hong Kong increased 4.7 percentage points to 75.5% and ARR decreased by 7.8% to HK$533 as compared with the same period last year, resulting in a slight decrease of 1.7% in RevPAR to HK$402. In FY2021, 4 out of a total of 9 hotels in Hong Kong, namely, Dorsett Kwun Tong, Dorsett Tsuen Wan, Silka Seaview and Silka Tsuen Wan have experienced a growth in OCC, ARR and RevPAR compared with FY2020.

Malaysia

In Malaysia, all of the Group's hotels were ordered to close under the local government's instruction on 18 March 2020 except Dorsett Grand Labuan which remained open due to its remote location. Since early April 2020, Dorsett Grand Subang reopened to support the local government and to receive quarantine guests. Our other hotels in Malaysia reopened subsequently in late April 2020 except J-Hotel and Silka Johor Bahru which remained closed during FY2021.

Dorsett Grand Subang reopened to support the local government and to receive quarantine guests.

Our hotel business started picking up from early June 2020 with the ease of COVID-19 situation and all our Malaysia hotels have outperformed our competitors in terms of OCC, ADR and RevPAR. However, our business was hit again due to the second lockdown by the Malaysia government in December 2020 and hotels were allowed to open with strict standard operating procedures without interstate/inter-district travelers. Most recently, our hotels were impacted by another wave of COVID-19 and the Malaysian government announced the third lockdown in May 2021.

As a result, total revenue from our hotel operations for FY2021 was approximately MYR44 million, which is 56.9% below the levels of the FY2020 with J-Hotel under temporary closure during FY2021. ARR dropped by 18.8% to MYR160 and OCC decreased to 37.4%, resulting in a 53.5% decrease of RevPAR to MYR60.

Mainland China

Dorsett Wuhan was selected by the government to host over 150 medical staff from Yunan Province

The Group's hotel business in Mainland China first felt the effect of COVID-19 in late January 2020 and started to show signs of recovery starting in June 2020, in line with the overall hotel market in Mainland China. During FY2021, OCC in our hotels decreased 12.1 percentage points year-on-year and ARR dropped 29.8% to RMB273, resulting in our RevPAR recording a decline of 45.2% year-on-year to RMB119. Total revenue also recording a decline of 41.6% to RMB97 million mainly due to the lack of international travelers.

Dorsett Wuhan which is located in one of the worst-hit cities in the early stage of the pandemic, reopened to the general public on 8 April 2020 after being selected by the government to host over 150 medical staff from other provinces during its closure period from January to April 2020. Further, Dorsett Grand Chengdu contributed its full inventory of 556 rooms to the local government as a quarantine center to take care of returning Chinese residents from December 2020 to March 2021. Our other hotels in Mainland China took their own marketing initiatives to attract domestic business and leisure travelers which has been the largest revenue driver. Despite the general economic uncertainty, the sale of local staycation packages, events/meeting packages and prepaid vouchers has been quite satisfactory.

Singapore

Dorsett Singapore

Dorsett Singapore, a 285-room hotel in downtown Singapore, has been selected as one of the government facilities to accommodate quarantine guests, thereby contributing its full room inventory to serve the local community from April to December 2020. In FY2021, total revenue of Dorsett Singapore dropped by approximately 33.3% to SGD10 million, mainly due to the 20.7% decline in ARR. RevPAR also decreased by 21.8% to SGD104 while OCC remained stable at 75.3%. Dorsett Singapore has entered into a new government contract to serve as close contact quarantine center starting from May 2021 until further notice from the Singapore government.

UK

Both hotels in London provided accommodation for healthcare staff (NHS)

In 2020, the UK witnessed millions of COVID-19 cases, several hundred thousand deaths and significant economic impact due to the COVID-19.

Both hotels in London remained open during most of FY2021, per government regulations to support essential workers including medical staff from the National Health Service, policemen from City of London and guests who were not able to cross the border. With several rounds of outbreaks and lockdowns, we reluctantly closed both hotels in January 2021 in order to balance our cost saving efforts and the welfare of our associates. In FY2021, total revenue decreased significantly by 87.5% to GBP3 million, with a 61.4 percentage points decrease in OCC to 12.9% and a 47.3% decrease in ARR to GBP68. We still managed to achieve gross operating profit breakeven, due to significant efforts to contain costs.

Australia

The Ritz-Carlton, Perth

Since late March 2020, the Western Australian state government has imposed travel restrictions, state and international border shutdowns and quarantine requirements which have affected the hotel and tourism industry significantly. Being the only Ritz-Carlton branded luxury hotel in Australia, the Ritz-Carlton Perth hotel has implemented Marriott's best practice of COVID-19 measures and remained open in line with all Marriott branded hotels in Australia during FY2021.

The interstate borders have reopened subsequently from April 2020 with Phase 3 & 4 Government Relaxation based on the COVID-19 situation recovery. Since then, our hotel has witnessed a rapid growth month over month with leadership position in the local market in both room and food and beverage segments, due to the launch of successful staycations offers and marketing promotions to attract domestic travelers, despite the interstate borders closures continuing to be on and off throughout FY2021. As a result, our hotel recorded a total revenue of AUD20 million, an increase of 81.8%, with a 15.8% increase of ARR to AUD410, which is offset by a decrease of 21.8 percentage points in OCC to 39.2%, as compared with FY2020.

Europe – TWC Group

Lobby, Trans World Hotel Donauwelle, Austria

In Continental Europe, our hotels in the Czech Republic, Germany and Austria were ordered to close by the local governments in mid-March 2020 and 4 hotels in Germany and Austria resumed business progressively starting in late April 2020 to serve corporate guests and small meeting guests while 1 hotel in the Czech Republic reopened in late June 2020.

During the border closures, 4 hotels in Germany and Austria were on the short list to host health workers and non-COVID-19 patients under government instructions. In August 2020, we started to see some pickup from the domestic markets and all of our hotels in Germany and the Czech Republic were performing better than their same periods last year due to the intra-city travel bubbles and internal cost saving measures. However, Continental Europe was impacted by another wave of COVID-19 from early September 2020 and in order to safeguard our associates and balance our cost saving efforts, we decided to close all 5 hotels in Continental Europe in December 2020 and only reopen to serve essential guests when needed. We reopened all hotels in Continental Europe in May 2021.

As a result, total revenue of TWC Hotel Group dropped by 76.3% to HK$29 million in FY2021, with overall OCC decreased by 41.4 percentage points to 17.4% and ARR decreased by 4.3% to HK$607.

3. Car park operations and facilities management

Central monitoring system, Care Assist

The Group's car park operations and facilities management business include car park operations operated under the brand "Care Park". The Group's portfolio of car parking bays owned or under management amounted to approximately 114,821 car parking bays as at 31 March 2021. Of the Group's 423 car parks, 36 were self-owned car parks comprising approximately 10,987 car parking bays, with the remaining 103,834 car parking bays in Australia, New Zealand, the UK, Hungary and Malaysia under management contracts entered into with third party car park owners.

In FY2021, our car park operations were disrupted due to the COVID-19 outbreak with many countries closing their borders to inter-state or international travelers and restricted movements of their citizens with a view to containing the pandemic. Some of the Group's self-owned/managed car parks located around airports, hotels, shopping malls and office buildings were severely affected due to the lockdown measures and restrictions imposed. The Group has been actively reviewing all lease commitments and reducing rental obligations on unprofitable contracts and impacted leases and took various cost control measures across all business locations such as standing down of workforces and reducing employee overheads to mitigate the negative impacts of the COVID-19.

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

Whilst the Group's car park operations were heavily impacted, COVID-19 has created a number of opportunities for growth. Many public entities (e.g. cities, airports, schools, hospitals) are now under cash pressure and are seeking opportunities to enter into long-term concessions with car park operators such as Care Park. The Group is actively reviewing growth opportunities in all the cities where it operates but primarily in Australia and the UK.

4. Gaming operations and management

Route 59 Casino, Czech Republic

Europe

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

Revenue from TWC's gaming operations in FY2021 was HK$88 million (net of gaming tax), decreasing significantly by 67.6% from HK$271 million in FY2020, mainly due to the temporary closure of casinos ordered by the local government to contain the spread of the COVID-19 since March 2020. The operations of 3 casinos were either completely closed or allowed only to operate with restrictions such as social distancing and limited opening hours. However, in response to this situation, TWC realized significant cost saving initiatives such as staff reduction and various contract renegotiations and cancellations. Coupled with the state support programs from the local governments in all three countries where TWC operates, the performance of TWC in FY2021 delivered a positive EBITDA level. Following the reopening in May 2021, the business experienced a sharp rebound and the Group believes the casinos will continue to generate positive results.

The following tables set forth certain operating data of TWC's casinos for the period ended 31 March 2021:

	As at 31 March 2021	As at 31 March 2020
Number of slot machines	**442**	543
Number of tables	**65**	59

	FY2021	FY2020
Table game revenue[i] (HK$ million)	**21**	58
Slots revenue[i] (HK$ million)	**55**	140
Average table game win rate[ii]	**20.1%**	20%
Average slot win per machine per day (HK$)	**1,063**	1,087

Notes:

(i) Net of gaming tax.

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

Australia

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

The Star, Sydney

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

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

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

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

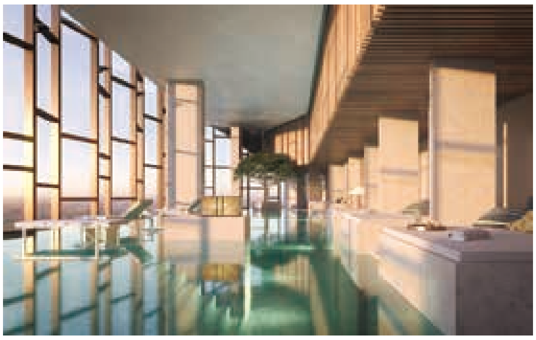
(iv) benefiting from cross-selling through future co-operation with The Star which is synergistic to the gaming platform of the Group.

The Group owns 25% of the integrated resort under construction in Brisbane. Together with The Star and CTF, the Group is building three world-class hotels, high-end gaming facilities with VIP rooms, F&B outlets and more than 6,000 sq.m. of retail and eatery space that will be operated by DFS Group, a leading operator of retail space globally.

During FY2021, with regards to the announcement made by The Star concerning the suspension of the final dividend payout, the Group received nil dividend from The Star shares.

5. Provision of mortgage services

As an extension of our property development business, the Group established a mortgage lending platform under BCG which specializes in the provision of residential mortgages to non-resident buyers of international properties. BCG is highly synergistic to the Group's property development business and offers significant growth potential beyond the existing property development business of the Group. Indeed, less than 4% of the loans extended to non-resident buyers were used to purchase residential properties of the Group.



Swimming Pool, West Side Place, Melbourne

Loan and advances reached AUD1.2 billion as at 31 March 2021, an increase of about 19.4% from 31 March 2020. BCG has strict lending rules, a very diversified portfolio and a prudent loan-to-value ratio of 59.6% on average as at 31 March 2021. Net interest margin expanded to 2.32% as at 31 March 2021 (compared with 2.07% as at 31 March 2020). BCG has continued to broaden its source of financing and is in active discussion with institutional investors and international banks to secure additional funding. Whilst most of the capital is provided by third-parties, the Group has committed AUD75 million and GBP14 million of funding and provided AUD39 million and GBP14 million of funding as at 31 March 2021 which is classified as investment securities.

In FY2021, BCG extended its mortgage lending platform to the UK where it sees the strong potential and explosive growth in the demand for residential mortgages from non-residents. Following the extension of its footprint to the UK, BCG is exploring building on asset management business to grow and diversify its business model further, along with the vision to extend the lending business not only to residential properties but to other asset classes.

BCG is reviewing a number of new and promising markets where it can expand its service offerings. It is also reviewing a number of potential acquisitions to increase its products and services and bulk-up in size. The Group remains committed to growing the BCG business and expects contribution from the business to increase over time.

CONTINGENT LIABILITY

During the year, legal proceedings, which were issued in the High Court of Justice in London, were served upon Ensign House (FEC) Limited ("EHFL") and FEC Development Management Limited. The proceedings were instigated by Ensign House Limited ("EHL"). The claim which is made by EHL is stated as a claim for "damages and/or equitable compensation and/or an account of profits and/or a constructive trust and/or interest under statute and/or in equity and/or other relief". The essence of the claim is that each of the defendants was involved in a breach of contract and/or breaches of other duties by using confidential information provided by or on behalf of EHL in connection with the acquisition by EHFL of the property known as Ensign House, Admiral's Way, Canary Wharf. At this juncture, the management is of the opinion, upon advised by the legal counsel, that the claim is not valid as there is no breach of contract and therefore these allegations of wrongdoing will be rigorously denied and the proceedings are being fully contested.

Ensign House, London

OUTLOOK

The global economic uncertainties arising from the outbreak of COVID-19 are expected to remain and put pressure on the Group's operations across the regions it operates. In FY2021, the Group took the following measures to recalibrate its operations to ensure long-term sustainability:

- Adjusted the level of its workforce, in particular in the hospitality segment which was affected most due to a reduction of tourist and business travel;
- Reviewed all of its overheads with a view of reducing administrative costs;
- Repositioned all assets where possible, monetised assets if attractive offers were made; and
- Delayed certain capital expenditure to preserve cash and maintain liquidity.

The Group remains alert to the global economic uncertainty and will take further mitigation measures where necessary. The Group will also take a cautious approach but will seek investment opportunities to grow its operations and leverage its diversified portfolio of businesses to take advantage of a rebound in business activity during the recovery phase. In particular, the Group is focused on replenishing its land bank and growing its car park and mortgage lending business. At the same time, the Group will continue to explore opportunities to monetize assets in its portfolio. Over the years, the Group has developed many assets that have grown in value and which could be sold to crystalize gains, with the capital redeployed in projects delivering higher returns on capital.

As at 31 March 2021, the cumulative presales value of the Group was approximately HK$13.8 billion and the current development pipeline and completed development was approximately HK$55.6 billion which provides clear visibility of the Group's future revenues. The Group will selectively add to its development pipeline by allocating resources to regions where the Group sees long-term growth prospects and where the region's property cycle offers higher risk-adjusted returns to the Group.

During FY2021, the Group has successfully repositioned certain hotel assets to long stay guests, healthcare staff and launched relevant accommodation packages to target the returnees required to undergo self-quarantine. Thanks to the abovementioned strategies, the Group's hotels managed to be profitable in FY2021. Looking ahead, with the implementation of travel bubbles with neighboring countries and the relaxation of social distancing measures, it is expected that the market sentiment of the Hong Kong hotel industry will be on the road to recovering further. In addition, the hotel industry in Mainland China is showing an encouraging pick-up with domestic inter-provincial travel growing after being hard-hit in early 2020.

The Group's hotel business continues to expand with 13 new hotels under development and with the opening of the Ritz-Carlton in Melbourne and the extension of Dorsett Shepherds Bush hotel in 2H FY2022 marking the next growth phase of the Group. In the meantime, the Group remains cautiously optimistic about the long-term future and is well prepared for the rebound in leisure and business travel as soon as the restrictions imposed across the globe start to ease.

The development of the integrated resort in QWB will be another landmark achievement of the Group with a giant retailer – DFS Group – signed up and announced to anchor its T Galleria Emporium in the luxury retail shopping precinct in line with the staged opening of QWB from late 2022.

BCG continues to grow strongly in Australia and has recently expanded to the UK. BCG has the capital needed to take advantage of organic growth opportunities as well as acquisitions. We expect the next few years to deliver strong growth to the business.

The Group maintains a solid and healthy liquidity position of approximately HK$8.6 billion with available undrawn credit facilities of HK$5.2 billion and a number of unencumbered hotel assets with the value of HK$3.8 billion as at 31 March 2021. The Group continues to manage its financial position in a prudent and disciplined manner, whilst ensuring that its capital is employed productively.

In conclusion, thanks to our diversified portfolio and solid foundation, the Group has managed to remain profitable and is confident to be able to navigate successfully the current global economic headwinds and to deliver a sustainable and attractive return to all its stakeholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2021, the Group had approximately 3,500 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external training appropriate for various level of staff roles and functions.

The extension of Dorsett Shepherds Bush, London

Awards and Accolades

- **Directors Of The Year Awards 2020 by The Hong Kong Institute of Directors: Mr. Chris Hoong, Managing Director**

- **Five Awards at "The International ARC 2020 Awards"**
  - Property Development – Residential: Gold Prize
  - Property Development – Various & Multi Use: Gold Prize
  - Real Estate Development/ SVC: Residential Properties: Gold Prize
  - Hotel & Leisure: Silver Prize
  - Real Estate Development/ SVC: Retail/Shopping Centers: Honors

- **Six Awards at Hong Kong Investor Relations Association 6th IR Awards**
  - Best IR Company
  - Best IR by Chairman/CEO: Mr David Chiu, Chairman and Chief Executive Officer
  - Best IR by CFO: Mr Boswell Cheung, Chief Financial Officer
  - Best ESG (E)
  - Best ESG (S)
  - Best ESG (G)

- **Four Awards at "10th Asian Excellence Award 2020"**
  - Asia's Best CEO: Mr. David Chiu, Chairman and Chief Executive Officer
  - Asia's Best CFO: Mr. Boswell Cheung, Chief Financial Officer and Company Secretary
  - Best Investor Relations Company
  - Best Environmental Responsibility

- **Best IR website at "IR Magazine Awards Greater China 2020"**

- **Six Awards at FinanceAsia's Best Companies Poll 2021**
  - Asia's Overall Best Managed Company
  - Best Managed Listed Company in Hong Kong
  - Best CEO in Hong Kong: Mr David Chiu, Chairman and Chief Executive Officer
  - Most Committed to the Highest Governance Best Standards in China
  - Most Committed to Social Causes in China
  - Most Committed to the Highest Governance Best Standards in Hong Kong

- **Eight Awards at "MarCom Awards 2020"**
  - Print Media – Annual Report: Corporation Platinum
  - Print Media – Design (Print): Annual Report/CSR Design Platinum
  - Print Media – Design (Print): Annual Report/CSR Cover Platinum
  - Print Media – Design (Print): Annual Report/CSR Interior Platinum
  - Digital Media – Website: Redesign Platinum
  - Digital Media – Design (Web): Website Gold
  - Video/Audio – Video/Film: Corporate Image Gold
  - Print Media – Design (Print): Logo Gold

- **Gold Award at "The Asset ESG Corporate Awards 2020"**

- **Seven Awards at "iNOVA Awards 2020"**
  - Video: Property Development & Investment: Gold Prize
  - Corporate Websites: Corporate Image Silver
  - Video: Conglomerate Silver
  - Corporate Websites: Real Estate Bronze
  - Investor/Shareholder Relations Bronze
  - Redesign/Relaunch: Stakeholder Communications Bronze
  - Video: Hotel & Property Management Bronze

- **Two Awards in the Fourth China Excellent IR Award by Roadshow China**
  - Best Leadership Award: Mr. Boswell Cheung, Chief Financial Officer

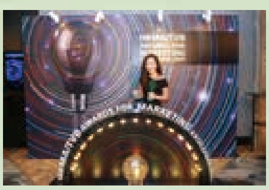
  - Best ESG Award

Awards and Accolades

- **Caring Company Logo 2020/21 by Hong Kong Council of Social Service**
- **Three Awards at "Questar Awards 2020"**
  - Commercials – Investor Relations: Gold Prize
  - Corporations – Annual Report: Bronze Prize
  - Corporations – Corporate Identity: Bronze Prize

Dorsett Hospitality International

- Award of Distinction in Websites – Travel/Tourism Category 2020 by Communicators' Awards
- Excellence in Agility and Crisis Management 2020 by HKMA/ TVB Awards for Marketing Excellence



- Excellence in Social Good 2020 by HKMA/TVB Awards for Marketing Excellence

- Silver Winner in Websites – Travel & Tourism category 2019 by Horizon Interactive Awards
- Top Website 2020 by Thegoodestate.com
- Manpower Developer 2020-2022 by Employees Retraining Board
- 10 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Services

Dorsett Hartamas

- Traveller Review Awards 2021 (8/10) by Booking.com

Dorsett Grand Subang

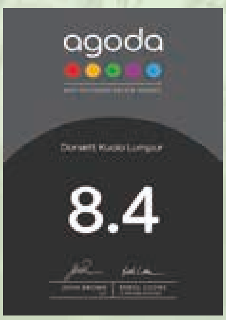
- Traveller Review Awards 2021 (8/10) by Booking.com
- Customer Review Award 2020 (8.1/10) by Agoda

Dorsett Kuala Lumpur

- Traveller Review Awards 2021 (8/10) by Booking.com

- 'Clean & Safe Malaysia' Hygiene & Safety Label 2020 by Malaysian Association of Hotels and Ministry of Tourism, Arts & Culture Malaysia

- Customer Review Award 2020 (8.4/10) by Agoda



- Best Traveller's Experience 2020 (8.4/10) by Traveloka

Dorsett Residences Bukit Bintang

- Traveller Review Awards 2021 (8.3/10) by Booking.com

- Loved By Guests Award 2021 (8.2/10) by Hotels.com

Dorsett Putrajaya

- Traveller Review Awards 2021 (8.3/10) by Booking.com

- Best Traveller's Experience 2020 (8.7/10) by Traveloka

Dorsett Singapore

- Recommended by HolidayCheck (5/6) by HolidayCheck

Awards and Accolades

- Customer Review Awards 2020 (8.4/10) by Agoda
- Travellers' Choice Award 2020 by TripAdvisor
- Reader's Choice Award – Winner of Best Midscale Hotel 2020 (Asia Pacific) by Travel Weekly Asia

Dorsett City, London

- Travellers' Choice 2020 by Tripadvisor
- We're Good to Go by VisitBritain
- Traveller Review Awards 2021 (8.7/10) by Booking.com

Dorsett Shepherds Bush, London

- We're Good to Go by VisitBritain
- Traveller Review Awards 2021 (8.4/10) by Booking.com

Dorsett Chengdu

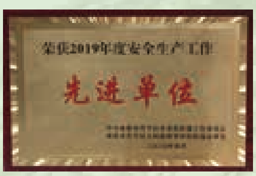
- Loved by Guests Award (8.8/10) by Hotels.com

- Travellers' Choice 2020 by Tripadvisor

- Outstanding Hotel Service Model by Xinhua News Agency

- Top 100 Merchant by ZKT 2nd West China Digital Marketing Competition

- Advanced Units of Production Safety 2019 by Work Committee of Qingyang District, Chengdu



- Favourite Feature Hotel Award 2020 by Ctrip

Dorsett Shanghai

- Loved by Guests Award 2020 (8.8/10) by Hotels.com

- Travellers' Choice 2020 by TripAdvisor

Dorsett Wuhan

- Must-stay Hotel Award 2020 by Meituan

- Traveler Review Award 2021 (8.3/10) by Booking.com

- Excellent Reception Hotel Award by COVID-19 Prevention Headquarters of Jiang' An District

Cosmo Hotel Hong Kong

- 5 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Service

- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

Awards and Accolades

Dorsett Kwun Tong, Hong Kong

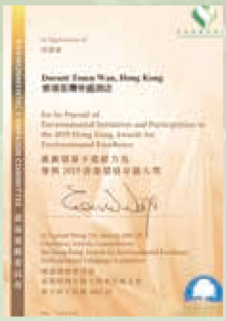
- Travellers' Choice 2020 by Tripadvisor
- 5+ Caring Company Logo by Hong Kong Council of Social Service
- Certificate of "Charter on External Lighting" by Environment Bureau
- Loved by Guests 2021 (8.2/10) by Hotels.com
- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

Dorsett Mongkok, Hong Kong

- 5 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Service
- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency
- Travellers' Choice 2020 by Tripadvisor
- Customer Review Awards 2020 (8.3/10) by Agoda
- Loved by Guests Award 2020 by Hotels.com
- Traveller Review Awards 2020 by Booking.com

Dorsett Tsuen Wan, Hong Kong

- Certificate of Participation in the Hong Kong Awards for Environmental Excellence 2019 by Environmental Campaign Committee



- Travellers' Choice 2020 by TripAdvisor
- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency
- Certificate of "Charter on External Lighting" by Environment Bureau
- Energywi$e Certificate by The Environmental Campaign Committee

- Wastewi$e Certificate by The Environmental Campaign Committee

- Hong Kong Green Organisation Certification by The Environmental Campaign Committee

- 5 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Service

Dorsett Wanchai, Hong Kong

- Best Quarantine Hotel in Hong Kong – Silver 2021 by Expat Living's Readers' Choice Awards
- 10 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Service
- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

Awards and Accolades

- Travellers' Choice 2020 by Tripadvisor
- Customer Review Awards 2020 (8/10) by Agoda
- Loved by Guests Award 2020 by Hotels.com

Lan Kwai Fong Hotel @ Kau U Fong

- Customer Review Awards 2020 by Agoda
- Celebrity Cuisine – Michelin One Star 2021 by Michelin
- Caring Company Logo 2017-2021 under "Caring Company Scheme" by Hong Kong Council of Social Service
- Loved by Guests Award 2021 (8.2/10) by Hotels.com
- Traveller Review Award 2021 (8/10) by Booking.com
- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

Silka Far East, Hong Kong

- 5 Years+ Caring Company 2020-2021 by The Hong Kong Council of Social Service
- Joyful @ Healthy Workplace Charter by Occupational Safety & Health Council

- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

Silka Seaview, Hong Kong

- 5 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Service

- Joyful @ Healthy Workplace Charter by Occupational Safety & Health Council

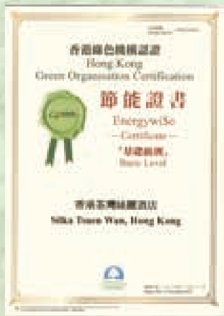
- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

Silka Tsuen Wan, Hong Kong

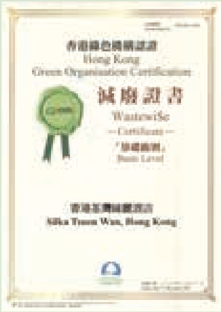
- Travellers' Choice 2020 by TripAdvisor

- Certificate of "Charter on External Lighting" by Environment Bureau

- Energywi$e Certificate by The Environmental Campaign Committee



- Wastewi$e Certificate by The Environmental Campaign Committee



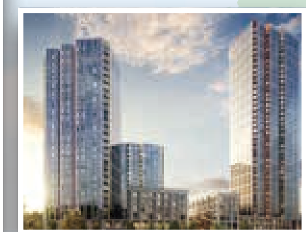
- Hong Kong Green Organisation Certification by The Environmental Campaign Committee

- Caring Company Logo 2017-2021 under "Caring Company Scheme" by Hong Kong Council of Social Service

- Certified Hotel under Anti-Epidemic Hygiene Measures Certification Scheme 2021 by The Hong Kong Quality Assurance Agency

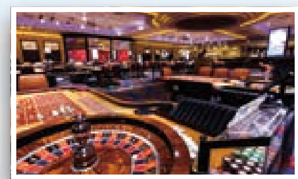
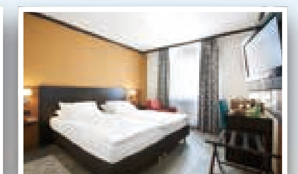
UNITED KINGDOM

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

CONTINENTAL EUROPE

- Hotel operations
- Car park operations
- Gaming and entertainment

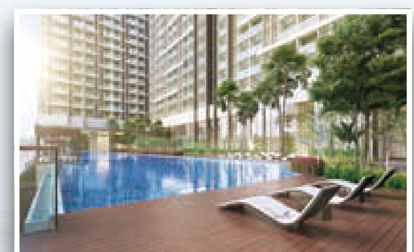
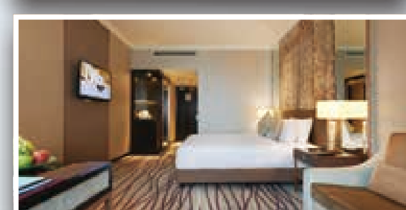



SINGAPORE

- Property development
- Property investment
- Hotel operations


MALAYSIA

- Property development
- Hotel operations
- Car park operations

DIVERSIFIED AND BALANCED PORTFOLIO OF BUSINESSES

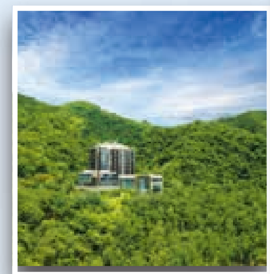
FEC has a geographically diverse footprint across the Asia Pacific and Europe

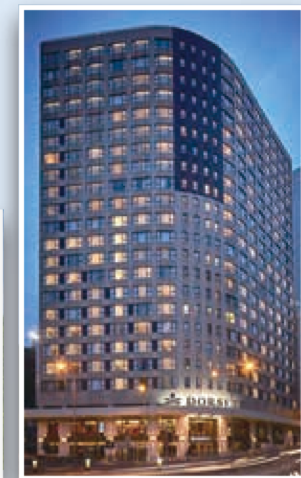
MAINLAND CHINA

- Property development
- Property investment
- Hotel operations

HONG KONG

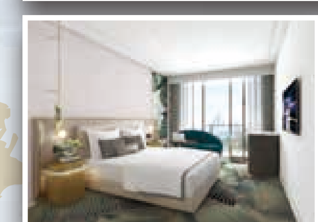
- Property development
- Property investment
- Hotel operations

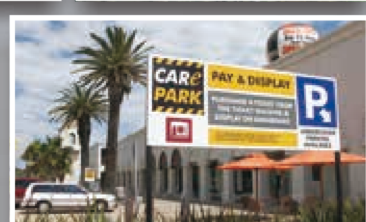




AUSTRALIA & NEW ZEALAND

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





Major Projects

Hong Kong, China

MOUNT ARCADIA 畢架・金峰

Project Name: Mount Arcadia

Development Address: 8388 Tai Po Road, Shatin Heights

District: Shatin, Hong Kong

Property Website: www.mountarcadia.com.hk

Approximate Saleable Floor Area (sq. ft.): 84,000

Number of Residential Units: 66

Expected Launch Time: FY2022

Expected Completion: FY2022

Building floors: 11

Geographical Environment:
Located in Shatin, Hong Kong, a quiet area with development potential. Residents will enjoy a world-class project surrounded by lush greenery. Mount Arcadia is located near many major roads, making transportation very convenient.

Project Highlight:
- Residents can choose from 66 medium to large-sized residential developments;
- The development is an 8-minute drive to Kowloon Tong, 16 minutes to Central, 24 minutes to Lok Ma Chau Control Point and Lo Wu district, and 26 minutes to Hong Kong International Airport. Residents will enjoy the simplicity of living within a 30-minute drive to numerous key destinations;
- The property has a total of 68 car bays for residents' convenience;
- Nearby the site is an excellent network of prestigious elementary schools, historically-renowned schools, private schools, and international schools, a number of which are known for sending their students to top universities.

EPSILON
THE STAR RESIDENCES
GOLD COAST

Gold Coast, Australia

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

Development Address:
1 Casino Dr, Broadbeach, QLD 4218

District: Broadbeach Island, Broadbeach Gold Coast

Property Website: www.thestarresidences.com.au

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

Number of Residential Units: 457

Number of Hotel Rooms: 201

Expected Completion: FY2024

Building Floors (Include Retail Area): 65

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

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

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

Major Projects

Perth, Australia

Project Name: Perth Hub

Development Address:
600 Wellington Street, Perth WA 6000

District: Central Business District, Perth

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

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

Approximate Net Lettable Floor Area (sq. ft.): 7,300

Number of Residential Units: 314

Number of Hotel Rooms: 264 (Dorsett Hotel)

Expected Completion: FY2022

Building Floors (Include Retail Area): 32

Geographical environment:

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

Major Projects

The Residences at
WEST SIDE PLACE
by Far East Consortium

Melbourne, Australia

Project Name: West Side Place

Development Address: 250 Spencer Street

District: Central Business District, Melbourne

Property Website: www.westsideplace.com.au

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

Approximate Net Lettable Floor Area (sq. ft.): 107,000

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

Number of Residential Units: 2,896

Expected Completion: Towers 1 and 2: FY2021/FY2022
Tower 3: FY2024
Tower 4: FY2024

Building Floors (including retail area and roof)
Tower 1: 82 Floors
Tower 2: 66 Floors
Tower 3: 69 Floors
Tower 4: 72 Floors

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

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

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

Major Projects

Melbourne, Australia

Project Name: Bourke Street

Development Address: 640 Bourke Street

District: Bourke Street, Melbourne

Approximate Saleable Floor Area (sq.ft.): 595,000

Number of Residential Units: 876

Expected Launch Time: FY2022

Expected Completion: FY2024

Building Floors: 67

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

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

Major Projects

Brisbane, Australia

Project Name: Queen's Wharf

Development Address: Queen's Wharf

District: Central Business District, Brisbane

Property Website: www.destinationbrisbaneconsortium.com.au

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

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

Number of Hotel Rooms:
3 hotels over 800 rooms

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

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

Building Floors (including retail area):
Tower 4: 66 Floors
Tower 5: Planning
Tower 6: Planning

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

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

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

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

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

Major Projects

Singapore

Project Name: Hyll on Holland

Development Address: Holland Road

District: District 10, Singapore

Property website: www.hyllonsholland.com.sg

Approximate Saleable Floor Area (sq.ft.): 241,000

Number of Residential Units: 320

Expected Completion: FY2024

Building Floors: 12

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

Project Highlight:

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

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

HORNSEY
TOWN HALL

London, the United Kingdom

Project Name: Hornsey Town Hall

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

District: Haringey, London

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

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

Number of Residential Units: 146

Number of Hotel Rooms: 68

Expected Completion: FY2022

Building Floors: 7

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

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

Major Projects

ASPEN
CANARY WHARF

London, the United Kingdom

Project Name: Aspen at Consort Place

Development Address: 50 Marsh Wall

District: Canary Wharf, London

Property website: www.aspen-canary wharf.com

Approximate Saleable Floor Area (sq. ft.): 377,000

Approximate Net Lettable Floor Area (sq. ft.): 3,600

Number of Residential Units: 495

Number of Hotel Rooms: 231 (Dorsett Hotel)

Expected Completion: FY2025

Building Floors (including retail area): 65

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

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

Meadow Side

Manchester, the United Kingdom

Project Name: MeadowSide

Development Address: Aspin Lane

District: Central Business District, Manchester

Property Website: www.meadowside-manchester.com

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

Number of Residential Units: 744

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

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

Building Floors (including retail area):
Plot 2 – 22
Plot 3 – 17
Plot 4 – 39
Plot 5 – 12

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

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

Major Projects

Manchester, the United Kingdom

NEW CROSS
-CENTRAL-
MANCHESTER

Project Name: New Cross Central

Development Address: 56 Marshall Street

District: New Cross, Manchester

Property Website: www.newcrosscentral.com/

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

Number of Residential Units: 80

Expected Completion: FY2023

Building Floors: 8

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

Project Highlight:

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

Major Projects

Manchester, the United Kingdom

Victoria Riverside

Project Name: Victoria Riverside

Development Address: Gould Street and Dantzic Street

District: Red Bank, Manchester

Property Website: www.victoriariverside.co.uk/

Approximate Saleable Floor Area (sq. ft.): 458,000

Number of Residential Units: 634

Expected Completion: FY2023

Building floors:
Tower 1: 37
Tower 2: 26
Tower 3: 18

Geographical Environment:
Set in Manchester's emerging Red Bank neighbourhood, amidst the greenery of the City River Park and a lively city centre. Nearby public spaces have been newly redeveloped to include dedicated space for a multitude of cafes, restaurants, and bars. It is primed to host street food and exciting pop-up events.

Project Highlight:
- A landmark 37-storey building and 2 sister towers with 19 and 18 floors, respectively. There will also be two podium buildings. The property will include 1-bedroom, 2-bedrooms, and 3-bedroom apartments, as well as townhouses and maisonettes;
- Each apartment incorporates the local area's distinct style with floor-to-ceiling, picture-frame windows that allow for a stunning view of the river, neighbouring parks, and sweeping Manchester cityscape. Apartments are bright and spacious with open-plan dining, kitchen, and lounge areas;
- Residents can enjoy communal gardens, an outdoor workspace, a lobby lounge, a fully equipped gym, and a lounge and private dining area;
- 10-minute walk to Manchester's bustling city centre, one of the country's biggest retail destinations;
- A crucial start to the North of England's biggest urban renewal project.

Directors' Report

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its Subsidiaries are engaged in property development, property investment, hotel operations and management, car park operations and facilities management, gaming and related operations, securities and financial product investments, and provision of mortgage services. These divisions are the basis on which the Group reports its primary segment information.

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal Subsidiaries, associates and joint ventures at 31 March 2021 are set out in notes 49, 18 and 19 to the consolidated financial statements, respectively.

BUSINESS REVIEW

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

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

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

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

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

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 106.

The Board has recommended the payment of a final dividend for the year ended 31 March 2021 of HK15 cents (2020: HK15 cents) per ordinary share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid to the Shareholders whose names appear on the Company's Register of Members on 2 September 2021. The Proposed Final Dividend will be paid in the form of a scrip dividend with Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) Shareholders' approval of the Proposed Final Dividend at the 2021 AGM; and (ii) the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 2 September 2021. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to the Shareholders together with a form of election on or around 9 September 2021. Dividend warrants and/or new share certificates will be posted on or around 15 October 2021.

CLOSURE OF REGISTER OF MEMBERS

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

(a) For determining the entitlement to attend and vote at the 2021 AGM

The 2021 AGM is scheduled to be held on Tuesday, 24 August 2021. For determining the entitlement to attend and vote at the 2021 AGM, the Register of Members of the Company will be closed from Thursday, 19 August 2021 to Tuesday, 24 August 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2021 AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 18 August 2021.

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

The Proposed Final Dividend is subject to the approval of Shareholders at the 2021 AGM. For determining the entitlement of the Proposed Final Dividend, the Register of Members of the Company will also be closed from Tuesday, 31 August 2021 to Thursday, 2 September 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at the above address for registration not later than 4:30 p.m. on Monday, 30 August 2021.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 28.

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to Shareholders at 31 March 2021 amounted to approximately HK$629,723,000 (2020: HK$758,101,000).

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2021. The increase in fair value of investment properties, which has been credited directly to consolidated statement of profit or loss, amounted to HK$382,882,000.

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

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group spent approximately HK$1,021,993,000 on development and refurbishment.

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

PRINCIPAL PROPERTIES

Details of the principal properties of the Group at 31 March 2021 are set out on pages 228 to 257.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 36 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company, through its wholly-owned subsidiary, Singford Holdings Limited, repurchased a total of 11,350,000 Shares on the Stock Exchange and details of which are as follow:

Month of repurchases	Number of Shares repurchased	Price per Share Highest HK$	Price per Share Lowest HK$	Aggregate consideration paid HK$
April 2020	4,712,000	2.82	2.49	12,397,230
May 2020	6,638,000	2.75	2.49	17,471,820

During the Year, the Company, through its wholly-owned subsidiary, repurchased on the Stock Exchange and/or subsequently cancelled/sold (i) 3.75% notes due 2021 in aggregate principal amount of US$63,370,000; (ii) 4.5% notes due 2023 in aggregate principal amount of US$8,225,000; and (iii) senior guaranteed perpetual capital notes in aggregate principal amount of US$17,000,000.

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

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

NOTES AND PERPETUAL CAPITAL NOTES

Details of the Notes and Perpetual Capital Notes are set out in notes 34 and 37 to the consolidated financial statements. The proceeds of the Notes and Perpetual Capital Notes help the Group in maintaining a robust financial position and a good liquidity position.

PERMITTED INDEMNITY PROVISION

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

DIRECTORS

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

Executive Directors

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

Independent Non-executive Directors

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

Pursuant to the provisions of the Articles and the Listing Rules, Mr. Cheong Thard HOONG, Ms. Wing Kwan Winnie CHIU, and Mr. Kwong Siu LAM shall retire at the 2021 AGM and are eligible to offer themselves for re-election in the 2021 AGM.

MANAGEMENT CONTRACTS

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

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2021 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions", no transaction, arrangement or contract of significance to which the Company or any of its Subsidiaries was a party and in which a Director nor a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

CONNECTED TRANSACTIONS

On 26 August 2020, FEC Skyline Pte. Ltd. (the "Vendor"), an indirect non-wholly owned subsidiary of the Company, has issued to the Tang City Homes Pte Ltd (the "Purchaser"), option agreements for the collective sale and purchase of 10 commercial units situated at 12 Alexandra View, ARTRA, Singapore (the "Properties"), being a development owned by the Vendor. Pursuant to the option agreements, the Vendor grants to the Purchaser an option to purchase the Properties (the "Option") during an option period on the terms set out in the sale and purchase agreements which will be entered into in the event the Purchaser exercises the Option (the "SPAs"). The Options are granted on an en-bloc basis, and on the fundamental condition that the Purchaser exercises all the Options concurrently. The consideration, being the aggregate purchase price of the Properties, is SGD41,530,000 (equivalent to approximately HK$235,059,800). On 28 September 2020, the Purchaser has exercised all the options concurrently and entered into the SPAs with the Vendor for the sale of the Properties. The Purchaser is a company wholly owned by Mr. Dennis CHIU, an executive Director. As such, the Purchaser is a connected person under the Listing Rules. The transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcements of the Company dated 26 August 2020 and 28 September 2020.

Post FY2021, on 12 April 2021, Drakar Limited (the "Developer"), an indirect wholly owned subsidiary of the Company, entered into an agreement for lease (the "Agreement for Lease") with Ms. Wing Kwan Winnie CHIU, an executive Director (the "Acquirer"), pursuant to which the Developer agreed to grant the leasehold interest in a residential apartment (the "Apartment") at Aspen, Consort Place, 50 Marsh Wall, London E14, the United Kingdom, and the Acquirer will take the leasehold interest in the Apartment, at a consideration of £1,072,290 (equivalent to approximately HK$11,473,503). The Acquirer, being an executive Director, is a connected person under the Listing Rules. Accordingly, the above transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 12 April 2021.

Save as disclosed above, during FY2021 and up to the date of this report, there was no other transaction which constitutes connected transaction or continuing connected transaction that are not exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

SIGNIFICANT RELATED PARTY TRANSACTIONS

Details of significant related party transactions during FY2021 are set out in note 42 to the consolidated financial statements. The related party transactions as set out in note 42(b) and note 42(c) (in respect of the remuneration of the Directors) to the consolidated financial statements constitute continuing connected transactions/connected transactions as defined under Chapter 14A of the Listing Rules. However, these transactions are exempt from the disclosure requirements under Chapter 14A of the Listing Rules. Save as disclosed above and in the section headed "Connected Transactions", those significant related party transactions in note 42 to the consolidated financial statements did not fall under the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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

As at 31 March 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

A. The Company

A.1 Long position in the ordinary shares

Name of Director	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital[v]
David CHIU	Beneficial owner	23,023,223	0.96%
	Interest of spouse	585,322[i]	0.02%
	Interest of controlled corporations	1,163,963,025[i]	48.60%
Cheong Thard HOONG	Beneficial owner	13,799,326	0.58%
	Joint interest	496,184[ii]	0.02%
Dennis CHIU	Beneficial owner	4,665	0.00%
	Interest of controlled corporations	3,893,575[iii]	0.16%
	Joint interest	2,030,338[iv]	0.08%
Wing Kwan Winnie CHIU	Beneficial owner	78,602	0.00%

Notes:

(i) 1,163,946,003 shares were held by Sumptuous Assets Limited and 17,022 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 585,322 shares were held by Ms. Nancy CHIU NG, spouse of Tan Sri Dato' David CHIU.

(ii) 496,184 shares were held by Mr. Cheong Thard HOONG jointly with his spouse, Ms. Pei Chun TENG.

(iii) 3,893,575 shares were held by Max Chain Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.

(iv) 2,030,338 shares were held by Mr. Dennis CHIU jointly with his spouse, Ms. Lee Keng LEOW.

(v) The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2021.

A.2 Debentures

As at 31 March 2021, Tan Sri Dato' David CHIU was deemed to have an interest in (i) the 3.75% USD Medium Term Notes 2021 issued by the Company in the principal amount of USD12,000,000 of which USD10,000,000 was held by Tan Sri Dato' David CHIU and USD2,000,000 was held by his spouse, Ms. Nancy CHIU NG, (ii) the 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD9,000,000 of which USD5,000,000 was held by Tan Sri Dato' David CHIU and USD4,000,000 was held by his spouse, Ms. Nancy CHIU NG, and (iii) the 5.1% USD Medium Term Notes 2024 issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD1,000,000 held by his spouse, Ms. Nancy CHIU NG.

As at 31 March 2021, Mr. Cheong Thard HOONG was deemed to have an interest in the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD1,000,000 of which USD300,000 was held by Mr. Cheong Thard HOONG and USD700,000 was held by Mr. Cheong Thard HOONG jointly with his spouse, Ms. Pei Chun TENG.

As at 31 March 2021, Ms. Wing Kwan Winnie CHIU has an interest in the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD400,000 and the 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD1,000,000.

B. Associated corporations

B.1 Long position in the ordinary shares

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares interested	Approximate % of the relevant issued share capital
Cheong Thard HOONG	BCG	Beneficial owner	653,429	3.39%[i]
Craig Grenfell WILLIAMS	BCG	Beneficial owner	217,810	1.13%[i]
	Care Park	Beneficiary of a discretionary trust	825[ii]	8.25%[iii]

Notes:

(i) The percentage represents the number of ordinary shares interested divided by BCG's issued shares as at 31 March 2021.

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

(iii) The percentage represents the number of ordinary shares interested divided by Care Park's issued shares as at 31 March 2021.

Save as disclosed above, as at 31 March 2021, none of the Directors or chief executive of the Company had or is deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into by the Company are disclosed under the section headed "Share Option Schemes" below and in note 44 to the consolidated financial statements.

SHARE OPTION SCHEMES

(A) FECIL Share Option Schemes

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

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

As at 31 March 2021, there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed during the Year.

As at the date of this annual report, the total number of Shares available for issue under FECIL Share Option Schemes is 156,975,707, representing approximately 6.55% of the issued share capital of the Company as at the date of this annual report. Further information on FECIL Share Option Schemes and the options granted by the Company is set out in note 44 to the consolidated financial statements.

(B) Dorsett Share Option Scheme

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

The share options under Dorsett Share Option Scheme, save for those lapsed on 10 October 2015 in accordance with the Dorsett Share Option Scheme, were cancelled upon acceptance of the offer under Rule 13 of The Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission made by or on behalf of Willow Bliss Limited, a wholly-owned Subsidiary, to the holders of Dorsett Share Option Scheme at a nominal value of HK$0.01 for each share option under Dorsett Share Option Scheme. Dorsett Share Option Scheme was expired on 10 September 2020.

As at 31 March 2021, there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As at 31 March 2021, so far as was known to the directors and chief executive at the Company, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Company as recorded in the register at the Company required to be kept under Section 336 were as follows:

Name of substantial Shareholder	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital[iii]
Sumptuous Assets Limited	Beneficial owner	1,163,946,003[i] (long position)	48.60%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.54%
	Interest of controlled corporations	140,942,693[ii] (long position)	5.88%
	Interest of spouse	1,624,301[ii] (long position)	0.07%

Notes:

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

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

(iii) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2021.

Save as disclosed above, as at 31 March 2021, no other persons were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately HK$8,458,000.

MAJOR CUSTOMERS AND SUPPLIERS

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

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. As at 31 March 2021, the number of employees of the Group was approximately 3,500.

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

The Company has adopted FECIL Share Option Schemes as an incentive to Directors and eligible participants, details of the schemes are set out in note 44 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 89 to 100.

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

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

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The Company and Dorsett, as guarantors, and City Sight Limited ("City Sight"), a subsidiary of the Company, as borrower, entered into a facility agreement (the "Facility Agreement") with a group of banks, as lenders, on 25 March 2021 and an unsecured term loan facility in the aggregate amount of HK$1,500 million was granted to City Sight. The final maturity date is 36 months from the date of the Facility Agreement.

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

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

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

During the Year, the above specific performance covenants under the Facility Agreement have been complied with. For details, please refer to the announcement of the Company dated 25 March 2021.

AUDITOR

A resolution will be submitted to the 2021 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

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

24 June 2021

Corporate Governance Report

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2021.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

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

The Company has applied the principles as set out in the CG Code during the year ended 31 March 2021. In the opinion of the Board, the Company has complied with the code provisions (the "Code Provisions") set out in the CG Code during the year ended 31 March 2021, except for the deviation from Code Provisions A.2.1 and E.1.2. Key corporate governance principles and practices of the Company as well as details of the foregoing non-compliance and deviation of Code Provisions are summarized below.

A. THE BOARD

A.1 Responsibilities and Delegation

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

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

A.2 Board Composition

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

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

Throughout the year ended 31 March 2021, the Company has met the Listing Rules requirements of having three Independent Non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications and accounting and related financial management expertise. In addition, the Company has received from each of the Independent Non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of them are independent.

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

A.3 Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Currently, Tan Sri Dato' David CHIU assumes the roles of both the Chairman and Chief Executive Officer of the Company. The Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies. As such, it is beneficial to the business prospects of the Group.

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

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

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

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

In accordance with clauses 106 and 107 of the Articles, Ms. Wing Kwan Winnie CHIU (Executive Director) and Mr. Kwong Siu LAM (Independent Non-executive Director) shall retire by rotation at the 2021 AGM. Both of the above retiring Directors, being eligible, will offer themselves for re-election at the 2021 AGM.

In accordance with the second part of clause 115(B) of the Articles, a Director appointed as an Executive Chairman or as Managing Director or Joint Managing Director shall not while holding such office be subject to retirement by rotation or taken into account in determining the rotation retirement of Directors. In order to uphold good corporate governance practices, Mr. Cheong Thard HOONG, the Managing Director of the Company, voluntarily retires from his office and offers himself for re-election at the 2021 AGM notwithstanding that he is not required to do so by Article 115(B).

The Board recommended the re-appointment of the above three retiring Directors standing for re-election at the 2021 AGM. The Company's circular, sent together with this annual report, contains detailed information of the above three retiring Directors, as required by the Listing Rules.

A.5 Training and Continuing Development for Directors

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

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

During the year ended 31 March 2021, the Company has provided (i) reading materials on regulatory updates to all its Directors, namely, Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Ms. Wing Kwan Winnie CHIU, Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK; and (ii) regular briefing to its Directors on corporate governance and updates on the Listing Rules. Besides, Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK attended other seminars and training sessions arranged by other professional firms/institutions.

A.6 Board Meetings

A.6.1 Board Practices and Conduct of Meetings

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

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

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

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

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

A.6.2 Directors' Attendance Records

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 March 2021 are set out below:

	Attendance/Number of Meetings				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Tan Sri Dato' David CHIU	4/5	N/A	2/2	1/1	0/1
Mr. Cheong Thard HOONG	5/5	N/A	N/A	N/A	1/1
Mr. Dennis CHIU	5/5	N/A	N/A	N/A	0/1
Mr. Craig Grenfell WILLIAMS	5/5	N/A	N/A	N/A	0/1
Ms. Wing Kwan Winnie CHIU	5/5	N/A	N/A	N/A	1/1
Mr. Kwok Wai CHAN	5/5	3/3	2/2	1/1	1/1
Mr. Kwong Siu LAM	5/5	3/3	N/A	1/1	1/1
Mr. Lai Him Abraham SHEK	5/5	3/3	2/2	1/1	1/1

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

A.7 Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions in the Company. Following specific enquiry made by the Company, all the Directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2021.

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

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

A.8 Corporate Governance Functions

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

B. BOARD COMMITTEES

The Board has established 5 Board committees, namely, the Executive Committee, the Environmental, Social and Governance ("ESG") Steering Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference among which the terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website. All the Board committees should report to the Board on their decisions or recommendations made.

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

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

B.1 Executive Committee

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

B.2 ESG Steering Committee

The ESG Steering Committee comprises a total of 3 members, namely Ms. Wing Kwan Winnie CHIU, Mr. Cheong Thard HOONG and Mr. Wai Hung Boswell CHEUNG. The primary duties of the ESG Steering Committee include overseeing and providing recommendations on the Company's sustainability strategies, policies and practices; and reviewing and advising the Board on the Company's ESG performance, reporting and compliance issues.

B.3 Audit Committee

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

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

During the year ended 31 March 2021, the Audit Committee has performed the following major works:

- Review and discussion of the annual financial statements and annual results for the year ended 31 March 2020, the related accounting principles and practices adopted by the Company and the relevant audit findings;
- Review and discussion of the interim financial statements and interim results for the six months ended 30 September 2020 and the related accounting principles and practices adopted by the Company;
- Review and discussion of financial reporting and risk management and internal control of the Group;
- Discussion and recommendation of the re-appointment of external auditor; and
- Review of the arrangements for employees to raise concerns about possible improprieties.

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

The attendance records of each Committee member at the Audit Committee meetings held during the year ended 31 March 2021 are set out in section A.6.2 above.

B.4 Remuneration Committee

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

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

During the year ended 31 March 2021, the Remuneration Committee has reviewed and determined the remuneration packages of the Executive Directors and senior management.

The attendance records of each Committee member at the Remuneration Committee meeting held during the year ended 31 March 2021 are set out in section A.6.2 above.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the senior management for the year ended 31 March 2021 falls within the band from HK$2,000,000 to HK$3,000,000.

Details of the remuneration of each of the Directors for the year ended 31 March 2021 are set out in note 14 to the consolidated financial statements.

B.5 Nomination Committee

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

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

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

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

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

During the year ended 31 March 2021, the Nomination Committee has performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company;
- Recommendation of the re-appointment of those Directors standing for re-election at the 2020 annual general meeting of the Company; and
- Assessment of the independence of all the Independent Non-executive Directors.

The attendance records of each Committee member at the Nomination Committee meeting held during the year ended 31 March 2021 are set out in section A.6.2 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2021.

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

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

D. RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

Risk management philosophy and risk appetite

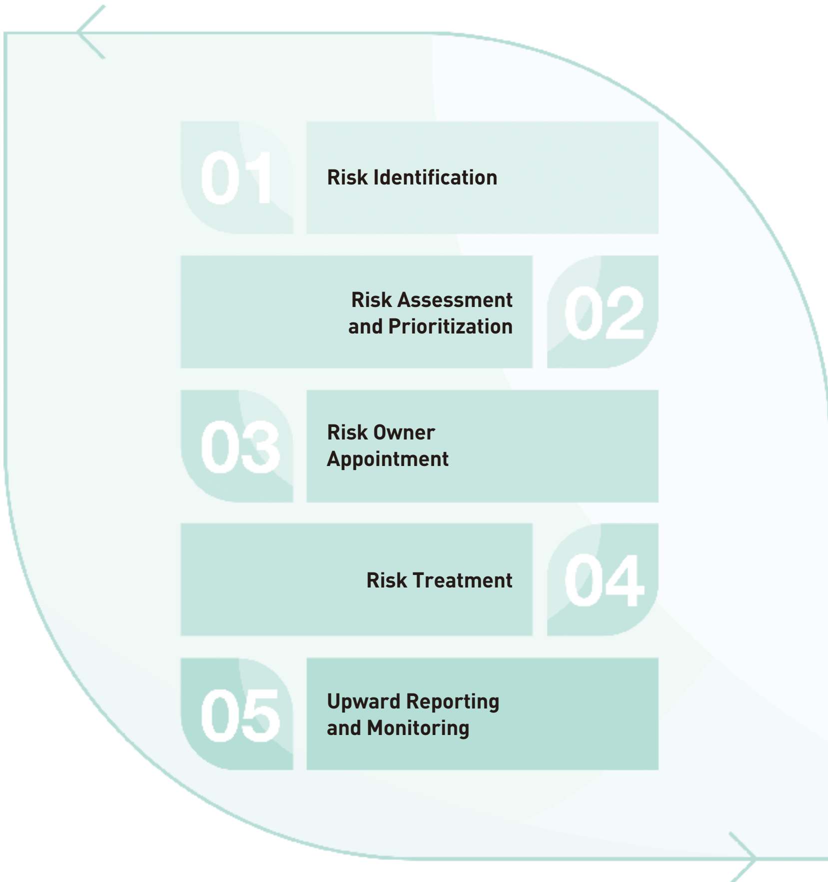
Everyone within the Group is responsible for the risk management of the Group. Risk management is embedded into the business operations and decision-makings. In pursuing the Group's objectives, the Group has categorized the risks according to the different business lines and defined the nature and extent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

Risk governance structure

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

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

Risk management process



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

The Group has completed an annual review on the effectiveness of the risk management and internal control systems during the year ended 31 March 2021 which include the identification and follow up on the significant risks, as well as the related controls designed to mitigate the risks and associated action plans.

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

Handling and dissemination of inside information

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

Internal audit function

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

E. COMPANY SECRETARY

During the year ended 31 March 2021, Mr. Wai Hung Boswell CHEUNG, the Company Secretary, has taken no less than 15 hours of relevant professional training.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, about its reporting responsibilities for the Company's financial statements for the year ended 31 March 2021 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to Deloitte Touche Tohmatsu in respect of audit services and non-audit services for the year ended 31 March 2021 are analyzed below:

Type of services provided by the external auditor	Fees paid/payable HK$
Audit services – audit fee for the year ended 31 March 2021	16,358,000
Non-audit services	
– professional fee in connection with the review of interim account, the issue of senior notes and tax advisory services	2,670,000
TOTAL:	19,028,000

G. COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

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

Pursuant to Code Provision E.1.2 of the CG Code, the Chairman should attend the annual general meeting of the Company. Due to unavoidable business engagement, the Chairman was unable to attend the annual general meeting of the Company held on 15 September 2020. The Chairman had arranged for other directors and management, who are well-versed in the Company's business and affairs, to attend the meeting and communicate with the Shareholders.

H. SHAREHOLDERS' RIGHTS

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

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

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

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

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

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

I. DIVIDEND POLICY

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

Independent Auditor's Report

Deloitte. 德勤

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

OPINION

We have audited the consolidated financial statements of Far East Consortium International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 106 to 227, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgements and estimation associated with determining the fair values. The investment properties are located in Australia, Hong Kong, the People's Republic of China and Singapore. The investment properties were carried at HK$8,159,748,000 as at 31 March 2021 and represents approximately 16% of total assets in the consolidated financial statements of the Group as at 31 March 2021. As disclosed in note 8 to the consolidated financial statements, changes in fair value of investment properties of HK$382,882,000 was recognised in the consolidated statement of profit or loss for the year then ended 31 March 2021. As disclosed in note 15 to the consolidated financial statements, all of the Group's investment properties are held at fair value based on the valuations performed by independent qualified professional valuers (the "Valuers"). The valuations of investment properties are dependent on certain key inputs that require significant judgments and estimates by the directors of the Company, including market rent, gross development value, market unit rate and capitalisation rate.	Our procedures in relation to the valuation of investment properties included: • Evaluating the competence, capabilities and objectivity of the Valuers and obtaining an understanding of their scope of work and their terms of engagements; • Obtaining an understanding and assessing the reasonableness of the valuation techniques and significant assumptions used by the management and Valuers based on the relevant accounting requirements and industry norms; • Evaluating the reasonableness of the key inputs, including market rent, gross development value, market unit rate and capitalisation rate adopted by the management and the Valuers, on a sample basis, by comparing the key inputs to relevant market data based on our knowledge of the property markets; and • Assessing the accuracy of the information provided by the management to the Valuers by agreeing the rental income and tenancy summary to the respective underlying tenancy agreements, on a sample basis.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 June 2021

Consolidated Statement of Profit or Loss

For the year ended 31 March 2021

	NOTES	2021 HK$'000	2020 HK$'000
Revenue	7	5,943,694	7,450,604
Cost of sales and services		(3,629,017)	(4,742,094)
Depreciation of hotel and car park assets		(473,194)	(449,158)
Gross profit		1,841,483	2,259,352
Other income		259,726	143,111
Other gains and losses	8	425,824	(15,517)
Administrative expenses			
– Hotel operations and management		(319,553)	(441,905)
– Others		(342,404)	(409,314)
Pre-operating expenses			
– Hotel operations and management		–	(27,601)
Selling and marketing expenses		(245,274)	(193,773)
Share of results of associates		(13,108)	(11,485)
Share of results of joint ventures		(31,082)	2,878
Finance costs	9	(309,785)	(468,425)
Profit before tax		1,265,827	837,321
Income tax expense	10	(460,087)	(286,340)
Profit for the year	11	805,740	550,981
Attributable to:			
Shareholders of the Company		543,194	365,853
Owners of perpetual capital notes		199,713	98,564
Other non-controlling interests		62,833	86,564
		262,546	185,128
		805,740	550,981
Earnings per share	12		
Basic (HK cents)		22.9	15.5
Diluted (HK cents)		22.9	15.5

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2021

	2021 HK$'000	2020 HK$'000
Profit for the year	**805,740**	550,981
Other comprehensive income (expense) for the year		
Item that will not be reclassified to profit or loss:		
Fair value change on equity instruments at fair value through other comprehensive income ("FVTOCI")	**525,837**	(402,838)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**1,974,889**	(1,559,653)
Fair value change on debt instruments at FVTOCI	**114,742**	(255,663)
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	**(66,408)**	(28,359)
Other comprehensive income (expense) for the year	**2,549,060**	(2,246,513)
Total comprehensive income (expense) for the year	**3,354,800**	(1,695,532)
Total comprehensive income (expense) attributable to:		
Shareholders of the Company	**3,072,424**	(1,840,709)
Owners of perpetual capital notes	**199,713**	73,696
Other non-controlling interests	**82,663**	71,481
	282,376	145,177
	3,354,800	(1,695,532)

Consolidated Statement of Financial Position

At 31 March 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current Assets			
Investment properties	15	**8,159,748**	7,243,208
Property, plant and equipment	16	**12,593,755**	11,160,856
Goodwill	17	**68,400**	68,400
Interests in associates	18	**1,800,616**	1,237,775
Interests in joint ventures	19(a)	**1,095,822**	791,846
Investment securities	20	**1,136,241**	492,852
Derivative financial instruments	28	**–**	37,222
Deposits for acquisition of property, plant and equipment		**95,372**	88,045
Amount due from an associate	43	**62,864**	62,864
Amounts due from joint ventures	43	**26,154**	58,572
Amount due from an investee company	43	**119,995**	119,995
Loan receivables	21	**210,876**	259,651
Pledged deposits	22	**9,525**	20,409
Deferred tax assets	35	**249,086**	93,653
		25,628,454	21,735,348
Current Assets			
Properties for sale	23		
Completed properties		**1,613,798**	1,966,189
Properties under development		**12,334,478**	9,983,444
Other inventories		**9,735**	11,146
Debtors, deposits and prepayments	24	**1,143,837**	379,091
Customers' deposits under escrow	25	**335,818**	147,527
Loan receivables	21	**7,029**	9,269
Contract assets	26	**–**	1,103,698
Contract costs	27	**315,042**	283,787
Amounts due from joint ventures	43	**463,399**	349,392
Amounts due from associates	43	**18,557**	24,717
Amount due from a shareholder of non-wholly owned subsidiary	33	**109,211**	–
Tax recoverable		**92,713**	160,697
Investment securities	20	**3,006,565**	2,534,548
Derivative financial instruments	28	**3,531**	–
Pledged deposits	22	**377,050**	51,600
Restricted bank deposits	22	**14,016**	120,932
Deposit in a financial institution	22	**46,316**	6,880
Bank balances and cash	22	**4,365,751**	2,911,726
		24,256,846	20,044,643
Investment properties held for sale	15	**15,488**	–
		24,272,334	20,044,643

Consolidated Statement of Financial Position

At 31 March 2021

	NOTES	2021 HK$'000	2020 HK$'000
Current Liabilities			
Creditors and accruals	29	**1,694,889**	1,264,635
Contract liabilities	30	**689,615**	310,598
Lease liabilities	32	**81,139**	77,253
Amount due to a related company	43	**807**	751
Amounts due to associates	43	**51,326**	6,897
Amounts due to shareholders of non-wholly owned subsidiaries	33	**168,997**	395,126
Derivative financial instruments	28	**7,045**	3,397
Notes	34	**1,834,899**	–
Tax payable		**747,998**	368,283
Bank and other borrowings	31	**10,438,601**	6,505,953
		15,715,316	8,932,893
Net Current Assets		**8,557,018**	11,111,750
Total Assets less Current Liabilities		**34,185,472**	32,847,098
Non-current Liabilities			
Lease liabilities	32	**645,758**	547,086
Derivative financial instruments	28	**6,807**	–
Notes	34	**3,384,017**	3,548,124
Bank borrowings	31	**11,919,164**	13,405,809
Deferred tax liabilities	35	**1,046,665**	903,317
Other liabilities		**128,798**	129,028
		17,131,209	18,533,364
Net Assets		**17,054,263**	14,313,734
Capital and Reserves			
Share capital	36	**239,508**	236,942
Share premium		**4,584,371**	4,534,687
Reserves		**8,973,151**	6,346,903
Equity attributable to shareholders of the Company		**13,797,030**	11,118,532
Owners of perpetual capital notes	37	**2,883,903**	2,904,535
Other non-controlling interests		**373,330**	290,667
		3,257,233	3,195,202
Total Equity		**17,054,263**	14,313,734

The consolidated financial statements on pages 106 to 227 were approved and authorised for issue by the Board of Directors on 24 June 2021 and are signed on its behalf by:

DAVID CHIU
DIRECTOR

CHEONG THARD HOONG
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	Fair value through other comprehensive income reserve HK$'000	Exchange reserve HK$'000	Hedging reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Owners of perpetual capital notes HK$'000	Other non-controlling interests HK$'000	Sub-total HK$'000	Total HK$'000
Profit for the year	-	-	-	-	-	-	-	-	543,194	543,194	199,713	62,833	262,546	805,740
Exchange differences arising on translation of foreign operations	-	-	-	-	-	1,955,059	-	-	-	1,955,059	-	19,830	19,830	1,974,889
Fair value change on equity instruments at fair value through other comprehensive income	-	-	-	-	525,837	-	-	-	-	525,837	-	-	-	525,837
Fair value change on debt instruments at fair value through other comprehensive income	-	-	-	-	114,742	-	-	-	-	114,742	-	-	-	114,742
Reclassification adjustment on disposal of debt instruments at fair value through other comprehensive income during the year	-	-	-	-	(66,408)	-	-	-	-	(66,408)	-	-	-	(66,408)
Other comprehensive income for the year	-	-	-	-	574,171	1,955,059	-	-	-	2,529,230	-	19,830	19,830	2,549,060
Total comprehensive income for the year	-	-	-	-	574,171	1,955,059	-	-	543,194	3,072,424	199,713	82,663	282,376	3,354,800
Distribution to owners of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(220,345)	-	(220,345)	(220,345)
Dividends recognised as distribution (note 13)	-	-	-	-	-	-	-	-	(448,053)	(448,053)	-	-	-	(448,053)
Repurchase of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	131,294	-	131,294	131,294
Sales of repurchased perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(131,294)	-	(131,294)	(131,294)
Shares issued in lieu of cash dividend	4,443	98,204	-	-	-	-	-	-	-	102,647	-	-	-	102,647
Repurchase of ordinary shares	(1,877)	(48,520)	1,877	-	-	-	-	-	-	(48,520)	-	-	-	(48,520)
At 31 March 2021	239,508	4,584,371	35,964	54,727	(410,789)	(355,977)	984	1,057,764	8,590,478	13,797,030	2,883,903	373,330	3,257,233	17,054,263

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	2021 HK$'000	2020 HK$'000
Operating activities		
Profit before tax	1,265,827	837,321
Adjustments for:		
Share of results of joint ventures	31,082	(2,878)
Share of results of associates	13,108	11,485
Depreciation of property, plant and equipment	487,612	462,467
Interest income	(7,773)	(10,462)
Finance costs	309,785	468,425
Change in fair value of investment properties	(382,882)	20,865
Change in fair value of financial assets at FVTPL	(80,834)	96,854
Gain on disposal of debts instruments at FVTOCI	(66,408)	(28,359)
Change in fair value of derivative financial instruments	41,295	(20,899)
(Gain) loss on disposal of property, plant and equipment	(1,599)	452
Allowance for expected credit loss	11,050	4,990
Rent concessions	(14,646)	–
Operating cash flows before movements in working capital	1,605,617	1,840,261
Increase in properties for sale	(85,254)	(107,566)
Decrease (increase) in other inventories	1,411	(276)
Decrease (increase) in loan receivables	51,201	(16,763)
Decrease (increase) in contract assets	1,170,650	(1,063,117)
(Increase) decrease in debtors, deposits and prepayments	(731,372)	55,349
(Increase) decrease in customer's deposits under escrow	(188,272)	43,422
Decrease in investment held for trading	71,334	59,084
Increase (decrease) in creditors and accruals	279,024	(177,250)
Increase in contract costs	29,438	19,874
Increase (decrease) in contract liabilities	339,557	(654,818)
Cash generated from (used in) operations	2,543,334	(1,800)
Income tax paid	(117,333)	(252,051)
Net cash from (used in) operating activities	2,426,001	(253,851)

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	2021 HK$'000	2020 HK$'000
Investing activities		
Acquisition and development expenditures of property, plant and equipment	(931,475)	(1,409,170)
Capital investment in associates	(336,151)	(310,130)
Capital investment in joint ventures	(259,207)	(199,997)
Development expenditures and additional cost of investment properties	(172,543)	(2,075,345)
Purchase of equity instruments at FVTPL	(118,625)	(10,372)
Proceeds from sale of equity securities at FVTPL	62,994	–
Purchase of debt instruments at FVTOCI	(5,461,590)	(6,987,173)
Proceeds from sale/redemption of debt instruments at FVTOCI	5,195,116	5,025,722
Proceeds from sale of debt instruments at FVTPL	402,328	1,917,049
Purchase of investment funds	(498,712)	(629,634)
Proceeds from sale of investment funds	387,089	1,190,482
Purchase of structured notes	(353,820)	–
Proceeds from sale/redemption of structure notes	120,255	–
Net cash inflow on derivative financial instruments	2,851	–
Proceeds from disposal of property, plant and equipment	7,927	5,739
Placement of pledged deposits	(339,134)	(52,207)
Release of pledged deposits	24,568	16,138
Placement of restricted bank deposits	(1,938)	(11,971)
Release of restricted bank deposits	108,854	66,764
Repayment from associates	11,086	272
Advance to joint ventures	(166,424)	(240,257)
Repayment from joint ventures	99,931	–
Deposit refunded for acquisition of property, plant and equipment	–	6,381
Dividend and distribution received from associates and a joint venture	6,259	5,745
Bank interest received	7,773	10,462
Advance to a shareholder of a non-wholly owned subsidiary	(109,211)	–
Net cash used in investing activities	(2,311,799)	(3,681,502)

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	2021 HK$'000	2020 HK$'000
Financing activities		
Advance from a shareholder of a non-wholly owned subsidiary	169,113	12,164
Repayment to a shareholder of a non-wholly owned subsidiary	(419,095)	–
Payment for repurchase of shares	(48,520)	(141,678)
Proceeds on issue of notes, net of transaction costs	2,205,000	77,217
Repurchase of notes	(553,675)	–
New bank and other borrowings raised	8,588,890	10,780,182
Repayments of bank and other borrowings	(7,301,228)	(7,851,733)
Repayments of lease liabilities	(63,308)	(96,494)
Repayments of other liabilities	(1,920)	(26,736)
Distribution to owners of perpetual capital notes	(220,345)	–
Advance from related companies	56	128
Advance from associates	44,429	–
Repayment to associates	–	(19,888)
Advance from other liabilities	–	122,020
Issuance of perpetual capital notes, net of transaction costs	–	2,830,839
Payment for repurchase of perpetual capital notes	(131,294)	–
Proceeds from sale of perpetual capital notes	131,294	–
Dividends paid	(345,406)	(312,157)
Interest paid	(697,675)	(807,101)
Net cash from financing activities	1,356,316	4,566,763
Net increase in cash and cash equivalents	1,470,518	631,410
Cash and cash equivalents brought forward	2,918,606	2,472,165
Effect of foreign exchange rate changes	22,943	(184,969)
Cash and cash equivalents carried forward	4,412,067	2,918,606
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	4,365,751	2,911,726
Deposit in a financial institution	46,316	6,880
	4,412,067	2,918,606

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The ultimate controlling shareholder is David CHIU. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2021 annual report issued by the Company.

The principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, gaming and related operations and securities and financial product investments. The details of the principal subsidiaries are set out in note 49.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year 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.

In addition, the Group has early applied the Amendment to HKFRS 16 *COVID-19-Related Rent Concessions* and Amendments to HKFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*.

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

Amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on early application of Amendment to HKFRS 16 COVID-19-Related Rent Concessions and COVID-19-Related Rent Concessions beyond 30 June 2021

The amendments HKFRS 16 *COVID-19-Related Rent Concessions and COVID-19-Related Rent Concessions beyond 30 June 2021* are effective for annual reporting periods beginning on or after 1 June 2020 and 1 April 2021 respectively.

The Group has applied these amendments for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 *Leases* if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening retained profits at 1 April 2020. The Group has derecognised the part of lease liabilities that have been extinguished by the forgiveness of lease payments using the discount rates originally applied to these leases respectively, resulting in a decrease in the lease liabilities of HK$14,646,000, which has been recognised as variable lease payments in profit or loss for the current year.

2. APPLICATION OF 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 and the related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 Effective for annual periods beginning on or after a date to be determined

Except for the amendments to HKFRSs mentioned below, the directors of the Company 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 HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2* relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements as a result of interest rate benchmark reform and disclosure requirements under HKFRS 7 *Financial Instruments: Disclosures*.

- Changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities. A practical expedient is introduced for changes required by the reform (i.e. as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These changes are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16;

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

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2 (continued)

- Hedge accounting requirements. Under the amendments, hedge accounting is not discontinued solely because of the interest rate benchmark reform. Hedging relationships (and related documentation) are required to be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements; and

- Disclosures. The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As disclosed in notes 20, 28 and 31, at as 31 March 2021, the Group has several debt instruments, bank loans and derivative financial instruments, with interest rates which are based on variable rates and will/may be subject to interest rate benchmark reform. Based on the Group's preliminary assessment, the Group expects no significant gains or losses should the interest rate for these debt instruments, bank loans and derivative financial instruments changes resulting from the reform on application of the amendments.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 March 2021, including the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the amendments will not result in reclassification of the Group's liabilities.

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

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

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement to help entities.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

As disclosed in note 3, to the consolidated financial statements, for leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

In addition, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the provisions for decommissioning and restoration and the corresponding amounts recognised as part of the cost of the related assets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 March 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to HK$623,189,000 and HK$726,897,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments.

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

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

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance (the "HKCO").

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation of consolidated financial statements (continued)

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Significant accounting policies

Basis of consolidation

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

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

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

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

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

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

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

Non-controlling 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries

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

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

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

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 April 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets or 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.

Business combinations

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in October 2010).

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

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell which continue to be measured in accordance with the accounting policies as set out in respective sections.

Investment properties

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

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

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

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

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

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

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

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

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

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

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

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

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

The recoverable amount of property, plant and equipment are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

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

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

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

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

Leases

Definition of a lease

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 on or after the date of initial application or arising from business combinations, 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 applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Leases (continued)

The Group as a lessee

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 applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

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.

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

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

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

Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

COVID-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The Group as a lessor

Classification and measurement of leases

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Leases (continued)

The Group as a lessor (continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* ("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

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

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.

Investments in associates and joint ventures

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

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. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing 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.

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

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

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

Interests in joint operations

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Interests in joint operations (continued)

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.

Inventories

Properties for sale

Properties for sale consist of completed properties and properties under development.

Properties under development which are intended to be sold upon completion of development and 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, properties under development and completed 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 less estimated cost to completion and costs necessary to make the sales.

Properties under development for sale are transferred to completed properties for sale upon completion.

Other inventories

Other inventories, comprising food and beverage, are stated at the lower of cost and net realisable value. Costs of other inventories are determined on a first-in-first-out 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("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 liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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 and debts instruments measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade debtors, other receivables, customers' deposits under escrow, amounts due from related companies, amount due from a shareholder of non-wholly owned subsidiary, debts instruments classified as FVTOCI, pledged deposits, restricted bank deposits, deposit in a financial institution, bank balances and loans receivables), and other items including contract assets and lease receivables which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade debtors, lease receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

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

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subjects to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

Lifetime ECL for certain trade receivables, contract assets and lease receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

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

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, 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, lease receivables and contract assets, where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

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

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual capital notes issued by a group entity, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments (including perpetual capital notes) is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition, it is a part of portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including creditors, amounts due to related companies, amounts due to shareholders of non-wholly owned subsidiaries, notes, bank and other borrowings, and other liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period with changes in fair value recognising in profit or loss immediately.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative standalone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Revenue from contracts with customers (continued)

Sales of properties

Revenue from properties sales is recognised over time when the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue from properties sales is recognised at a point in time when the completed property is delivered and transferred to customers, being at the point that the customer complete the handover procedures and obtains the control of the completed property.

For the progress towards complete satisfaction of a performance obligation that is recognised over time, revenue is recognised based on the stage of completion of the contract using the input method. The Group's sales contracts with customers include payment schedules which require stage payments over the construction period once certain specified milestones are reached.

A contract asset is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade debtors when the rights become unconditional.

The Group receives deposits from customers when they sign the sale and purchase agreement.

Deposits received on properties sold prior to the date of revenue recognition are recorded as contract liabilities under current liabilities.

Hotel operations and management, car park operations and facilities management, property management services

As the customers simultaneously receive and consume the benefit provided by the Group's performance as the Group performs, the Group recognises the service fee received or receivable from the customers as its revenue over time based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Gaming and related operations

Gaming revenue is the aggregate net difference between gaming wins and losses. The Group accounts for gaming revenue on a portfolio basis given the similar characteristics of wagers by recognising net win per gaming day.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Revenue from contracts with customers (continued)

Gaming and related operations (continued)

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (property sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits schemes

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Equity-settled share-based payment transactions

Equity-settled share-based payments to employee are measured at the fair value of the equity instruments at the grant date.

Share options granted to employees

The fair value 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 options reserve). At the end of each reporting period, the Group revises its estimates of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale except for freehold land. Freehold land is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deterred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going 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.

Critical judgement in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognised from sales of properties over time

Certain revenue from sales of properties is recognised over time when the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise the revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the buyer and thus the property unit does not have an alternative use to the Group. Significant management's judgements were involved in determining whether there is an enforceable right to payment which depends on the terms of sales contract and the interpretation of the applicable laws governing the sales contracts. Management, in interpreting the applicable laws and exercising its judgements, has identified sales contracts in Singapore and Malaysia provide the Group with enforceable right to payment for performance completed to date while sales contracts in Hong Kong, regions in People's Republic of China excluding Hong Kong, United Kingdom and Australia do not provide the Group with such rights.

During the year ended 31 March 2021, revenue from sales of properties recognised over time by the Group amounted to HK$964,364,000 (2020: HK$1,938,783,000).

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgement in applying accounting policies (continued)

Deferred taxation on investment properties

For the purposes of measuring deferred taxes, arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that (a) the Group's investment properties in Hong Kong and Singapore are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, (b) the Group's investment properties in Australia (except for freehold land) and the regions in People's Republic of China excluding Hong Kong are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties in Hong Kong and Singapore, the directors of the Group have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The presumption that the carrying amounts of the Group's investment properties situated in Australia (except for freehold land) and the regions in People's Republic of China excluding Hong Kong are recovered entirely through sale has been rebutted and the deferred tax on the changes in fair value of those investment properties is recognised according to the relevant tax rules.

The carrying amounts of the freehold land are recovered entirely through sales.

Key sources of estimation uncertainty

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

Fair value measurement of financial instruments

Certain of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the management of the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for certain Level 2 and Level 3 fair value measurements. The management of the Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the management of the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company for appropriate actions to be taken.

Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various financial instruments are disclosed in note 46.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 15.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. In light of the negative impact of the COVID-19 pandemic, the independent valuers drew attention in their valuation reports in respect of investment properties located in Australia with fair value amounting to HK$339,693,000 that the valuation is valid as at 31 March 2021 and the value assessed may change significantly and unexpectedly over a short period of time. Whilst the Group considers valuations of the Group's investment properties are the best estimates, the ongoing COVID-19 pandemic has resulted in greater market volatility depending on how the COVID-19 pandemic may progress and evolve. Changes to assumptions including market rent, gross development value, market unit rate and capitalisation rate would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 March 2021, the carrying amount of the Group's investment properties is HK$8,159,748,000 (2020: HK$7,243,208,000).

Deferred tax asset

As 31 March 2021, a deferred tax asset of HK$63,011,000 (2020: HK$74,837,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses and deductible temporary difference of HK$1,615,932,000 (2020: HK$1,384,198,000) and HK$447,512,000 (2020: HK$380,369,000), respectively due to unpredictability of future profit streams. The reliability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the foreseeable future such that the deferred tax assets can be utilised. The management of the Group determine whether deferred tax assets would be recognised based on profit projections of the respective group entities and the expected reversal of taxable temporary differences in the coming years. The Group reviews the probability of utilising tax losses in future at the end of each reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the year in which such a recognition or reversal takes place.

5. CAPITAL RISK MANAGEMENT

It is the Group's policy to maintain a strong capital base so as to safeguard the Group's ability to continue as a going concern and to sustain future development of the Group's business. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which includes bank borrowings, notes, net of bank balances and cash, restricted bank deposits, pledged deposits, customers' deposits under escrow and deposit in a financial institution), and equity attributable to shareholders of the Company, comprising issued share capital, share premium and retained profits.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall structure through issuance of new shares, raising new debts and repayment of existing debts, if necessary.

6. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision makers (the "CODM"). Information reported to the Group's CODM, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the different management teams of the related business operations by various geographical locations (including interests in associates and joint ventures) stated as below:

– Property development (including investment properties developed and managed by the same management team)
– Property investment
– Hotel operations and management (including investment properties which are an integral part of the hotel buildings and which are managed by the hotel management team as well as securities investments made and monitored by the same team)
– Car park operations and facilities management
– Gaming operations (including investment in The Star Entertainment Group which is engaged in the gaming business in Australia and is classified as equity instruments at FVTOCI)
– Securities and financial product investments
– Provision of mortgage services (including as securities investments made and monitored by the same team)

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Segment revenue		Segment profit (loss)	
	2021	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000
Property development				
– Australia	**2,214,158**	1,368,695	**349,190**	103,796
– Hong Kong ("HK")	**234,501**	1,195,573	**3,973**	425,428
– Malaysia	**6,529**	23,199	**(1,429)**	5,831
– Other regions in People's Republic of China excluding HK ("PRC")	**778,550**	294,960	**502,277**	308,111
– Singapore	**986,886**	1,951,357	**378,952**	436,822
– United Kingdom ("UK")	**5,442**	1,192	**16,592**	(1,660)
	4,226,066	4,834,976	**1,249,555**	1,278,328
Property investment				
– Australia	**6,877**	9,669	**19,875**	28,013
– HK	**41,078**	39,844	**4,810**	32,220
– PRC	**42,456**	16,608	**16,663**	(20,036)
	90,411	66,121	**41,348**	40,197
Hotel operations and management				
– Australia	**110,028**	56,215	**(61,974)**	(55,018)
– HK	**468,619**	472,195	**4,665**	(87,042)
– Malaysia	**76,648**	189,979	**(22,476)**	12,798
– PRC	**110,138**	187,964	**308,555**	(53,500)
– Singapore	**63,358**	82,842	**25,348**	4,101
– UK	**31,387**	234,891	**(43,166)**	68,310
– Europe (other than UK)	**28,780**	121,448	**(8,197)**	(12,500)
	888,958	1,345,534	**202,755**	(122,851)

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For the year ended 31 March 2021

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

	Segment revenue		Segment profit (loss)	
	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000
Car park operations and facilities management				
– Australia and New Zealand	474,518	674,258	3,032	5,048
– Europe	26,313	73,757	(29,495)	(11,542)
– Malaysia	1,364	11,767	(2,813)	6,821
	502,195	759,782	(29,276)	327
Gaming operations				
– Australia	–	48,568	(51)	48,549
– Czech Republic	87,811	222,655	9,664	30,685
	87,811	271,223	9,613	79,234
Securities and financial product investments in HK	107,700	136,061	243,029	74,554
Provision of mortgage services				
– Australia	32,297	27,466	49,025	33,571
– HK	8,256	9,441	7,633	8,835
	40,553	36,907	56,658	42,406
Segment revenue/segment profit	5,943,694	7,450,604	1,773,682	1,392,195
Unallocated corporate income and expenses			(147,034)	(144,835)
Net foreign exchange (loss) gain			(51,036)	58,386
Finance costs			(309,785)	(468,425)
Profit before tax			1,265,827	837,321

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

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

Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, certain bank interest income, net foreign exchange (loss) gain, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. SEGMENT INFORMATION (continued)

(b) Segment assets

The following is an analysis of the Group's assets by reportable segment as at the end of the reporting period. Segment assets represent assets held by each segment without allocation of corporate assets which are mainly bank balances and cash and deposit in a financial institution.

	2021 HK$'000	2020 HK$'000
Property development		
– Australia	8,552,873	6,475,475
– HK	2,077,878	1,891,078
– Malaysia	410,968	404,347
– PRC	3,006,192	2,528,983
– Singapore	4,672,612	5,317,486
– UK	3,494,892	1,845,815
	22,215,415	18,463,184
Property investment		
– Australia	339,693	257,809
– HK	4,161,992	3,870,967
– PRC	4,324	4,567
	4,506,009	4,133,343
Hotel operations and management		
– Australia	2,068,802	1,534,962
– HK	4,393,750	4,357,103
– Malaysia	843,071	845,504
– PRC	2,231,990	1,582,534
– Singapore	573,985	758,811
– UK	1,296,670	1,151,748
– Europe (other than UK)	282,288	269,321
	11,690,556	10,499,983
Car park operations and facilities management		
– Australia and New Zealand	1,480,495	1,398,166
– Europe	570,435	398,331
– Malaysia	142,197	138,384
	2,193,127	1,934,881
Gaming operations		
– Australia	1,059,400	493,943
– Czech Republic	353,354	298,508
	1,412,754	792,451

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

6. SEGMENT INFORMATION (continued)

(b) Segment assets (continued)

	2021 HK$'000	2020 HK$'000
Securities and financial product investments	**2,808,408**	2,230,900
Provision of mortgage services		
– Australia	**448,064**	542,814
– HK	**208,601**	258,569
	656,665	801,383
Segment assets	**45,482,934**	38,856,125
Unallocated corporate assets	**4,417,854**	2,923,866
Total assets	**49,900,788**	41,779,991

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers determined based on the operating location and (ii) the Group's non-current assets by location of assets, excluding investment securities, derivative financial instruments, amount due from an associate, amounts due from joint ventures, amount due from an investee company, loan receivables, pledged deposits and deferred tax assets.

	Revenue from external customers		Non-current assets	
	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000
Australia and New Zealand	**2,837,878**	2,184,871	**6,507,226**	4,595,519
HK	**860,154**	1,853,114	**7,966,597**	7,801,882
Malaysia	**84,541**	224,945	**910,136**	907,434
PRC	**931,144**	499,532	**4,268,750**	3,446,615
Singapore	**1,050,244**	2,034,199	**1,667,227**	1,789,089
UK	**47,724**	284,080	**1,576,858**	1,310,631
Europe (other than UK)	**132,009**	369,863	**916,919**	738,960
	5,943,694	7,450,604	**23,813,713**	20,590,130

6. SEGMENT INFORMATION (continued)

(d) Other information

The following table sets out amounts included in the measure of segment profit or loss or segment assets:

	2021								
	Property development HK$'000	Property investment HK$'000	Hotel operations and management HK$'000	Gaming operations HK$'000	Car park operations and facilities management HK$'000	Securities and financial product investments HK$'000	Provision of mortgage services HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:									
Allowance for expected credit loss	(10,279)	553	(1,324)	-	-	-	-	-	(11,050)
Depreciation of property, plant and equipment	(8,612)	(1,047)	(341,086)	(11,219)	(120,626)	-	-	(5,022)	(487,612)
Change in fair value of investment properties	31,192	(1,295)	352,985	-	-	-	-	-	382,882
Change in fair value of financial assets at FVTPL	-	-	13,813	4,518	-	62,503	-	-	80,834
Change in fair value of derivative financial instruments	-	-	-	-	-	5,188	-	(49,001)	(43,813)
Share of results of associates	(3,673)	(9,435)	-	-	-	-	-	-	(13,108)
Share of results of joint ventures	147	4,090	(54,524)	-	1,102	-	18,103	-	(31,082)
Interests in associates	1,549,191	251,425	-	-	-	-	-	-	1,800,616
Interests in joint ventures	602,046	7,321	240,853	-	41,023	-	204,579	-	1,095,822
Acquisition in property, plant and equipment	11,907	21,530	954,246	-	27,639	-	777	5,894	1,021,993
Additions of investment properties	-	172,543	-	-	-	-	-	-	172,543
Investment securities	5	-	76,837	1,086,384	-	2,751,062	228,518	-	4,142,806
Amortisation of contract costs	189,710	-	-	-	-	-	-	-	189,710

	2020								
	Property development HK$'000	Property investment HK$'000	Hotel operations and management HK$'000	Gaming operations HK$'000	Car park operations and facilities management HK$'000	Securities and financial product investments HK$'000	Provision of mortgage services HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:									
Allowance for expected credit loss	-	(2,732)	(841)	-	(1,417)	-	-	-	(4,990)
Depreciation of property, plant and equipment	(3,280)	(2,840)	(327,724)	(14,160)	(109,405)	-	-	(5,058)	(462,467)
Change in fair value of investment properties	51,327	(43,398)	(28,794)	-	-	-	-	-	(20,865)
Change in fair value of financial assets at FVTPL	-	-	(7,359)	-	-	(89,495)	-	-	(96,854)
Change in fair value of derivative financial instruments	-	32,857	(8,248)	-	-	(3,710)	-	-	20,899
Share of results of associates	(2,564)	(1,054)	(7,867)	-	-	-	-	-	(11,485)
Share of results of joint ventures	(8,310)	496	-	-	698	-	9,994	-	2,878
Interests in associates	972,895	264,880	-	-	-	-	-	-	1,237,775
Interests in joint ventures	422,983	5,471	225,675	-	1,060	-	136,657	-	791,846
Acquisition in property, plant and equipment	1,102,769	4,687	171,104	-	340,553	-	-	3,280	1,622,393
Additions of investment properties	-	2,075,345	-	-	-	-	-	-	2,075,345
Investment securities	5	-	21,904	470,944	-	2,150,375	384,172	-	3,027,400
Amortisation of contract costs	148,200	-	-	-	-	-	-	-	148,200

Information about segment liabilities are not regularly reviewed by CODM. Accordingly, segment liability information is not presented.

7. REVENUE

Revenue represents the aggregate amount of proceeds from sales of properties, gross rental from leasing of properties, income from hotel operations and management, car park operations and facilities management, gaming operations, provision of property management services, interest income and dividend income from financial instruments and other operations as set out as follows:

	2021 HK$'000	2020 HK$'000
Sales of properties	4,178,545	4,776,345
Hotel revenue		
– room revenue	765,366	1,107,069
– food and beverage	91,532	199,614
Car park income		
– parking revenue	436,900	684,143
– management fee	66,436	76,493
Gaming revenue	76,464	196,554
Provision of property management services	33,983	19,415
Other operations	9,565	12,435
Revenue from contracts with customers	5,658,791	7,072,068
Leasing of properties – operating lease (note 15)	136,650	157,001
Loan interest income	8,256	9,441
Interest income from financial instruments	139,997	212,094
	5,943,694	7,450,604
Timing of revenue recognition from contracts with customers		
– At a point in time	3,387,651	3,246,164
– Over time	2,271,140	3,825,904
	5,658,791	7,072,068

The disaggregation of revenue by geographical location is consistent with the segment disclosures under note 6.

7. REVENUE (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 March 2021					
	Segment revenue HK$'000	Leasing of properties and car park income HK$'000	Food and beverage HK$'000	Gaming HK$'000	Interest and dividend income HK$'000	Consolidation HK$'000
Sales of properties	4,226,066	(47,521)	–	–	–	4,178,545
Hotel operations	888,958	(33,842)	(93,167)	3,417	–	765,366
Car park operations	502,195	1,141	–	–	–	503,336
Gaming operations	87,811	–	(7,930)	(3,417)	–	76,464
Provision of property management services	–	33,983	–	–	–	33,983
Food and beverage	–	–	91,532	–	–	91,532
Other operations	–	–	9,565	–	–	9,565
Revenue from contracts with customers	5,705,030	(46,239)	–	–	–	5,658,791
Leasing of properties	90,411	46,239	–	–	–	136,650
Provision of mortgage services	40,553	–	–	–	(32,297)	8,256
Interest income and dividend income from financial instruments	107,700	–	–	–	32,297	139,997
Total revenue	5,943,694	–	–	–	–	5,943,694

	For the year ended 31 March 2020					
	Segment revenue HK$'000	Leasing of properties and car park income HK$'000	Food and beverage HK$'000	Gaming HK$'000	Interest and dividend income HK$'000	Consolidation HK$'000
Sales of properties	4,834,976	(58,631)	–	–	–	4,776,345
Hotel operations	1,345,534	(52,518)	(193,172)	7,225	–	1,107,069
Car park operations	759,782	854	–	–	–	760,636
Gaming operations	271,223	–	(18,877)	(7,225)	(48,567)	196,554
Provision of property management services	–	19,415	–	–	–	19,415
Food and beverage	–	–	199,614	–	–	199,614
Other operations	–	–	12,435	–	–	12,435
Revenue from contracts with customers	7,211,515	(90,880)	–	–	(48,567)	7,072,068
Leasing of properties	66,121	90,880	–	–	–	157,001
Provision of mortgage services	36,907	–	–	–	(27,466)	9,441
Interest income and dividend income from financial instruments	136,061	–	–	–	76,033	212,094
Total revenue	7,450,604	–	–	–	–	7,450,604

7. REVENUE (continued)

Performance obligations for contracts with customers

Sales of properties recognised at point in time

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers other than sales of properties in Singapore and Malaysia. Revenue from sales of such residential properties is therefore recognised at a point in time when the handover procedure is completed and the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

In different location, the Group receives 5% to 20% of the contract value as deposits from customers when they sign the sale and purchase agreement. Such deposits result in contract liabilities being recognised throughout the property construction period.

The Group considers the deposits do not contain significant financing component and accordingly the amount of consideration is not adjusted for the effects of the time value of money.

Sales of properties recognised over time

Revenue from sales of properties in Singapore and Malaysia is recognised over time because the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the buyer and thus the property unit does not have an alternative use to the Group. Revenue for these sales of properties is recognised based on the stage of completion of the contract using input method.

The Group's sales contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 5% to 20% of total contract sum, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

7. REVENUE (continued)

Performance obligations for contracts with customers (continued)

Hotel revenue

The hotel room revenue from customers are recognised over time using output method when the services and facilities are provided. The Group allows an average credit period is not more than 30 days to travel agents and corporate customers.

Car park income

The car park revenue from customers are recognised over time using output method when the service and facilities are provided.

Gaming revenue

Gaming revenue is the aggregate net difference between gaming wins and losses.

Provision of property management services

Revenue from property management services is recognised over time as income when the services and facilities are provided.

Food and beverage

For income from food and beverage, revenue is recognised when the food and beverage are delivered to the customer.

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

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at the reporting period and the expected timing of recognising revenue from sales of properties are as follow:

	Sales of properties	
	2021	2020
	HK$'000	HK$'000
Within one year	**6,236,954**	4,483,934
More than one year but not more than two years	**9,786,612**	1,808,038
More than two years	**1,482,132**	8,566,966
	17,505,698	14,858,938

The amount disclosed above do not include contracts for property management services and car park management fee in which the Group bills a fixed amount each month according to the terms.

As at 31 March 2021 and 31 March 2020, contracts with customers with unsatisfied performance obligations for the income from gaming operations, hotel revenue and parking revenue have original expected duration of one year or less.

Lease revenue

During the years ended 31 March 2021 and 2020, all income from lease of properties are fixed lease payments.

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8. OTHER GAINS AND LOSSES

	2021 HK$'000	2020 HK$'000
Change in fair value of investment properties	382,882	(20,865)
Change in fair value of financial assets at FVTPL	80,834	(96,854)
Gain on disposal of debts instruments at FVTOCI	66,408	28,359
Change in fair value of derivative financial instruments	(43,813)	20,899
Net foreign exchange (loss) gain	(51,036)	58,386
Allowance for expected credit loss	(11,050)	(4,990)
Gain (loss) on disposal of property, plant and equipment	1,599	(452)
	425,824	(15,517)

9. FINANCE COSTS

	2021 HK$'000	2020 HK$'000
Interest on:		
Bank borrowings	499,747	613,220
Other loans	12,717	18,857
Interest on lease liabilities	21,239	20,950
Interest on notes	165,160	148,555
Amortisation of front-end fee	19,069	17,620
Others	10,824	20,369
Total interest costs	728,756	839,571
Less: amounts capitalised to:		
– properties for sale (properties under development)	(377,800)	(343,678)
– owners' occupation (property, plant and equipment)	(41,171)	(27,468)
	309,785	468,425

Borrowing costs capitalised during the year which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 2.11% to 5.25% (2020: 2.04% to 4.00%) per annum to expenditure on the qualifying assets.

10. INCOME TAX EXPENSE

	2021 HK$'000	2020 HK$'000
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**54,690**	83,608
PRC Enterprise Income Tax ("PRC EIT")	**201,769**	54,819
PRC Land Appreciation Tax ("PRC LAT")	**111,157**	40,015
Australia Income Tax	**56,052**	17,141
Malaysia Income Tax	**2,822**	4,780
Singapore Income Tax	**165,068**	6,507
Czech Republic Income Tax	**507**	6,421
	592,065	213,291
Under(over)provision in prior years:		
Hong Kong Profits Tax	**(3,382)**	318
PRC EIT	**7,027**	31,958
Australia Income Tax	**(8,758)**	(8,279)
Malaysia Income Tax	**–**	149
UK Income Tax	**–**	(8,282)
Singapore Income Tax	**–**	24
	(5,113)	15,888
Deferred taxation (note 35)	**(126,865)**	57,161
	460,087	286,340

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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

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

The domestic statutory tax rate of Australia, Malaysia, Singapore, UK and Czech Republic is 30%, 24%, 17%, 19% and 19% (2020: 30%, 24%, 17%, 19% and 19%) of the estimated assessable profits, respectively.

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10. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to profit before tax per the consolidated statement of profit or loss as follows:

	Hong Kong HK$'000	PRC HK$'000	Australia HK$'000	Malaysia HK$'000	Singapore HK$'000	Others HK$'000	Consolidated HK$'000
2021							
Profit before tax	(165,340)	795,480	425,003	(33,116)	328,505	(84,705)	1,265,827
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 30%	
Tax at the applicable income tax rate	(27,281)	198,870	127,501	(7,948)	55,846	(16,928)	330,060
Tax effect of expenses not deductible for tax purpose	111,745	8,466	12,336	6,610	11,881	2,964	154,002
Tax effect of income not taxable for tax purpose	(56,828)	(3,429)	(75,404)	(292)	(8,540)	(2,408)	(146,901)
PRC LAT	–	111,157	–	–	–	–	111,157
Tax effect of deductible temporary difference not recognised	–	3,121	12,836	6,226	–	1,595	23,778
Utilisation of tax losses previously not recognised	(17,887)	(5,528)	(423)	(2,441)	(628)	–	(26,907)
Tax effect of PRC LAT	–	(27,789)	–	–	–	–	(27,789)
Utilisation of deductible temporary differences previously not recognised	(1,257)	–	–	–	(322)	–	(1,579)
Tax effect of tax losses not recognised	31,192	20,276	7,870	25,505	4,579	6,342	95,764
Tax effect of share of results of associates	1,557	–	1,102	–	–	–	2,659
Tax effect of share of results of joint ventures	3,600	–	2,433	–	196	–	6,229
Recognition of tax effect of PRC LAT previously not recognised	–	(47,236)	–	–	–	–	(47,236)
(Over)underprovision in prior years	(3,382)	7,027	(8,758)	–	–	–	(5,113)
Others	12	(1,695)	(5,911)	1,436	(3,702)	1,823	(8,037)
Income tax expense (credit) for the year	41,471	263,240	73,582	29,096	59,310	(6,612)	460,087

10. INCOME TAX EXPENSE (continued)

	Hong Kong HK$'000	PRC HK$'000	Australia HK$'000	Malaysia HK$'000	Singapore HK$'000	Others HK$'000	Consolidated HK$'000
2020							
Profit before tax	44,707	204,163	87,035	17,704	421,045	62,667	837,321
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 30%	
Tax at the applicable income tax rate	7,377	51,041	26,110	4,249	71,578	12,391	172,746
Tax effect of expenses not deductible for tax purpose	83,289	5,141	8,564	2,205	13,280	7,001	119,480
Tax effect of income not taxable for tax purpose	(37,170)	(1,187)	(2,513)	(568)	(13,846)	(1,640)	(56,924)
PRC LAT	–	40,015	–	–	–	–	40,015
Tax effect of deductible temporary difference not recognised	–	–	5,907	–	–	–	5,907
Utilisation of tax losses previously not recognised	(4,031)	–	(262)	–	–	(8,663)	(12,956)
Tax effect of PRC LAT	–	(10,002)	–	–	–	–	(10,002)
Utilisation of deductible temporary differences previously not recognised	(4,239)	–	–	(2,256)	–	–	(6,495)
Tax effect of tax losses not recognised	26,182	17,117	–	356	1,660	81	45,396
Tax effect of share of results of associates	1,472	–	769	–	–	–	2,241
Tax effect of share of results of joint ventures	(82)	–	(715)	–	–	–	(797)
Recognition of tax effect of PRC LAT previously not recognised	–	(31,958)	–	–	–	–	(31,958)
Under(over)provision in prior years	318	31,958	(8,279)	149	24	(8,282)	15,888
Others	(508)	(1,400)	(2,593)	1,575	7,044	(319)	3,799
Income tax expense for the year	72,608	100,725	26,988	5,710	79,740	569	286,340

Details of the deferred taxation are set out in note 35.

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11. PROFIT FOR THE YEAR

	2021 HK$'000	2020 HK$'000
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense		
– Over time	**556,204**	1,443,992
– At point of time	**2,128,280**	1,973,078
	2,684,484	3,417,070
Auditor's remuneration	**16,358**	13,384
Depreciation of property, plant and equipment (included depreciation of leased properties with HK$90,000,000 (2020: HK$89,931,000))	**487,612**	462,467
Amortisation of contract cost	**189,710**	148,200
COVID-19-related rent concessions	**14,646**	N/A
Staff costs (included HK$389,500,000 (2020: HK$480,089,000) in cost of sales and services)		
– Directors' emoluments (note 14(a))	**26,389**	23,210
– Other staffs	**692,652**	861,816
	719,041	885,026
Share of taxation of associates (included in share of results of associates)	**885**	1,337
and after crediting:		
Bank interest income	**7,773**	10,462
Government grants (Note)	**203,032**	N/A

Note: During the current year, the Group recognised government grants received from the government from various regions in aggregate amount of HK$203,032,000 in respect of COVID-19-related subsidies. The amount is included in other income.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the consolidated profit for the year attributable to the shareholders of the Company of HK$543,194,000 (2020: HK$365,853,000) and the number of shares calculated as follows:

	2021 '000	2020 '000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,368,457**	2,358,214

No diluted earnings per share is presented as there was no potential ordinary share in issue during both years.

13. DIVIDENDS

	2021 HK$'000	2020 HK$'000
Dividends recognised as distribution during the year:		
2021 interim dividend of HK4.0 cents per share (2020: 2020 interim dividend of HK4.0 cents per share)	**95,456**	94,843
2020 final dividend of HK15.0 cents per share (2020: 2019 final dividend of HK18.0 cents per share)	**352,597**	420,069
	448,053	514,912

The 2021 interim dividend and 2020 final dividend was declared in form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK$2.690 and HK$2.218 per share respectively. Shares are issued during the year on the shareholders' election for shares are set out in note 36. These new shares rank pari passu to the existing shares of the Company.

A final dividend for the year ended 31 March 2021 of HK15.0 cents (2020: HK$15.0 cents) per share, totalling of HK$359,262,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and chief executive's emoluments

The emoluments paid and payable to each of the directors and chief executive of the Company for the year, disclosed pursuant to the applicable Listing Rules and the HKCO, is as follows:

Name of directors	Fees HK$'000	Salaries, bonuses and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2021				
Executive Directors:				
David CHIU	25	2,040	–	2,065
Dennis CHIU	25	2,342	7	2,374
Craig Grenfell WILLIAMS	25	6,578	134	6,737
Cheong Thard HOONG	25	9,306	18	9,349
Winnie Wing Kwan CHIU	25	5,161	18	5,204
Independent Non-executive Directors:				
Kwok Wai CHAN	220	–	–	220
Lai Him Abraham SHEK	220	–	–	220
Kwong Siu LAM	220	–	–	220
	785	25,427	177	26,389

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' and chief executive's emoluments (continued)

Name of directors	Fees	Salaries, bonuses and other benefits	Retirement benefit scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 March 2020				
Executive Directors:				
David CHIU	25	2,040	2	2,067
Dennis CHIU	25	2,673	–	2,698
Craig Grenfell WILLIAMS	25	3,359	129	3,513
Cheong Thard HOONG	25	9,814	18	9,857
Winnie Wing Kwan CHIU (appointed on 3 June 2019)	21	4,414	18	4,453
Independent Non-executive Directors:				
Kwok Wai CHAN	220	–	–	220
Lai Him Abraham SHEK (appointed on 3 June 2019)	182	–	–	182
Kwong Siu LAM	220	–	–	220
	743	22,300	167	23,210

David CHIU is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as Chief Executive.

The fee paid or payable to Executive Directors and Independent Non-executive Directors shown above were mainly for their services in connection with their services as directors of the Company.

The salaries, bonuses, other benefits and retirement benefits scheme contributions paid or payable to Executive Directors shown above were mainly for their services in connection with the management of the affairs of the Group.

Performance related incentive payment was paid/payable to Cheong Thard HOONG of HK$1,212,000 (2020: HK$1,212,000) and Craig Grenfell WILLIAMS of HK$4,448,000 (2020: HK$1,195,000) respectively and included in salaries and other benefits, which was determined with reference to their performances.

Neither the chief executive nor any of the directors waived any emoluments in the years ended 31 March 2021 and 31 March 2020.

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, three (2020: four) were directors whose emoluments are disclosed above. The remuneration of the remaining two (2020: one) individuals are as follows:

	2021 HK$'000	2020 HK$'000
Salaries and other benefits	5,147	3,505
Retirement benefits scheme contributions	36	120
	5,183	3,625

The emolument of five highest paid employees who are not directors of the Company was within the following bands:

	2021 Number of employee	2020 Number of employee
HK$2,500,001 to HK$3,000,000	2	–
HK$3,000,001 to HK$4,000,000	–	1
	2	1

No emolument was paid to the directors and the highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

15. INVESTMENT PROPERTIES

	Completed properties HK$'000	Properties under development HK$'000	Total HK$'000
At 1 April 2019	4,940,846	485,550	5,426,396
Additions	8,558	2,066,787	2,075,345
Reclassify from completed properties for sale	52,644	–	52,644
(Decrease) increase in fair value	(63,390)	42,525	(20,865)
Exchange alignment	(233,072)	(57,240)	(290,312)
At 31 March 2020	4,705,586	2,537,622	7,243,208
Additions	44,992	127,551	172,543
Reclassify to investment properties held for sale	(15,488)	–	(15,488)
Increase in fair value	367,062	15,820	382,882
Exchange alignment	282,196	94,407	376,603
At 31 March 2021	5,384,348	2,775,400	8,159,748

15. INVESTMENT PROPERTIES (continued)

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 18 years (2020: 1 to 18 years). The rental payment of leases of offices and retail stores are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

During the year ended 31 March 2020, the Group transferred certain completed properties for sale to investment properties at fair value of HK$52,644,000.

For the year ended 31 March 2020, the total cash outflow for acquiring leasehold land included in investment properties amounted to HK$2,066,787,000.

During the year ended 31 March 2021, fair value gain of investment properties amounting to HK$352,985,000 was recognised in the profit or loss which mainly relates to the fair value gain of an investment property situated in the PRC as a result of a new lease agreement of 18 years lease term entered into with an independent third party during the year.

During the year ended 31 March 2021, the Group entered into a sale and purchase agreement to dispose certain investment properties of the Group for a cash consideration of AUD2,625,000 (equivalent to HK$15,488,000). The carrying amount of the captioned investment properties was reclassified to investment properties held for sale and the transaction was completed before the issue date of this report.

The fair value of the completed investment properties in Hong Kong and outside Hong Kong at 31 March 2021, 31 March 2020 and at the date of transfer have been arrived at on the basis of a valuation carried out on those date by the following independent firm of qualified professional valuers not connected to the Group:

Location of the investment properties	Independent qualified professional valuers	Qualification
Australia	CBRE Valuations Pty Limited Colliers International (WA) Pty Ltd	Member of the Australian Property Institute
HK/PRC	Cushman & Wakefield Limited Knight Frank Petty Ltd	Member of the Hong Kong Institute of Surveyors
Singapore	Savills Valuation and Professional Services (S) Pte Ltd Knight Frank Pte Ltd	Member of the Singapore Institute of Surveyors and Valuers

15. INVESTMENT PROPERTIES (continued)

In determining the fair value of the relevant properties, the Group engages independent qualified professional valuers ("Valuers") to perform the valuation. The management of the Company works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management of the Company report the findings of the valuation to the board of directors of the Company periodically to explain the cause of fluctuations in the fair value of the investment properties.

The valuation of the completed investment properties, which falls under level 3 of the fair value hierarchy, was arrived at by reference to market unit rates which represent market evidence of transaction prices for similar properties at similar locations or by capitalisation of future rental which is estimated by reference to comparable rental as available in the relevant markets. In the valuation, the market rentals of all lettable units of the properties are made reference to the rentals achieved by the Group in the lettable units as well as those of similar properties in the neighbourhood. The capitalisation rate adopted is by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted for the valuer's knowledge of factors specific to the respective properties.

For investment properties under construction or development, which falls under level 3 of the fair value hierarchy, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for differences in locations and other factors specific to the respective properties based on the valuers' judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuers based on its analyses of recent land transactions and market value of similar completed properties in the respective locations.

The fair value measurement of Group's major investment properties and information about the fair value hierarchy at 31 March 2021 and 31 March 2020 are as follows:

The key inputs used in valuing the investment properties under the income capitalisation approach were the capitalisation rates used and market rent. A slight increase in the capitalisation rate used would result in a significant decrease in the fair value of the investment properties, and vice versa.

The key inputs used in valuing the investment properties under the direct comparison approach and under the residual value approach were the market unit rate and gross development value respectively. A significant increase in the market unit rate and gross development value would result in a significant increase in the fair value of the investment properties and investment properties under development respectively, and vice versa.

15. INVESTMENT PROPERTIES (continued)

Details of the significant unobservable input are as follows:

Class of property	Carrying amount 2021 HK$'000	Carrying amount 2020 HK$'000	Significant unobservable input(s)
Completed investment properties			
Income capitalisation approach			
Office portion in HK	**494,900**	504,800	(1) Capitalisation rate 2.125% – 2.375% (2020: 2.125% to 2.375%) per annum (2) Market rent HK$29 to HK$39 (2020: HK$29 to HK$40) per square feet
Retail portion in HK	**1,296,628**	1,268,329	(1) Capitalisation rate 2.5% – 3.5% (2020: 2.5% to 3.5%) per annum (2) Market rent HK$13.5 to HK$60.0 (2020: HK$13.5 to HK$20.7) per square feet
Car park in HK	**15,220**	8,500	(1) Capitalisation rate 3.2% (2020: 3.2%) per annum (2) Market rent HK$1,500 (2020: HK$1,500) per car park
Retail portion in the PRC	**1,820,740**	1,328,710	(1) Capitalisation rate 5% (2020: 4.5% to 6.5%) per annum (2) Market rent Renminbi ("RMB") 85 to RMB336 (2020: RMB37 to RMB266) per square metre
Office portion in the PRC	**59,000**	49,050	(1) Capitalisation rate 5.5% (2020: 4.5%) per annum (2) Market rent RMB85 (2020: RMB56) per square metre
Retail portion in Australia	**339,693**	257,809	(1) Capitalisation rate 4.75% to 12.5% (2020: 4.5% to 12.5%) per annum (2) Market rent Australian Dollar ("A$") 454 to A$12,974 (2020: A$500 to A$14,016) per square metre

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15. INVESTMENT PROPERTIES (continued)

Class of property	Carrying amount 2021 HK$'000	2020 HK$'000	Significant unobservable input(s)
Completed investment properties (continued)			
Direct comparison approach			**Market unit rate**
Car park in the PRC	**90,152**	92,650	RMB263,000 to RMB267,000 (2020: RMB262,000 to RMB263,000) per car park
Retail portion in Singapore	**140,788**	132,980	Singapore Dollar ("S$") 39,297 (2020: S$38,006) per square metre
Residential in Singapore	**1,127,227**	1,062,758	S$28,234 (2020: S$24,580) per square metre
	5,384,348	4,705,586	
Investment properties under development measured at fair value			
Residual value approach			**Gross development value**
Office, retail and carpark in HK	**1,560,000**	1,430,182	Gross development value of HK$15,000 (2020: HK$15,500) per square foot for office Gross development value of HK$22,000 (2020: HK$22,000) per square foot for retail Gross development value of HK$1,900,000 (2020: HK$1,900,000) per car park
Residential in the PRC	**1,215,400**	1,107,440	Gross development value of RMB8,100 (2020: RMB8,040 to RMB8,050) per square metre
	2,775,400	2,537,622	

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

The ongoing COVID-19 pandemic has resulted in greater market volatility depending on how the COVID-19 pandemic may progress and evolve which has led to higher degree of uncertainties in respect of the valuations in the current period, and independent valuers drew attention in their valuation reports in respect of investment properties located in Australia with fair value amounting to HK$339,693,000 (2020: HK$257,809,000) that the valuation is valid as at 31 March 2021 and the value assessed may change significantly and unexpectedly over a short period of time.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold lands HK$'000	Leased properties HK$'000	Owned properties Completed HK$'000	Owned properties Under development HK$'000	Leasehold improvements, furniture, fixtures and equipment HK$'000	Total HK$'000
COST						
At 1 April 2019	1,597,510	496,118	7,753,215	1,706,240	1,479,600	13,032,683
Additions	1,047,842	213,223	252,928	4,672	103,728	1,622,393
Transfer upon completion	–	–	975,424	(975,424)	–	–
Disposals	–	–	–	–	(9,387)	(9,387)
Exchange alignment	(40,955)	(85,043)	(592,308)	(73,130)	(87,507)	(878,943)
At 31 March 2020	2,604,397	624,298	8,389,259	662,358	1,486,434	13,766,746
Additions	–	49,347	5,312	918,587	48,747	1,021,993
Transfer upon completion	–	–	4,038	(4,038)	–	–
Disposals	–	–	–	–	(14,411)	(14,411)
Exchange alignment	47,058	111,440	672,600	158,683	104,261	1,094,042
At 31 March 2021	2,651,455	785,085	9,071,209	1,735,590	1,625,031	15,868,370
DEPRECIATION AND IMPAIRMENT						
At 1 April 2019	212,242	–	1,268,568	–	844,167	2,324,977
Provided for the year	42,760	89,931	214,050	–	115,726	462,467
Disposals	–	–	–	–	(3,196)	(3,196)
Exchange alignment	(8,954)	(8,047)	(77,614)	–	(83,743)	(178,358)
At 31 March 2020	246,048	81,884	1,405,004	–	872,954	2,605,890
Provided for the year	48,087	90,000	221,221	–	128,304	487,612
Disposals	–	–	–	–	(8,083)	(8,083)
Exchange alignment	26,867	8,348	91,011	–	62,970	189,196
At 31 March 2021	321,002	180,232	1,717,236	–	1,056,145	3,274,615
CARRYING VALUES						
At 31 March 2021	2,330,453	604,853	7,353,973	1,735,590	568,886	12,593,755
At 31 March 2020	2,358,349	542,414	6,984,255	662,358	613,480	11,160,856

The owned properties are depreciated on a straight-line basis over their useful lives ranging from 25 to 50 years or the remaining term of the lease of land, whichever is the shorter. The leasehold lands and leased properties are depreciated over the terms of the leases. Other items of property, plant and equipment are depreciated on a straight-line basis at the rates of 10% to 20% per annum. No depreciation is provided on freehold land and buildings under development.

The Group is in the process of obtaining the title of certain completed hotel properties located outside Hong Kong with carrying amount of HK$99,256,000 (2020: HK$109,069,000).

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16. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group as lessee

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

	Leasehold lands HK$'000	Leased properties HK$'000	Office equipment HK$'000	Total HK$'000
As at 31 March 2021				
Carrying amount	2,330,453	604,853	18,336	2,953,642
As at 31 March 2020				
Carrying amount	2,358,349	542,414	21,000	2,921,763
For the year ended 31 March 2021				
Depreciation charge	48,087	90,000	2,752	140,839
For the year ended 31 March 2020				
Depreciation charge	42,760	89,931	2,664	135,355

	2021 HK$'000	2020 HK$'000
Expense relating to short-term leases and leases of low-value assets	**1,821**	1,862
Additions to right-of-use assets	**49,347**	1,261,065
Total cash outflow for leases	**86,368**	1,146,198

The Group leases various car parks, offices and office equipment for its operations. Lease contracts are entered into for fixed term of 1 to 18 years (2020: 1 to 18 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several hotels and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group has extension options in a number of leases for car parks. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors. The Group assessed, at lease commencement date, it is reasonably certain to exercise the extension options. Therefore, all the relevant lease payments in the extended period have been included in the calculation of lease liabilities. In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year, there is no such triggering event.

The Group regularly entered into short-term leases for slot machines for gaming, motor vehicles and office equipment. As at 31 March 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of leases for which short-term lease expense was recognised.

17. GOODWILL

Goodwill arose from the acquisition of 73.75% equity interest in certain subsidiaries, which are engaged in car park operations, in previous year.

The management determines that there is no impairment on the carrying amount of the goodwill based on the estimated cash generated from the car park operations in Australia. The calculation uses cash flow projections based on financial budgets approved by the management covering a 5-years period, and at a discount rate of 17% (2020: 17%) per annum. The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeding its recoverable amount.

18. INTERESTS IN ASSOCIATES

	2021 HK$'000	2020 HK$'000
Unlisted investments, at cost	**1,346,021**	1,009,870
Share of post-acquisition results, net of dividends received	**454,595**	227,905
	1,800,616	1,237,775

Particulars of principal associates, which are incorporated and operating in Hong Kong except otherwise indicated, at the end of the reporting period are as follows:

Name of associate	Class of shares held	Registered capital/ Proportion of nominal value of issued capital held by the Company indirectly		Principal activities
		2021	2020	
Bermuda Investments Limited	Ordinary	**25%**	25%	Property investment
Omicron International Limited*	Ordinary	**30%**	30%	Investment holding
Peacock Estates Limited	Ordinary	**25%**	25%	Property investment
Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd+	Ordinary	**25%**	25%	Property development

* Incorporated in the British Virgin Islands and operating in HK
\+ Incorporated and operating in Australia

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

18. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates

Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd ("DBC") is regarded as the material associate of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this associate is set out below and represents amounts shown in the associate's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"), equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of DBC for the year ended 31 March 2021 and 2020 was as follows:

	2021 HK$'000	2020 HK$'000
Non-current assets	1,632,837	1,346,469
Current assets	5,170,170	3,009,086
Non-current liabilities	(184,747)	(158,586)
Current liabilities	(443,137)	(302,172)

	2021 HK$'000	2020 HK$'000
Revenue	–	–
Loss for the year	(14,690)	(11,855)
Other comprehensive income (expense) for the year	950,412	(494,052)
Total comprehensive income (expense) for the year	935,722	(505,907)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2021 HK$'000	2020 HK$'000
Net assets of DBC	6,175,123	3,894,797
Proportion of the Group's ownership interest in DBC	25%	25%
Carrying amount of the Group's interest in DBC	1,543,781	973,699

18. INTERESTS IN ASSOCIATES (continued)

Aggregate information of associates that are not individually material:

	2021 HK$'000	2020 HK$'000
The Group's share of loss and other comprehensive expense after tax	(9,435)	(8,521)
Aggregate carrying value of the Group's interest in these associates	256,835	264,076

The Group has discontinued to recognise its share of losses of certain associates. The amounts of unrecognised share of losses of those associates, extracted from the relevant management accounts of the associates, both for the year and cumulatively, are as follows:

	2021 HK$'000	2020 HK$'000
The unrecognised share of losses for the year	(13)	–
Cumulative unrecognised share of losses	(51,166)	(51,153)

19. INTERESTS IN JOINT VENTURES

(a) Joint ventures

	2021 HK$'000	2020 HK$'000
Unlisted investments, at cost	1,083,039	785,333
Share of post-acquisition results, net of dividends/distributions received	12,788	6,518
Less: impairment	(5)	(5)
	1,095,822	791,846

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19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Particulars of the Group's principal joint ventures at the end of the reporting period are as follows:

Name of entity	Country of registration/ incorporation and operation	Proportion of registered capital held by the Company indirectly		Principal activities
		2021	2020	
Guangdong Xin Shi Dai Real Estate Limited	PRC	**50%**	50%	Property development
QWB Residential Precinct Holdings Pty Ltd	Australia	**50%**	50%	Property development
BC Group Holdings Limited	Cayman Islands	**52.03%**	50.66%	Provision of mortgage service
Destination Gold Coast Consortium Pty Ltd	Australia	**33%**	33%	Property development
Destination Gold Coast Consortium Hotel Pty Ltd	Australia	**33%**	33%	Hotel operation
Destination Gold Coast Investments Pty Ltd	Australia	**25%**	25%	Hotel operation
Cuscaden Homes Pte Limited	Singapore	**10%**	10%	Property development

The Group and the other joint venturers are contractually agreed sharing of control and have rights to the net assets of these entities. The decisions about the relevant activities of these entities required unanimous consent of the Group and the other joint venturers. Accordingly, these investments are accounted for as joint ventures.

Summarised financial information of material joint ventures

(i) QWB Residential Precinct Holdings Pty Limited (the "QWB Residential") is regarded as a material joint venture of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this joint venture is set out below and represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with IFRSs, equivalent to HKFRSs.

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(i) (continued)

The summarised financial information regarding the assets and liabilities of QWB Residential for the year ended 31 March 2021 and 2020 was as follows:

	2021 HK$'000	2020 HK$'000
Non-current assets	**15,636**	–
Current assets	**889,577**	475,245
Current liabilities	**(43,503)**	(61,521)
The above amounts of assets include the following:		
Cash and cash equivalents	**29,428**	11,498
Revenue	**–**	–
Loss for the year	**(3)**	(5)
Other comprehensive income (expense) for the year	**130,259**	(97,539)
Total comprehensive income (expense) for the year	**130,256**	(97,544)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2021 HK$'000	2020 HK$'000
Net assets of QWB Residential	**861,710**	413,724
Proportion of the Group's ownership interest in QWB Residential	**50%**	50%
Carrying amount of the Group's interest in QWB Residential	**430,855**	206,862

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(ii) BC Group Holdings Limited ("BC Group") is regarded as a material joint venture of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this joint venture is set out below and represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with IFRSs, equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of BC Group for the year ended 31 March 2021 and 2020 was as follows:

	2021 HK$'000	2020 HK$'000
Non-current assets	**6,923,974**	4,753,373
Current assets	**606,673**	474,213
Non-current liabilities	**(7,367,142)**	(5,007,269)
Current liabilities	**(43,905)**	(133,217)
The above amounts of assets and (liabilities) include the following:		
Cash and cash equivalents	**594,098**	369,572
Loan receivables	**6,852,033**	4,657,899
Notes	**(7,367,142)**	(4,972,163)
Revenue	**155,106**	119,093
Expenses	**(112,282)**	(100,236)
Income tax expense	**(11,338)**	(10,395)
Profit for the year	**31,486**	8,462
Other comprehensive income (expense) for the year	**10,065**	(6,992)
Total comprehensive income for the year	**41,551**	1,470

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2021 HK$'000	2020 HK$'000
Net assets of the BC Group	**119,600**	87,100
Proportion of the Group's ownership interest in BC Group	**52.03%**	50.66%
The Group's share of net assets of BC Group	**62,228**	44,125
Goodwill	**142,336**	142,336
Carrying amount of the Group's interest in BC Group	**204,564**	186,461

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(iii) Aggregate information of joint ventures that are not individually material:

	2021 HK$'000	2020 HK$'000
The Group's share of loss after tax	**(47,464)**	(1,409)
The Group's share of total comprehensive expense	**(47,464)**	(1,409)
Aggregate carrying value of the Group's interest in these joint ventures	**460,403**	398,523

(b) Joint operation

During the year ended 31 March 2015, a subsidiary of the Group as developer (the "Developer") has entered into development agreement ("Agreement") with Urban Renewal Authority ("URA") in form of joint operation to engage in residential/commercial property development and sales in Hong Kong. Under the Agreement, the Developer is mainly responsible for the development of the project. Units in the development will be sold or disposed of by URA in accordance with the terms and conditions of the Agreement and sales proceeds arising therefrom will be distributed between URA and the Developer pursuant to the terms and conditions of the Agreement.

The material amounts included in the consolidated financial statements arising from the joint operation are as follow:

	2021 HK$'000	2020 HK$'000
Analysis of financial position:		
Properties for sales	**–**	24,365
Deposit receivable from stakeholders	**25**	25
Account payables, other payables and accruals	**(5,014)**	(10,765)
Analysis of profit or loss:		
Revenue	**40,000**	421,115
Cost of sales	**(26,788)**	(246,758)

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20. INVESTMENT SECURITIES

	2021 HK$'000	2020 HK$'000
(i) Financial assets at FVTPL		
(a) Investments held for trading		
Listed equity securities	**6,336**	20,790
(b) Debt instruments at FVTPL		
Listed debt securities	**351,266**	474,634
Unlisted debt securities	**34,029**	242,602
	385,295	717,236
(c) Equity instruments at FVTPL		
Unlisted equity securities	**4,506**	5
(d) Investment funds	**424,666**	237,206
(e) Structured notes	**233,759**	–
	1,054,562	975,237
(ii) Financial assets at FVTOCI		
(a) Debt instruments at FVTOCI		
Listed debt securities	**1,834,355**	1,435,031
Unlisted debt securities	**194,489**	146,189
	2,028,844	1,581,220
(b) Equity instruments at FVTOCI		
Equity securities listed overseas	**1,059,400**	470,943
Total	**4,142,806**	3,027,400

	2021 HK$'000	2020 HK$'000
Analysed for reporting purposes as:		
Non-current assets	**1,136,241**	492,852
Current assets	**3,006,565**	2,534,548
	4,142,806	3,027,400

20. INVESTMENT SECURITIES (continued)

Other than the investment held for trading, the classification of investment securities under current assets is based on the realisation plan of the investment securities estimated by the management to meet with the Group's outflow in coming next twelve months.

Investment securities that are denominated in Australian dollar ("A$"), Euro ("EUR"), British Pounds ("GBP"), United State Dollar ("USD") and Singapore Dollar ("S$"), amounted to A$42,154,000 (equivalent to HK$248,708,000) (2020: A$93,859,000 (equivalent to HK$448,644,000)), EUR9,307,000 (equivalent to HK$84,691,000) (2020: EUR17,446,000 (equivalent to HK$148,979,000)), GBP5,564,000 (equivalent to HK$59,184,000) (2020: GBP6,670,000 (equivalent to HK$63,834,000)), USD325,321,000 (equivalent to HK$2,524,449,000) (2020: USD228,755,000 (equivalent to HK$1,770,564,000)) and S$15,001,000 (equivalent to HK$86,557,000) (2020: S$14,880,000 (equivalent to HK$80,971,000)) respectively. All other investment securities are denominated in functional currency of the respective group entities.

21. LOAN RECEIVABLES

	2021 HK$'000	2020 HK$'000
Loan receivables	**217,905**	268,920
Less: Amount due within one year and classified under current assets	**(7,029)**	(9,269)
Amount due after one year	**210,876**	259,651

Loan receivables represent mortgage loans secured by the properties of the borrowers.

Included in loan receivables is an amount of HK$5,683,000 (2020: HK$8,330,000) which bear interest ranging at prime rate minus 1.5% for first two years and prime rate plus 0.5% for the remaining period; an amount of HK$14,906,000 (2020: HK$23,987,000) are interest-free for the first 3 years and bear interest at prime rate per annum and are repayable by instalment thereafter; an amount of HK$197,252,000 (2020: HK$235,810,000) which bear interest ranging from prime rate minus 3% to prime rate plus 2% for whole loan period and the remaining balance of HK$64,000 (2020: HK$793,000) are unsecured, interest-free and repayable on demand.

Details of impairment assessment of loan receivables are set out in note 46.

22. PLEDGED DEPOSITS, RESTRICTED BANK DEPOSITS, DEPOSIT IN A FINANCIAL INSTITUTION, BANK BALANCES AND CASH

Pledged deposits included in non-current assets carry interest at rates ranging from 0.00% to 1.95% (2020: 0.00% to 2.45%) per annum. These deposits are pledged to secure bank loans repayable after one year.

The pledged deposits shown under current assets carry interest at market rates ranging from 0.00% to 2.03% (2020: 0.00% to 3.25%) per annum. These deposits, with maturity dates ranging from 1 to 6 months, are pledged to secure bank borrowings repayable within one year.

Restricted bank deposits, carry interest at market rates ranging from 0.00% to 0.35% (2020: 0.30% to 1.63%), represent custody deposits paid in banks in relation to certain banking facility arrangements of the Group and deposits can be solely applied for settlement of development cost of designated property projects.

Deposit in a financial institution carries interest at a rate of 0.00% to 0.25% (2020: 0.00% to 0.25%) per annum.

Bank deposits with maturity of less than three months and bank balances carry interest at market rates ranging from 0.00% to 2.00% (2020: 0.00% to 2.00%) per annum.

Bank balances and cash that are denominated in A$, EUR, GBP, S$ and USD, amounted to A$1,647,000 (equivalent to HK$9,720,000) (2020: A$19,527,000 (equivalent to HK$93,339,000)), EUR16,957,000 (equivalent to HK$154,416,000) (2020: EUR6,468,000 (equivalent to HK$55,108,000)), GBP17,630,000 (equivalent to HK$187,932,000) (2020: GBP10,312,000 (equivalent to HK$98,959,000)), S$1,775,000 (equivalent to HK$10,243,000) (2020: S$1,025,000 (equivalent to HK$5,578,000)) and USD184,675,000 (equivalent to HK$1,433,070,000) (2020: USD132,466,000 (equivalent to HK$1,025,288,000)) respectively. All other bank balances and cash are denominated in functional currency of the respective group entities.

Details of impairment assessment of pledged deposits, restricted bank deposits, deposit in a financial institution, bank balances and cash are set out in note 46.

23. PROPERTIES FOR SALE

Included in properties for sale are properties with carrying value of HK$6,966,928,000 (2020: HK$7,685,565,000) which are not expected to be realised within the next twelve months.

24. DEBTORS, DEPOSITS AND PREPAYMENTS

	2021 HK$'000	2020 HK$'000
Trade debtors		
– Contracts with customers	**863,853**	147,121
– Lease receivables	**22,905**	11,443
Less: allowance for expected credit loss	**(46,156)**	(35,106)
	840,602	123,458
Utility and other deposits	**52,809**	63,909
Prepayment and other receivables	**184,671**	138,241
Other tax recoverable	**65,755**	53,483
	1,143,837	379,091

The following is an aged analysis of trade debtors and lease receivables, net of allowance for expected credit losses, based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date except unbilled receivables from sales of properties recognised over time:

	2021 HK$'000	2020 HK$'000
Unbilled (Note)	**665,292**	–
0–60 days	**130,198**	97,290
61–90 days	**6,119**	8,742
Over 90 days	**38,993**	17,426
	840,602	123,458

Note: The amount represents unbilled unconditional receivables from sales of properties upon handing over of the properties to the customers. The aged analysis of unbilled receivables, which is based on revenue recognition, are as follows:

	2021 HK$'000	2020 HK$'000
0–60 days	**658,362**	–
Over 90 days	**6,930**	–
	665,292	–

24. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

Trade debtors mainly represent receivables from renting of properties, use of hotel facilities and sales of properties. Rentals are payable on presentation of demand notes. Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of 14 to 60 days to its corporate customers and travel agents.

Proceeds from sales of properties are settled according to the payment terms of the sale and purchase agreements.

As at 31 March 2021, included in the Group's trade and lease receivables balances are debtors with an aggregate carrying amount of HK$45,112,000 (2020: HK$26,168,000) which are past due at the reporting date. Out of the past due balances, HK$38,993,000 (2020: HK$17,426,000) has been past due 90 days or more and is not considered as in default as the default risk of these debtors is low after considering the creditworthiness and past payment history of these debtors and forward-looking information available at the end of the reporting period. The Group does not hold any collateral over these balances. The Group has no significant concentration on trade and lease receivables as the amounts spread over a number of counterparties and customers.

Details of impairment assessment of trade and other receivables are set out in note 46.

25. CUSTOMERS' DEPOSITS UNDER ESCROW

The amount represents the portion of the sales proceeds that have been settled by the buyers of properties and are being held in the escrow accounts. During the construction period, the amount is earmarked for payment of certain properties under development and repayment of relevant bank loans. The fund is remitted to the Group upon the issuance of the relevant certificates by the relevant government authorities.

Details of impairment assessment of customers' deposits under escrow are set out in note 46.

26. CONTRACT ASSETS

As at 1 April 2019, contract assets amounted to HK$215,565,000.

The contract assets relate to the Group's right to consideration for work performance and not billed because the right is conditional on the Group's future performance. The contract assets are transferred to trade debtors when the right becomes unconditional.

The Group's sales contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits of certain percentage of total contract sum as part of its credit risk management policies.

Details of impairment assessment of contract assets are set out in note 46.

27. CONTRACT COSTS

Contract costs capitalised as at 31 March 2021 and 2020 relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of selling and marketing expenses in the consolidated statement of profit or loss in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was HK$189,710,000 (2020: HK$148,200,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year (2020: nil).

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts relating to the sale of completed properties and services as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

28. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2021 HK$'000	2020 HK$'000	**2021 HK$'000**	2020 HK$'000
Derivatives that are not designated in hedge accounting relationships:				
Interest rate swap contracts	**3,451**	–	**–**	(3,128)
Cross currency swap contracts	**80**	37,222	**(13,852)**	(269)
	3,531	37,222	**(13,852)**	(3,397)
Analysed for reporting purpose as:				
Current	**3,531**	–	**(7,045)**	(3,397)
Non-current	**–**	37,222	**(6,807)**	–
	3,531	37,222	**(13,852)**	(3,397)

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29. CREDITORS AND ACCRUALS

	2021 HK$'000	2020 HK$'000
Trade creditors		
– Construction cost and retention payable	**805,054**	666,631
– Others	**67,907**	74,838
	872,961	741,469
Construction cost and retention payable for capital assets	**201,714**	31,343
Rental deposits and rental receipts in advance	**56,345**	56,319
Other payables and accrued charges	**563,869**	435,504
	1,694,889	1,264,635

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

	2021 HK$'000	2020 HK$'000
0–60 days	**731,780**	700,139
61–90 days	**5,069**	3,623
Over 90 days	**136,112**	37,707
	872,961	741,469

30. CONTRACT LIABILITIES

	2021 HK$'000	2020 HK$'000
Sales of properties	**689,615**	310,598

As at 1 April 2019, contract liabilities amounted to HK$974,166,000.

The Group receives amounts ranging from 5% to 20% of the contract value as deposits from customers when they sign the sale and purchase agreement. The amount is expected to be settled within the Group's normal operating cycle and is classified as current based on the Group's earliest obligation to transfer the properties to customers.

During the year ended 31 March 2021, the Group has recognised revenue of HK$152,936,000 (2020: HK$877,578,000) that was included in the contract liabilities balance at the beginning of the year.

31. BANK AND OTHER BORROWINGS

	2021 HK$'000	2020 HK$'000
Bank loans	**21,571,315**	19,015,955
Other loans	**853,592**	929,007
	22,424,907	19,944,962
Less: front-end fee	**(67,142)**	(33,200)
	22,357,765	19,911,762
Analysed for reporting purpose as:		
Secured	**18,853,373**	16,557,962
Unsecured	**3,571,534**	3,387,000
	22,424,907	19,944,962
Current liabilities	**10,438,601**	6,505,953
Non-current liabilities	**11,919,164**	13,405,809
	22,357,765	19,911,762

	Bank loans		Other loans	
	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:				
Revolving loans without specified repayment terms and loans repayable within one year	**6,879,524**	3,611,662	**853,592**	929,007
More than one year, but not exceeding two years	**5,939,369**	5,980,433	**–**	–
More than two years, but not exceeding five years	**5,485,321**	7,109,418	**–**	–
More than five years	**494,474**	315,958	**–**	–
	18,798,688	17,017,471	**853,592**	929,007
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:				
Within one year	**1,552,474**	1,056,408	**–**	–
More than one year, but not exceeding two years	**356,227**	430,017	**–**	–
More than two years, but not exceeding five years	**717,957**	387,403	**–**	–
More than five years	**78,827**	91,456	**–**	–
	2,705,485	1,965,284	**–**	–
	21,504,173	18,982,755	**853,592**	929,007

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31. BANK AND OTHER BORROWINGS (continued)

Currencies	Interest rates	2021 HK$'000	2020 HK$'000
HK$	Hong Kong Interbank Offered Rate ("HIBOR") plus 0.75% to 1.6% (2020: HIBOR plus 0.75% to 2.1%)	**11,843,997**	10,528,031
RMB	3 to 5 years or above People's Bank of China Prescribed Interest Rate ("PBOC PIR") (2020: 3 to 5 years PBOC PIR)	**716,628**	491,820
S$	Singapore Swap Offered Rate ("S$ SOR") plus 0.68% to 1.1% (2020: S$ SOR plus 0.68% to 1.1%)	**3,200,677**	3,399,361
MYR	Malaysia Base Lending Rates ("Malaysia BLR") minus 1.50% and Malaysia Bank's Cost of Funds ("Malaysia COF") plus 1.50% (2020: Malaysia BLR minus 1.50% and Malaysia COF plus 1.50%)	**135,551**	160,750
A$	Australia Bank Bill Swap Bid Rate plus 1.5% to 2.0% (2020: Australia Bank Bill Swap Bid Rate plus 1.40% to 1.80%)	**3,794,215**	3,995,130
GBP	LIBOR plus 1.72% to 2.75% (2020: LIBOR plus 1.85% to 2.75%)	**1,498,327**	1,044,740
USD	LIBOR plus 1.35% (2020: LIBOR plus 1.35%)	**1,134,103**	29,325
EUR	Czech Republic Lombard Rate ("Czech Republic LR") plus 1.95% to 3.1% (2020: Czech Republic LR plus 1.95% to 3.1%)	**101,409**	295,805
		22,424,907	19,944,962

Bank and other borrowings that are denominated in GBP, A$, USD and EUR, amounted to GBP3,399,000 (equivalent to HK$36,214,000) (2020: GBP3,395,000 (equivalent to HK$32,432,000)), A$27,000,000 (equivalent to HK$159,300,000) (2020: Nil), USD153,212,000 (equivalent to HK$1,134,103,000) (2020: USD3,784,000 (equivalent to HK$29,325,000)) and EUR9,541,000 (equivalent to HK$86,709,000) (2020: EUR16,599,000 (equivalent to HK$141,809,000)) respectively. All other bank and other borrowings are denominated in functional currency of the respective group entities.

32. LEASE LIABILITIES

	2021 HK$'000	2020 HK$'000
Lease liabilities payable:		
Within one year	**81,139**	77,253
Within a period of more than one year but not more than two years	**79,811**	74,362
Within a period of more than two years but not more than five years	**162,853**	148,169
More than five years	**403,094**	324,555
	726,897	624,339
Less: Amount due for settlement with 12 months shown under current liabilities	**(81,139)**	(77,253)
Amount due for settlement after 12 months shown under non-current liabilities	**645,758**	547,086

All lease obligations that are denominated in functional currencies of the relevant group entities.

The weighted average incremental borrowing rate applied to lease liabilities ranged from 1.5% to 6.0% (2020: 1.5% - 6.0%).

33. AMOUNTS DUE FROM/TO SHAREHOLDERS OF NON-WHOLLY OWNED SUBSIDIARIES

As at 31 March 2020, included in the amounts due to shareholders of non-wholly owned subsidiaries is an amount of S$46,709,000 (equivalent to HK$387,867,000) due to a shareholder of a non-wholly owned subsidiary for financing the property development project in Singapore. The amount is unsecured, interest-free and due to a shareholder of FEC Skyline Pte. Ltd ("FEC Skyline"), a 70% subsidiary of the Company. In accordance with the contractual terms of the shareholders' agreements, the amount is repayable only when FEC Skyline has available cash, which represent cash proceeds received from the business after payment of operating expenses as provided in the annual budget including but not limited to bank loans and/or other financial institutions which are due for repayment together with the accrued interest. The amount due to a shareholder of a non-wholly owned subsidiary has been repaid in August 2020. The difference between the principal amount of the advance and its fair value at initial recognition amounting to HK$19,681,000 has been included in the non-controlling interest as deemed capital contribution arising from interest-free loan advanced by a non-controlling shareholder during the year ended 31 March 2017. As at 31 March 2021, the amount of S$18,927,000 (equivalent to HK$109,211,000) due from a shareholder of a non-wholly owned subsidiary is the advance of the expected return to be declared to a shareholder of FEC Skyline as a result of sales of the property development project. The amount is unsecured, interest-free and repayable on demand.

As at 31 March 2021, included in the amounts due to shareholders of non-wholly owned subsidiaries is an amount of S$27,975,000 (equivalent to HK$161,414,000) due to a shareholder of FEC Skypark Pte. Ltd ("FEC Skypark"), a 80% subsidiary of the Company for financing the property development project in Singapore. The amount is unsecured, interest-free and repayable on demand.

The remaining amounts due to shareholders of non-wholly owned subsidiaries under current liabilities are unsecured, interest-free and either repayable on demand or without fixed terms of repayment.

34. NOTES

	2029 Notes HK$'000	2023 Notes HK$'000	2021 Notes HK$'000	2030 Notes HK$'000	2033 Notes HK$'000	2024 Notes HK$'000	Total HK$'000
At 1 April 2019	–	1,167,006	2,342,493	–	–	–	3,509,499
Issue of new notes	80,000	–	–	–	–	–	80,000
Less: transaction costs directly attributable to issue	(2,783)	–	–	–	–	–	(2,783)
Interest charged during the year	2,503	54,590	91,462	–	–	–	148,555
Interest paid during the year	(2,040)	(32,251)	(81,794)	–	–	–	(116,085)
Interest payable due within 12 months and included in other payable	(306)	(20,172)	(5,805)	–	–	–	(26,283)
Exchange adjustments	19	(14,898)	(29,900)	–	–	–	(44,779)
At 31 March 2020	77,393	1,154,275	2,316,456	–	–	–	3,548,124
Issue of new notes	–	–	–	200,000	200,000	1,818,900	2,218,900
Less: transaction costs directly attributable to issue	–	–	–	(1,542)	(2,656)	(9,702)	(13,900)
Interest charged during the year	4,350	49,793	81,354	6,816	4,132	18,715	165,160
Interest paid during the year	(3,774)	(28,716)	(72,912)	(5,249)	–	–	(110,651)
Interest payable due within 12 months and included in other payable	(304)	(18,977)	(4,399)	(1,467)	(4,027)	(18,084)	(47,258)
Repurchased and cancelled	–	(63,352)	(490,323)	–	–	–	(553,675)
Exchange adjustments	(2)	2,820	4,723	–	–	4,675	12,216
At 31 March 2021	77,663	1,095,843	1,834,899	198,558	197,449	1,814,504	5,218,916

34. NOTES (continued)

2021 Notes

On 8 September 2016, the Company issued notes with aggregate principal amount of USD 300,000,000 with maturity date on 8 September 2021 (the "2021 Notes") to independent third party. The 2021 Notes bear interest at 3.75% per annum payable semi-annually. As at 31 March 2021, the aggregate principal amount of the 2021 Notes outstanding was USD236,630,000 (equivalent to HK$1,836,249,000) (2020: USD300,000,000 (equivalent to HK$2,322,000,000)).

2023 Notes

On 6 November 2017, the Company issued notes with aggregate principal amount of USD150,000,000 with maturity date on 13 May 2023 (the "2023 Notes") to independent third party. The 2023 Notes bear interest at 4.5% per annum payable semi-annually. As at 31 March 2021, the aggregate principal amount of the 2023 Notes outstanding was USD141,775,000 (equivalent to HK$1,100,174,000) (2020: USD150,000,000 (equivalent to HK$1,161,000,000)).

2024 Notes

On 21 January 2021, a subsidiary of the Company issued notes with aggregate principal amount of USD235,000,000 with maturity date on 21 January 2024 (the "2024 Notes") to independent third party. The 2024 Notes bear interest at 5.10% per annum payable semi-annually. As at 31 March 2021, the aggregate principal amount of the 2024 Notes outstanding was USD235,000,000 (equivalent to HK$1,823,600,000).

2029 Notes

On 5 September 2019, a subsidiary of the Company issued notes with aggregate principal amount of HK$80,000,000 with maturity date on 5 September 2029 (the "2029 Notes") to independent third party. The 2029 Notes bear interest at 5.1% per annum payable semi-annually. As at 31 March 2021, the aggregate principal amount of the 2029 Notes outstanding was HK$80,000,000 (2020: HK$80,000,000).

2030 Notes

On 6 August 2020, a subsidiary of the Company issued notes with aggregate principal amount of HK$200,000,000 with maturity date on 6 August 2030 (the "2030 Notes") to independent third party. The 2030 Notes bear interest at 5.15% per annum payable semi-annually. As at 31 March 2021, the aggregate principal amount of the 2030 Notes outstanding was HK$200,000,000.

2033 Notes

On 12 November 2020, a subsidiary of the Company issued notes with aggregate principal amount of HK$200,000,000 with maturity date on 11 February 2033 (the "2033 Notes") to independent third party. The 2033 Notes bear interest at 5.25% per annum payable semi-annually. As at 31 March 2021, the aggregate principal amount of the 2033 Notes outstanding was HK$200,000,000.

Details of the issue of the 2023 Notes and 2021 Notes were disclosed in the Company's circular dated 7 November 2018 and 25 August 2016, respectively.

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35. DEFERRED TAXATION

The major deferred tax liabilities (assets) recognised by the Group, and movements thereon during the current and prior years are as follows:

	Accelerated tax depreciation HK$'000	Revaluation of investment properties HK$'000	Revaluation of assets HK$'000	Fair value adjustments on business combination HK$'000	Tax losses HK$'000	Provision of LAT HK$'000	Others HK$'000 (Note)	Total HK$'000
At 1 April 2019	86,250	306,453	70,448	44,913	(68,021)	(23,556)	329,101	745,588
(Credit) charge to profit or loss	(1,867)	8,010	–	(1,245)	(14,051)	(8,367)	74,681	57,161
Exchange alignment	(441)	(234)	(7,886)	(852)	7,235	1,130	7,963	6,915
At 31 March 2020	83,942	314,229	62,562	42,816	(74,837)	(30,793)	411,745	809,664
(Credit) charge to profit or loss	(4,019)	88,377	–	(2,478)	7,833	(145,964)	(70,614)	(126,865)
Exchange alignment	(1,754)	28,232	17,998	(177)	3,993	(5,787)	72,275	114,780
At 31 March 2021	78,169	430,838	80,560	40,161	(63,011)	(182,544)	413,406	797,579

Note: Others mainly represent the temporary difference arising from the deduction of the interest expenses and development expenditure of overseas subsidiaries at the development stage.

For the purposes of presentation of the consolidated statement of financial position, certain deferred tax (assets) liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2021 HK$'000	2020 HK$'000
Deferred tax assets	(249,086)	(93,653)
Deferred tax liabilities	1,046,665	903,317
	797,579	809,664

The Group recognises deferred tax in respect of the change in fair value of the investment properties located in the PRC and Australia, as these properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in these investment properties over the time, i.e. through usage of such properties for rental purpose except for the freehold lands, which are always presumed to be recovered entirely through sales. No deferred tax recognised in respect of the change in fair value of the investment properties located in Hong Kong and Singapore, as those properties were recovered through sales.

At 31 March 2021, the Group has unused tax losses of HK$2,096,198,000 (2020: HK$1,715,284,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK$480,266,000 (2020: HK$331,086,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$1,615,932,000 (2020: HK$1,384,198,000) due to the unpredictability of future profit streams.

35. DEFERRED TAXATION (continued)

At 31 March 2021, the Group has deductible temporary difference in relation to accelerated accounting depreciation of property, plant and equipment amounted to HK$447,512,000 (2020: HK$380,369,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for on the temporary differences attributable to profits of the subsidiaries of the PRC generated after 1 January 2008, Australia and Singapore of HK$4,947,619,000 (2020: HK$3,791,780,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

36. SHARE CAPITAL

	Number of ordinary shares of HK$0.10 each	Nominal value HK$'000
Authorised	4,000,000,000	400,000
Issued and fully paid:		
At 1 April 2019	2,351,690,302	235,169
Share repurchase	(42,672,000)	(4,267)
Issue of shares in lieu of cash dividends (i)	60,402,907	6,040
At 31 March 2020	2,369,421,209	236,942
Share repurchase	(18,775,000)	(1,877)
Issue of shares in lieu of cash dividends (ii)	44,430,532	4,443
At 31 March 2021	2,395,076,741	239,508

(i) On 18 February 2020 and 31 October 2019, the Company issued and allotted 9,928,874 and 50,474,033 new fully paid shares of HK$0.10 each at HK$3.766 and HK$3.276 respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2020 interim dividend and 2019 final dividend pursuant to the scrip dividend scheme announced by the Company on 28 December 2019 and 3 September 2019 respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(ii) On 5 February 2021 and 6 November 2020, the Company issued and allotted 8,670,651 and 35,759,881 new fully paid shares of HK$0.10 each at HK$2.690 and HK$2.218 respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2021 interim dividend and 2020 final dividend pursuant to the scrip dividend scheme announced by the Company on 28 December 2020 and 24 September 2020 respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

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36. SHARE CAPITAL (continued)

(iii) During the year ended 31 March 2021, the Company, through its subsidiary, repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share purchased	Price per share Highest HK$	Lowest HK$	Aggregate consideration paid HK$'000
April 2020	**9,258,000**	**2.70**	**2.64**	**24,442**
June 2020	**9,517,000**	**2.48**	**2.34**	**24,078**

During the year ended 31 March 2020, the Company, through its subsidiary, repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share purchased	Price per share Highest HK$	Lowest HK$	Aggregate consideration paid HK$'000
July 2019	5,550,000	3.84	3.52	21,090
August 2019	9,693,000	3.90	3.36	34,604
September 2019	2,727,000	3.57	3.49	9,299
October 2019	4,855,000	3.34	3.31	15,633
February 2020	8,276,000	3.94	3.55	30,042
March 2020	11,571,000	3.49	2.91	31,010

The shares were cancelled during the year and accordingly the issued share capital and the share premium was reduced by the nominal value of these shares and the premium paid on repurchase respectively.

All the shares issued during the years ended 31 March 2021 and 2020 rank pari passu in all respects with the existing shares in the Company.

During the year, except the amount disclosed above for listed shares, the amount of notes disclosed in note 34 and the amount of perpetual capital notes disclosed in note 37, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, notes or perpetual capital notes.

37. PERPETUAL CAPITAL NOTES

On 12 September 2019, 16 September 2019 and 24 February 2020, FEC Finance Limited ("FEC Finance"), an indirect wholly owned subsidiary of the Group, issued USD250,000,000, USD50,000,000 and USD60,000,000 7.375% guaranteed perpetual capital notes ("2019 Perpetual Capital Notes") at an issue price of 100 per cent of the aggregate nominal amount of the 2019 Perpetual Capital Notes. Any amount payable arising from distribution or redemption were unconditionally and irrevocably guaranteed by the Company under the USD1,000,000,000 guaranteed medium term note programme. Distribution on 2019 Perpetual Capital Notes are payable semi-annually in arrears on April and October each year ("Distributions Payment Date") and can be deferred at the discretion of FEC Finance and is not subject to any limit as to the number of times distributions. The 2019 Perpetual Capital Notes have no fixed maturity and are redeemable at FEC Finance's option on 18 October 2024 or any Distributions Payment Date at their principal amounts. While any distributions are unpaid or deferred, the Company cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Company.

During the year ended 31 March 2021, the Company through its wholly-owned subsidiary, repurchased and subsequently sold 2019 Perpetual Capital Notes with an aggregate principal amount of US$17,000,000.

The perpetual capital notes are classified as equity instrument. Any distributions made by FEC Finance to the holders are recognised in equity in the consolidated financial statements of the Group.

38. MAJOR NON-CASH TRANSACTIONS

(i) The Company issued shares in lieu of cash dividend payable to the Company's shareholders totalling HK$102,647,000 (2020: HK$202,755,000).

(ii) During the year ended 31 March 2021, the Group entered into new lease agreement for the use of leased properties for five years, the Group recognised HK$49,347,000 (2020: HK$213,223,000) of right-of-use assets and lease liabilities.

39. CHARGE ON ASSETS

Bank borrowing of HK$18,853,373,000 (2020: HK$16,557,962,000) and lease liabilities of HK$13,057,000 (2020: HK$15,783,000) outstanding at the end of the reporting period are secured by a fixed charge over the following assets of the Group and together with a floating charge over other assets of the property owners and benefits accrued to those properties:

	2021 **HK$'000**	2020 HK$'000
Investment properties	**5,346,129**	4,971,580
Property, plant and equipment (excluding right-of-use assets)	**7,078,994**	6,124,724
Right-of-use assets	**1,129,049**	1,510,185
Properties for sale	**11,522,516**	8,263,088
Bank deposits	**386,575**	72,009
Investment securities	**769,282**	824,953
	26,232,545	21,766,539

In addition, the shares of certain subsidiaries are pledged as securities to obtain certain banking facilities granted to the Group at the end of the reporting period.

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39. CHARGE ON ASSETS (continued)

Restrictions or covenants on leases

In addition lease liabilities disclosed above, lease liabilities of HK$713,840,000 (2020: HK$608,556,000) are recognised with related right-of-use assets of HK$604,853,000 (2020: HK$542,414,000) as at 31 March 2021. 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.

40. CAPITAL COMMITMENTS

	2021 HK$'000	2020 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**864,868**	1,186,814
Commitment to provide credit facility to a joint venture	**213,981**	94,000
Others	**13,988**	17,528
	1,092,837	1,298,342

41. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group's investment properties and certain properties for sales temporary rented out have committed leases for next 1 to 18 years (2020: 1 to 18 years).

Minimum lease payments receivables on leases are as follows:

	2021 HK$'000	2020 HK$'000
Within one year	**128,139**	104,456
In the second year	**106,681**	66,737
In the third year	**83,897**	31,992
In the fourth year	**75,735**	24,876
In the fifth year	**68,863**	22,201
More than five years	**696,514**	77,905
	1,159,829	328,167

42. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) During the year, the Group entered into the following transactions with related parties:

	2021 HK$'000	2020 HK$'000
Provision of building management service by associates	**3,866**	3,851
Provision of underwriting service to joint ventures	**514**	420
Provision of sales and marketing services by a joint venture	**15,779**	–
Sales of properties to a related company (Note)	**235,060**	–
Interest income from a joint venture	**848**	–

Note: The properties comprise certain commercial units located in Singapore. The sale of properties is included in the revenue of the Group for the year.

Details of the balances with associates, joint ventures, an investee company and related companies as at the end of the reporting period are set out in the consolidated statement of financial position and the relevant notes.

The related companies are companies controlled by certain executive directors or their close family members who have significant influence over the Group through their direct and indirect equity interest in the Company.

(b) The Group has entered into three hotel management services contracts for the provision of hotel management services to certain companies in Malaysia which are controlled by a director of the Company. During the year ended 31 March 2021, hotel management services income of HK$20,000 (2020: HK$2,409,000) was received under these contracts.

(c) Remunerations paid and payable to the members of key management, who are the directors and the five highest paid individuals, during the year are disclosed in note 14.

43. AMOUNTS DUE FROM/TO RELATED PARTIES

The amounts due from/to associates, joint ventures, an investee company and related companies are set out in the consolidated statement of financial position. The amounts are unsecured, interest-free and either repayable on demand or without fixed terms of repayment. The related companies are companies controlled by certain executive directors or their close family members who have significant influence over the Group through their direct and indirect equity interest in the Company.

44. SHARE OPTION SCHEMES

On 31 August 2012, the Company adopted a new share option scheme and the old share option scheme of the Company adopted on 28 August 2002 was expired on 28 August 2012 (collectively referred to as the "FECIL Share Option Schemes"). The FECIL Share Option Scheme were approved by the Company for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the FECIL Share Option Schemes, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Without prior approval from the Company's shareholders, the total number of shares to be issued under the FECIL Share Option Scheme is not permitted to exceed 10% of the shares of the Company then in issue; and the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue.

Options granted will be taken up upon payment of HK$1 by the grantee. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the Directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

At 31 March 2021 and 2020, there were no options which remained outstanding under FECIL Share Option Schemes.

45. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiary is required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

The Group makes defined contributions to the Employees Provident Fund for qualifying employees in Malaysia under which the Group is required to make fixed contributions under the defined contribution plans to separate entities. The Group has no legal or constructive obligations of further contributions to make up any deficiencies of fund assets to cover all employees benefits relating to their services to the Group.

The Group makes defined contribution to the Singapore Central Provident Fund which the Group is required to make a certain percentage of the salaries of the employees in Singapore, whereby the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefits plan.

The Group makes contribution to independent superannuation master funds for employees in Australia, based on a certain percentage of the employee's salaries and wages. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contribution.

45. RETIREMENT BENEFITS SCHEMES (continued)

The Group operates defined contribution schemes in respect of its employees in the United Kingdom. Contribution are made based on a certain percentage of salaries of the employees in the United Kingdom to the defined contribution scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension costs of the defined contribution schemes represent the contributions accrued to the scheme in respect of the accounting period.

Total retirement benefits expenses charged to profit or loss amounted to HK$31,432,000 in the current year (2020: HK$46,523,000).

46. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2021 HK$'000	2020 HK$'000
Financial assets		
Debt instruments as FVTOCI	2,028,844	1,581,220
Equity instruments at FVTOCI	1,059,400	470,943
Financial assets at FVTPL	1,054,562	975,237
Financial assets at amortised cost	7,155,044	4,356,818
Derivative financial instruments	3,531	37,222
	11,301,381	7,421,440
Financial liabilities		
Derivative financial instruments	13,852	3,397
Financial liabilities at amortised cost	29,176,861	24,839,968
	29,190,713	24,843,365

b. Financial risk management objectives and policies

The Group's major financial instruments included investment securities, borrowings, trade and other receivables, trade and other payables, contract assets, bank balances and cash and notes. The risks associated with these financial instruments include market risk (interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits, variable-rate loan receivables, borrowings and debt instruments. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk but would consider doing so in respect of significant exposure should the need arise.

In addition, the Group is also exposed to fair value interest rate as most of the debt instruments are at fixed rate. The sensitivity analysis for fair value interest rate risk for debt instruments measured at fair value are presented under price risk.

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis

The sensitivity analysis considers only loan receivables and borrowings which have significant impact on the consolidated financial statements and loan receivables outstanding at the end of the reporting periods were outstanding for the whole year. 50 basis points represent the best estimation of the possible change in the interest rates over the period until the end of next reporting period for borrowing and loan receivables.

If interest rates had been increased/decreased by 50 basis points (2020: 50 basis points) and all other variables were held constant, the Group's profit after tax, due to the impact of variable-rate loan receivables and borrowings, would have decreased/increased by HK$34,334,000 (2020: HK$54,424,000) and the interest capitalised would have increased/decreased by HK$56,031,000 (2020: HK$44,012,000).

No analysis for the impact of interest rate risk on debt instruments at FVTOCI as the management expected the impact is not significant.

In the management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Foreign currency risk

Certain group entities have transactions denominated in foreign currencies which expose the Group to foreign currency risk. The Group manages the foreign currency risk by entering certain forward foreign exchange contracts closely monitoring the movement of the foreign currency rate.

The carrying amount of the Group's foreign currency denominated monetary items, at the end of the reporting period are as follows:

	Assets		Liabilities	
	2021 HK$'000	2020 HK$'000	**2021 HK$'000**	2020 HK$'000
A$	**421,585**	564,451	**159,300**	703,511
US$	**3,957,519**	2,805,985	**5,879,349**	3,538,862
EUR	**239,107**	169,163	**86,709**	298,713
S$	**336,919**	333,376	**–**	–
GBP	**247,116**	172,308	**36,214**	10,502

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

Inter-company balances

	Assets		Liabilities	
	2021 HK$'000	2020 HK$'000	**2021 HK$'000**	2020 HK$'000
A$	**8,367,287**	6,412,827	**–**	–
RMB	**419,813**	320,414	**1,173,943**	1,341,683
EUR	**361,764**	302,532	**–**	–
S$	**174,344**	162,943	**–**	–
GBP	**2,229,509**	1,176,985	**–**	–

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk is mainly on currencies other than USD for the individual group entity in Hong Kong since under the Linked Exchange Rate System and the management does not expect any significant exposure in relation to the exchange rate fluctuation between HK$ and USD. The following tables details the Group's sensitivity to a 10% (2020: 10%) weakening in the functional currencies of group entities against the relevant foreign currencies of respective group entities, while all other variables are held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies at the year end. For a 10% strengthening of the functional currencies of group entities against the relevant foreign currencies, these would be an equal and opposite impact on profit and other comprehensive income.

	Increase (decrease) in profit after tax	
	2021 HK$'000	2020 HK$'000
A$	**21,901**	(11,612)
RMB	**(98,024)**	(112,031)
EUR	**12,725**	(10,817)
S$	**28,133**	27,837
GBP	**17,610**	12,944

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)

	Increase in other comprehensive income	
	2021	2020
	HK$'000	HK$'000
A$	**836,729**	641,283
RMB	**41,981**	32,041
EUR	**36,176**	30,253
S$	**17,434**	16,294
GBP	**222,951**	117,699

In the management's opinion, the sensitivity analysis is unrepresentative of the foreign currency risk as the year end exposure does not reflect the exposure during the year.

Price risk

The Group is exposed to equity price risk, fair value interest rate risk and other price risk arising from financial assets at FVTPL and financial assets at FVTOCI.

Price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and debt price risk at the end of the reporting period.

If the price of the respective equity and investment funds have been 5% (2020: 5%) higher/lower:

- profit after tax would have increased/decreased by HK$453,000 (2020: HK$868,000) as a result of the changes in fair value of equity securities at FVTPL.

- profit after tax would have increased/decreased by HK$17,729,000 (2020: HK$9,903,000) as a result of the changes in fair value of investment funds at FVTPL.

- FVTOCI reserve would have increased/decreased by HK$52,970,000 (2020: HK$23,547,000) as a result of the changes in fair value of financial assets at equity securities at FVTOCI.

The management considered that the fluctuation of price on structured notes is not significant and no sensitivity analysis is presented.

No analysis for the impact of credit risk exposure and market interest rate exposure on fixed rate debt securities as the management expected the impact is not significant.

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets, pledged/restricted bank deposits, bank balances, amounts due from related parties, other receivables, loan receivables, customers' deposits under escrow, debt instruments at FVTPL and debt instruments at FVTOCI. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables and contract assets are mitigated because they are secured over properties.

Except for debt securities at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised below:

For the Group's investments in debt securities, the investment committee are responsible for the credit risk assessment and give advance to the board of directors. The investment committee also assesses the financial performance of the issuers to ensure that the issuers can satisfy the repayment of the principal and interest as they fall due. Failure to repay may result in collateral liquidation, if any, and/or legal actions against the issuers. The Group also monitors the credit rating and market news of the issuers of the respective debts securities for any indication of potential credit deterioration.

The Group concentration of credit risk mainly on amount due from an investee company, amount due from a shareholder of non-wholly owned subsidiary, amounts due from associates which is mainly due from two associates, and amounts due from joint ventures which is mainly due from six joint ventures. The Group actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on the outstanding balances.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group invests in rated and unrated debt securities as well as investment grade debt securities. The management regularly reviews and monitors the portfolio of debt securities. Summary of the fair value and principal amount of debt securities at FVTPL are set out below.

Debt securities at FVTPL

	2021		2020	
	Fair value HK$'000	Principal amount HK$'000	Fair value HK$'000	Principal amount HK$'000
AA- to BBB-	166,806	163,726	422,637	455,245
BB+ to B	129,350	130,523	51,997	52,308
Unrated	89,139	87,291	242,602	242,602
	385,295	381,540	717,236	750,155

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade debtors and contract assets arising from contracts with customers as well as lease receivables

In order to minimise the credit risk, the management of the Group has policies in place to ensure the sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade debtors including lease receivables individually or collectively based on the Group's internet credit rating. Contract assets are assessed on an individual basis for impairment purpose.

Loan receivables/amounts due from associates, joint ventures, a shareholder of a non-wholly owned subsidiary and an investee company/bank balances and deposits

The credit risk of loan receivables and amounts due from associates, joint ventures, a shareholder of non-wholly owned subsidiary and an investee company is managed through an internal process. The Group actively monitors the outstanding amounts owed by each debtor and uses past due information to assess whether credit risk has increased significantly since initial recognition. The directors of the Company consider that the probability of default is minimal after assessing the counter-parties financial background and underlying assets held by the related parties.

Loan receivables represent mortgage loans secured by the properties of the borrowers.

In determining the recoverability of loan receivables, the Group considers any change in the credit quality of the borrowers, the value of the underlying properties under mortgage, historical settlements of loan interests and other forward-looking information.

Debt instruments at FVTOCI

The Group only invests in debt securities with credit rating of B or above issued by Moody's or Standard & Poor's. The directors of the Company focus on the investment diversification and their credit ratings changes. The directors of the Company assess ECL on the debt instruments at FVTOCI based on the default rates published by major international credit rating agencies that are applicable to the respective debts instruments credit grades. As a result of this assessment, the directors of the Company are of the opinion that the ECL on these debt instruments is insignificant.

Summary of the fair value and principal amount of debt securities at FVTOCI are set out below.

	2021		2020	
	Fair value HK$'000	Principal amount HK$'000	Fair value HK$'000	Principal amount HK$'000
AA- to BBB-	435,537	425,445	787,918	813,302
BB+ to B	1,259,538	1,274,442	647,113	906,070
Unrated	333,769	354,277	146,189	146,189
	2,028,844	2,054,164	1,581,220	1,865,561

The credit risks on pledged deposits, restricted bank deposits, deposit in a financial institution, bank balances and deposits are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

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

Internal credit rating	Description	Trade and leases receivables/contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2021 Gross carrying amount HK$'000	2020 Gross carrying amount HK$'000
Debt instruments at FVTOCI						
Investment in debt securities	20	AA- to B	N/A	12-month ECL	1,695,075	1,435,031
		Unrated	Low risk	12-month ECL	333,769	146,189
Financial assets at amortised cost						
Trade debtors (contract with customers)	24	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	826,950	117,778
		N/A	Loss	Credit-impaired	36,903	29,343
Loan receivables	21	N/A	Low risk (Note 2)	12-month ECL	217,905	268,920
Amounts due from related parties and a shareholder of a non-wholly owned subsidiary	33 & 43	N/A	Low risk (Note 2)	12-month ECL	800,180	615,540
Pledged deposits/restricted bank deposits	22	above A- (Note 3)	N/A	12-month ECL	400,591	192,941
Bank balances/deposit in a financial institution	22	above A- (Note 3)	N/A	12-month ECL	4,412,067	2,918,606
Other receivables	24	N/A	Low risk (Note 2)	12-month ECL	170,786	101,269
Customers' deposits under escrow	25	N/A	Low risk (Note 2)	12-month ECL	335,818	147,527
Others						
Contract assets	26	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	–	1,103,698
Lease receivables	24	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	22,905	11,443

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

1. Trade debtors, lease receivables and contract assets

   For trade debtors, lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for credit-impaired debtors and contract assets, which are assessed individually, the Group determines the expected credit losses on trade and lease receivables collectively based on shared credit risk characteristics by reference to the Group's internal credit ratings.

   As at 31 March 2020, the directors of the Company consider the exposure of credit risk of contract assets is low after taking into account the value of the underlying properties, historical settlement of the counterparties and other forward-looking information. The fair value for the underlying properties is higher than the outstanding amount of the contract assets at the end of the reporting period. The loss given default of the contract assets is considered as insignificant to the Group, and no allowance of expected credit loss is provided for the contract assets.

   As at 31 March 2021, the Group provided HK$9,253,000 (2020: HK$5,763,000) impairment allowance for trade debtors, based on the collective assessment. Impairment allowance of HK$36,903,000 (2020: HK$29,343,000) were made on credit impaired debtors on an individual basis.

2. Loan receivables, amounts due from related parties, customers' deposits under escrow and other receivables

   For the purposes of internal credit risk management, the Group uses internal credit rating to assess whether credit risk has increased significantly since initial recognition.

   Loan receivables are secured by property interests. The directors of the Company consider the exposure to credit risk of these loan receivables is low after taking into account the value of the collateral, historical settlements of loan interests and principal and other forward-looking information. The fair value of the collateral is higher than the outstanding amount of these receivables at the end of the reporting period. The loss given default and 12-month ECL of these loan receivables is considered as insignificant to the Group, and no allowance of expected credit loss is provided for these loan receivables.

   For amounts due from related parties, the directors of the Company consider the exposure to credit risk of these amounts is low after taking into consideration of the fair values of the underlying assets held by the related parties, the outlook of their future operations and the expected operating cash flows of the related parties.

   Customers' deposits under escrow represents the portion of the sale proceeds being held in the escrow accounts. The funds are remitted to the Group upon the issuance of the relevant certificates by the relevant government authorities. The directors consider the exposure of credit risk is low.

   For other receivables, the directors of the Company consider the exposure of credit risk, historical settlement and other forward-looking information. The loss under of 12-month ECL of the other receivables are insignificant to be recognised.

3. For pledged deposits, restricted bank deposits, bank balances and deposit in a financial institution, the ECL is assessed by reference to probability of default and loss credit rating grade published by international credit agencies.

46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Group, to ensure that it maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and external borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Weighted average interest rate %	On demand or within one year HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2021							
Creditors and accruals	N/A	1,250,252	–	–	–	1,250,252	1,250,252
Other liabilities	3.00	2,192	120,225	6,386	271	129,074	128,798
Amount due to a related company	N/A	807	–	–	–	807	807
Amounts due to associates	N/A	51,326	–	–	–	51,326	51,326
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	168,997	–	–	–	168,997	168,997
Bank and other borrowings	2.62	10,960,182	9,658,731	2,321,145	507,410	23,447,468	22,357,765
Lease liabilities	2.88	83,476	115,868	133,784	414,703	747,831	726,897
Notes	4.50	2,530,297	3,256,052	74,640	581,977	6,442,966	5,218,916
		15,047,529	13,150,876	2,535,955	1,504,361	32,238,721	29,903,758
Derivatives financial instrument – net settled							
Interest rate/currency swap contracts		7,045	6,807	–	–	13,852	13,852

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46. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted average interest rate %	On demand or within one year HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2020							
Creditors and accruals	N/A	848,280	–	–	–	848,280	848,280
Other liabilities	3.00	1,885	106,770	22,561	370	131,586	129,028
Amount due to a related company	N/A	751	–	–	–	751	751
Amounts due to associates	N/A	6,897	–	–	–	6,897	6,897
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	395,126	–	–	–	395,126	395,126
Bank and other borrowings	3.17	7,075,474	10,336,373	3,577,224	325,986	21,315,057	19,911,762
Lease liabilities	2.91	87,434	154,689	114,174	412,386	768,683	624,339
Notes	4.02	143,400	2,473,058	1,175,315	94,006	3,885,779	3,548,124
		8,559,247	13,070,890	4,889,274	832,748	27,352,159	25,464,307
Derivatives financial instrument – net settled Interest rate/currency swap contracts		3,397	–	–	–	3,397	3,397

Bank borrowings with a repayment on demand clause are included in the "on demand or within one year" time band in the above maturity analysis. As at 31 March 2021 and 31 March 2020, the carrying amounts of these bank borrowings amounted to HK$2,705,485,000 and HK$1,965,284,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Within one year HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2021						
Bank borrowings	**1,623,246**	**719,149**	**421,043**	**80,888**	**2,844,326**	**2,705,485**
At 31 March 2020						
Bank borrowings	1,118,777	842,939	25,212	94,358	2,081,286	1,965,284

The cash flows presented above for variable interest rate financial liabilities is subject to change if changes in interest rates differ from those at the end of the reporting period adopted in the above calculation.

46. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments

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

Certain financial instruments of the Group are measured at fair values at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31.3.2021 HK$'000	31.3.2020 HK$'000		
1a) Listed equity securities classified as financial assets at FVTPL	**6,336**	20,790	Level 1	Quoted bid prices in an active market
1b) Listed equity securities classified as equity instrument at FVTOCI	**1,059,400**	470,943	Level 1	Quoted bid prices in an active market
1c) Unlisted equity securities classified as financial assets at FVTPL	**4,506**	5	Level 2	Recent transaction price of equity securities issued to third parties
2a) Listed debt securities classified as financial assets at FVTPL	**351,266**	474,634	Level 1	Quoted bid prices in an active market
2b) Unlisted debt securities classified as financial assets at FVTPL	**34,029**	242,602	Level 2	Reference to market value provided by brokers/financial institution
2c) Unlisted debt securities classified as financial assets at FVTOCI	**194,489**	146,189	Level 2	Reference to market value provided by brokers/financial institution
2d) Listed debt securities classified as financial assets at FVTOCI	**1,834,355**	1,435,031	Level 1	Quoted bid prices in an active market
3a) Investment funds classified as financial assets at FVTPL	**310,029**	215,302	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities) of the funds
3b) Investment funds classified as financial assets at FVTPL	**114,637**	21,904	Level 3	Reference to the net asset value of the unlisted equity investment provided by the external counterparties. Discount of 1.3% (2020: 5.008%) for lack of marketability

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46. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31.3.2021 HK$'000	31.3.2020 HK$'000		
4) Structured notes classified as financial assets at FVTPL	**233,759**	–	Level 2	Reference to market value provided by financial institution
5) Cross currency swap contracts classified as derivative financial instruments	**–**	Assets – 37,222	Level 2	Discounted cash flow
	Liabilities – (500)	Liabilities – (269)		Future cash flows are estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward exchange, discounted at a rate that reflects the credit risk of various counterparties
6) Interest rate swap contracts classified as derivative financial instruments	**Assets – 3,531**	–	Level 2	Discounted cash flow
	Liabilities – (13,352)	Liabilities – (3,128)		Future cash flows are estimated based on interest rates (from observable interest rates at the end of the reporting period) and contracted forward interest rates, discounted at a rate that reflects the credit risk of various counterparties

There were no transfers between Levels 1, 2 and 3 during the years ended 31 March 2021 and 31 March 2020.

46. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets and liabilities

	Investment funds classified as financial assets at FVTPL HK$'000	Unlisted (assets) liabilities arising from profit guarantee arrangement HK$'000	Unlisted equity securities classified as equity investment at FVTOCI HK$'000
At 1 April 2019	14,478	(2,547)	2,133
Addition	10,372	–	–
Unrealised fair value change recognised in profit or loss	(2,675)	2,547	(2,133)
Exchange realignment	(271)	–	–
At 31 March 2020	21,904	–	–
Addition	77,467	–	–
Unrealised fair value change recognised in profit or loss	12,850	–	–
Exchange realignment	2,416	–	–
At 31 March 2021	114,637	–	–

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable inputs for any of the level 3 financial instruments of the Group, as the management considers that the exposure is insignificant to the Group.

The Group has entered certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Agreements ("ISDA Agreements") signed with various banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts.

47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings HK$'000 (note 31)	Notes HK$'000 (note 34)	Dividend payable HK$'000	Amounts due to related companies HK$'000 (note 43)	Amounts due to associates HK$'000 (note 43)	Amounts due to shareholders of non-wholly owned subsidiaries HK$'000 (note 33)	Lease liabilities HK$'000 (note 32)	Other liabilities HK$'000	Total HK$'000
At 1 April 2019	17,838,543	3,509,499	–	623	28,057	399,810	560,528	35,226	22,372,286
New lease entered	–	–	–	–	–	–	213,223	–	213,223
Financing cash flows	2,258,383	(38,868)	(312,157)	128	(19,888)	12,164	(117,444)	95,284	1,877,602
Non-cash changes	–	(26,283)	(202,755)	–	–	–	–	–	(229,038)
Finance costs	670,066	148,555	–	–	–	–	20,950	–	839,571
Dividends recognised as distribution	–	–	514,912	–	–	–	–	–	514,912
Foreign exchange translation	(855,230)	(44,779)	–	–	(1,272)	(16,848)	(52,918)	(1,482)	(972,529)
At 31 March 2020	19,911,762	3,548,124	–	751	6,897	395,126	624,339	129,028	24,616,027
New lease entered	–	–	–	–	–	–	49,347	–	49,347
Financing cash flows	769,135	1,493,416	(345,406)	56	44,429	(249,982)	(84,547)	(1,920)	1,625,181
Non-cash changes	(23,830)	–	(102,647)	–	–	–	(14,646)	–	(141,123)
Finance costs	542,357	165,160	–	–	–	–	21,239	–	728,756
Dividends recognised as distribution	–	–	448,053	–	–	–	–	–	448,053
Foreign exchange translation	1,158,341	12,216	–	–	–	23,853	131,165	1,690	1,327,265
At 31 March 2021	22,357,765	5,218,916	–	807	51,326	168,997	726,897	128,798	28,653,506

In addition, the Group has made distributions of HK$220,345,000 (2020: nil) to owners of perpetual capital notes during the year ended 31 March 2021.

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2021 HK$'000	2020 HK$'000
Non-current Asset		
Interests in subsidiaries	**7,482,201**	9,059,234
Current Assets		
Amount due from a subsidiary	**1,138,840**	706,000
Bank balances, deposits and cash	**7,839**	6,666
	1,146,679	712,666
Current Liabilities		
Creditors and accrued charges	**29,554**	31,933
Loan from a subsidiary	**159,300**	–
Amount due to a subsidiary	**19,465**	–
Notes	**1,834,899**	–
	2,043,218	31,933
Net Current (Liabilities) Assets	**(896,539)**	680,733
Total Assets Less Current Liabilities	**6,585,662**	9,739,967
Capital and Reserves		
Share capital	**239,508**	236,942
Share premium	**4,584,371**	4,534,687
Reserves	**665,687**	792,188
	5,489,566	5,563,817
Non-current Liabilities		
Loan from a subsidiary	**–**	637,650
Amount due to a subsidiary	**–**	67,516
Notes	**1,095,843**	3,470,731
Deferred tax liabilities	**253**	253
	1,096,096	4,176,150
	6,585,662	9,739,967

Note:

The movement of equity is as follows:

	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2019	235,169	4,479,650	29,820	628,830	11,886	5,385,355
Profit and other comprehensive income for the year	–	–	–	–	632,297	632,297
Dividends	–	–	–	–	(514,912)	(514,912)
Share issued in lieu of cash dividend	6,040	196,715	–	–	–	202,755
Repurchase of ordinary shares	(4,267)	(141,678)	4,267	–	–	(141,678)
At 31 March 2020	236,942	4,534,687	34,087	628,830	129,271	5,563,817
Profit and other comprehensive income for the year	–	–	–	–	319,675	319,675
Dividends	–	–	–	–	(448,053)	(448,053)
Share issued in lieu of cash dividend	4,443	98,204	–	–	–	102,647
Repurchase of ordinary shares	(1,877)	(48,520)	1,877	–	–	(48,520)
At 31 March 2021	239,508	4,584,371	35,964	628,830	893	5,489,566

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For the year ended 31 March 2021

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of principal subsidiaries at the end of the year are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2021	2020	
Direct subsidiaries					
Ample Bonus Limited	BVI/HK	101 shares of US$1	100	100	Investment holding
Pacific Growing Limited	HK	1 share of HK$1	100	100	Investment holding
Queens Wharf Holdings Limited	BVI/HK	1 share of US$	100	100	Investment holding
The Fifth Apartments Pty Ltd	Australia	1 share of A$1	100	100	Property development
Indirect subsidiaries					
124 York Street Pty Ltd	Australia	10,000 shares of A$121.78	77.75	77.75	Car park operation
13 Roper Street Pty Ltd	Australia	10,000 shares of A$121.78	77.75	77.75	Car park operation
13 Roper Street Trust	Australia	N/A	77.75	77.75	Car park operation
19 Bank Street Pty Ltd	Australia	10,000 shares of A$121.78	77.75	77.75	Car park operation
19 Bank Street Trust	Australia	N/A	77.75	77.75	Car park operation
344 Queen Car Park Pty Ltd	Australia	10,000 shares of A$121.78	77.75	77.75	Car park operation
344 Queen Car Park Trust	Australia	N/A	77.75	77.75	Car park operation
94 York Street Trust	Australia	N/A	77.75	77.75	Car park operation
All Greatness Limited	BVI/HK	1 share of US$1	100	100	Property development and investment
Amphion Investment Limited	HK	2 shares of HK$1	100	100	Investment holding
Anderson International Properties Pte Ltd	Singapore	1,000 shares of S$1	100	100	Property investment
Anderson Raffles Limited	Mauritius	500,000,000 shares of US$1	100	100	Investment holding
Angel Meadows (FEC) Limited	UK	100 shares of £1	100	100	Property development
Annick Investment Limited	HK	2 shares of HK$1	100	100	Property investment
Apexwill Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Arvel Company Limited	HK	10,000 shares of HK$1	100	100	Property investment
Asian Harvest Investments Limited	BVI/HK	1 share of US$1	100	100	Treasury management
Australian Property Management Pty Ltd	Australia	1 share of A$1	77.75	77.75	Car park operation
Ballarat Central Car Park Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation
Bournemouth Estates Limited	HK	2 shares of HK$10	100	100	Property development
Boundary Farm Car Park Ltd	BVI	2 shares of US$1	88.85	88.85	Car park operation
Bravo Trade Holdings Limited	BVI/HK	1 share of US$1	100	100	Property development
Bryce International Limited	BVI/HK	100 shares of US$1	100	100	Investment holding
Capital Fortune Investment Limited	HK	2 shares of HK$1	100	100	Investment holding
Care Park (Albert Street) Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation
Care Park Finance Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital	Proportion of nominal value of issued capital/registered capital held by the Company 2021	2020	Principal activities
Care Park Holdings Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Investment holding
Care Park Properties Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Investment holding
Care Park Group Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation
Carterking Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Cathay Motion Picture Studios Limited	HK	30,000 shares of HK$100	100	100	Property investment
Charter Joy Limited	HK	2 shares of HK$1	100	100	Hotel operation
Charter National International Limited	HK	2 shares of HK$1	100	100	Property development
Ching Chu (Shanghai) Real Estate Development Company Limited (i)	PRC	Registered and paid up capital of US$8,800,000	100	100	Hotel management
Chun Wah Holdings Limited	HK	200 shares of HK$1	100	100	Property development
City Sight Limited	HK	1 share of HK$1	100	100	Loan financing
Complete Delight Limited	BVI/HK	1 share of US$1	100	100	Hotel operation
Cosmopolitan Hotel Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Crouch End (FEC) Limited	UK	1 share of £1	100	100	Property development
Dorsett Bukit Bintang Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Property development
Dorsett Hospitality International Limited	Cayman Islands	2,100,626,650 shares of HK$0.1	100	100	Investment holding
Dorsett Hospitality International (M) Sdn Bhd	Malaysia	2 shares of MYR2	100	100	Investment holding
Dorsett Hospitality International (Singapore) Pte. Limited	Singapore	1 share of S$1	100	100	Hotel management and consultancy service
Dorsett Hospitality International Services Limited	HK	2 shares of HK$1	100	100	Hotel management
Dorsett Regency Hotel (M) Sdn. Bhd.	Malaysia	5,000,000 shares of MYR1	100	100	Hotel operation
Drakar Limited	Isle of Man/ UK	1 share of £1	100	100	Property development
Dunjoy Limited	HK	2 shares of HK$1	100	100	Investment holding
E-Cash Ventures Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Esmart Management Limited	HK	2 shares of HK$1	100	100	Hotel management
Everkent Development Limited	HK	2 shares of HK$1	100	100	Hotel operation
Expert Vision Trading Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Far East Consortium (Australia) Pty Ltd.	Australia	2 shares of A$1	100	100	Property development
Far East Consortium (B.V.I.) Limited	BVI/HK	50,000 shares of US$1	100	100	Investment holding
Far East Consortium (Netherlands Antilles) N.V.	Curacao	99,000 shares of US$1	100	100	Investment holding
Far East Consortium China Investments Limited	HK	6,000 shares of HK$100	100	100	Investment holding

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49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital	Proportion of nominal value of issued capital/registered capital held by the Company 2021	2020	Principal activities
Far East Consortium Holdings (Australia) Pty Limited	Australia	12 shares of A$1 235 redeemable preference shares of A$42.55	100	100	Investment holding
Far East Consortium Limited	HK	830,650,000 shares of HK$1	100	100	Investment holding and property investment
Far East Consortium Properties Pty Limited	Australia	12 shares of A$1 225 redeemable preference shares of A$44.44	100 100	100 100	Investment holding and property investment
Far East Consortium Real Estate Agency Limited	HK	1 share of HK$1	100	100	Sales agency service
Far East Real Estate and Agency (H.K.) Limited	HK	60,000 shares of HK$100	100	100	Investment holding and loan financing
Far East Rockman Hotels (Australia) Pty Limited	Australia	12 shares of A$1 375 redeemable preference shares of A$10,000	100 100	100 100	Investment holding
Far East Vault Limited	HK	1 share of HK$1	100	100	Vault service
FEC 640 Bourke Street Melbourne Pty Ltd	Australia	1 share of A$1	100	100	Property development
FEC Care Park Holdings (Australia) Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
FEC Care Park Holdings Pte Ltd	Singapore	1 share of S$1	100	100	Investment holding
FEC Development (Malaysia) Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Investment holding
FEC Development Management Limited	UK	1 share of £1	100	100	Administration services
FEC Financing Solutions Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
FEC May22 Pty Ltd	Australia	1 share of A$1	100	100	Property development
FEC QWB Integrated Resort Holdings Limited	BVI/HK	1 share of US$1	100	100	Investment holding
FEC Skyline Pte. Ltd	Singapore	4,000,000 shares of S$1	70	70	Property development
FEC Skypark Pte. Ltd.	Singapore	3,000,000 shares of S$1	80	80	Property development
FEC Strategic Investments (Netherlands) B.V.	Amsterdam	120,000 shares of DFL1	100	100	Investment holding
FEC Suites Pte. Ltd.	Singapore	1 share of S$1	100	100	Property development
FECFW 1 Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
FECFW 2 Pty Ltd	Australia	1 share of A$1	100	100	Investment holding
Ficon Roper Street Trust	Australia	N/A	77.75	77.75	Car park operation
Fortune Plus (M) Sdn. Bhd.	Malaysia	935,000 shares of MYR1	100	100	Property investment
Garden Resort Development Limited	HK	100 shares of HK$1	100	100	Property development
Gold Prime Group Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Grand Expert Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Hong Kong Hotel REIT Finance Company Limited	HK	1 share of HK$1	100	100	Loan financing
Jarton Limited	HK	1 share of HK$1	100	100	Property development
Kuala Lumpur Land Holdings Limited	Jersey/HK	100 shares of £1	100	100	Investment holding
Launceston York Car Park Trust	Australia	N/A	77.75	77.75	Car park operation

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital	Proportion of nominal value of issued capital/registered capital held by the Company 2021	2020	Principal activities
Madison Lighters and Watches Company Limited	HK	4 shares of HK$1	100	100	Investment holding
Mass Perfect Limited	HK	1 share of HK$1	100	100	Investment holding
May21 Pty Ltd	Australia	1 share of A$1	100	100	Property development
Merdeka Labuan Sdn. Bhd.	Malaysia	105,000,000 MYR1	100	100	Hotel operation
Midtown at Upper West Side Pty Ltd	Australia	2 shares of A$1	100	100	Investment holding
N.T. Horizon Realty (Jordan) Limited	HK	2 shares of HK$100	100	100	Property investment
New Time Plaza Development Limited	HK	1,000 shares of HK$1	100	100	Investment holding
New Union Investments (China) Limited	HK	300 shares of HK$1	100	100	Investment holding
Novel Orient Investments Limited	HK	1 share of HK$1	100	100	Hotel operation
Panley Limited	HK	1 share of HK$1	100	100	Hotel operation
Peacock Management Services Limited	HK	2 shares of HK$1	100	100	Administration services
Perth FEC Pty Ltd	Australia	1 share of A$1	100	100	Property development
Polyland Development Limited	HK	2 shares of HK$1	100	100	Property development
Quadrant Plaza Pty Ltd	Australia	N/A	77.75	77.75	Car park operation
Quadrant Plaza Unit Trust	Australia	N/A	77.75	77.75	Car park operation
Queens Wharf Holdings Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Raffles Legend Properties Pte Ltd	Singapore	1 share of S$1	100	100	Property investment
Regency Hotels Proprietary Limited	Australia	100 shares of A$1	100	100	Investment holding
Richfull International Investment Limited	HK	1 share of HK$1	100	100	Bar operation
Roper Debt Pty Ltd	Australia	N/A	77.75	77.75	Car park operation
Roper Street Car Park Pty Ltd	Australia	N/A	77.75	77.75	Car park operation
Roper Street Car Park Unit Trust	Australia	N/A	77.75	77.75	Car park operation
Ruby Way Limited	HK	2 shares of HK$1	100	100	Hotel operation
Sanon Limited	HK	1 share of HK$1	100	100	Property development and investment
Scarborough Development Limited	HK	2 shares of HK$1	100	100	Property investment
SC98A s.r.o.	Czech Republic	1 share of CZK100,000	100	100	Investment holding
Shanghai Chingchu Property Development Company Limited (ii)	PRC	Registered and paid up capital of US$35,000,000	98.2	98.2	Property development and investment
Shepparton Car Park Pty Ltd	Australia	10,050 shares of A$0.17093	77.75	77.75	Car park operation
Shepparton Car Park Trust	Australia	N/A	77.75	77.75	Car park operation
Singford Holdings Limited	BVI/HK	1 share of US$1	100	100	Treasury management
Spencer Green Pty Ltd	Australia	1 share of A$1	100	100	Property development
Star Bridge Development Limited	HK	2 shares of HK$1	100	100	Investment holding
Subang Jaya Hotel Development Sdn Bhd	Malaysia	245,000,000 shares of MYR1	100	100	Hotel operation
Success Range Sdn. Bhd.	Malaysia	500,000 shares of MYR1	100	100	Hotel operation

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For the year ended 31 March 2021

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital	Proportion of nominal value of issued capital/registered capital held by the Company 2021	2020	Principal activities
Tantix Limited	HK	1 share of HK$1	100	100	Property development
Target Term Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Car park operation
Teampearl Company Limited	HK	5,001 A shares of HK$1 4,999 B shares of HK$1	100	100	Property development
The Hotel of Lan Kwai Fong Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Topping Faithful Limited	HK	1 share of HK$1	100	100	Sales agency service
Tracia Limited	Isle of Man/UK	1 share of £1	100	100	Investment holding
Trans World Corporation	Czech Republic	22,968 shares of CZK1	100	100	Gaming and hotel operation
Trans World Hotels & Entertainment, a.s.	Czech Republic	400 shares of CZK75,000 and 100 shares of CZK700,000	100	100	Gaming and hotel operation
Trans World Hotels Austria GmbH	Austria	1 share of EUR40,000	100	100	Hotel operation
Trans World Hotels Germany GmbH	Germany	1 share of EUR20,000	100	100	Hotel operation
Venue Summit Sdn. Bhd.	Malaysia	250,000 shares of MYR1	100	100	Hotel operation
Victoria Land Pty Limited	Australia	12 share of A$1	100	100	Management services
Well Distinct Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Zhongshan Developments Limited	BVI/HK	1 share of US$1	100	100	Investment holding
武漢港澳中心物業管理有限公司 (iii)	PRC	Registered and paid up capital of RMB500,000	100	100	Property management
武漢遠東帝豪酒店管理有限公司 (i)	PRC	Registered and paid up capital US$29,800,000	100	100	Hotel operation
遠東帝豪酒店管理(成都)有限公司 (i)	PRC	Registered and paid up capital US$38,000,000	100	100	Property development
上海帝盛酒店有限公司 (iii)	PRC	Registered and paid up capital RMB500,000	100	100	Hotel operation

(i) Foreign investment enterprise registered in the PRC.
(ii) Sino-foreign equity joint venture registered in the PRC.
(iii) Domestic wholly owned enterprise registered in the PRC.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Details of subsidiaries that has material non-controlling interests

The table below shows details of subsidiaries of the Group that have material non-controlling interests as at 31 March 2021 and 2020.

	Profit allocated to non-controlling interests/owners of perpetual capital notes		Accumulated non-controlling interests/owners of perpetual capital notes	
	2021	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000
Owners of perpetual capital notes	**199,713**	98,564	**2,883,903**	2,904,535
Subsidiaries with individually immaterial non-controlling interests	**62,833**	86,564	**373,330**	290,667

FEC Finance Limited's issued ordinary shares are fully held by the Group. As disclosed in note 37, FEC Finance Limited issued perpetual capital notes which are classified as equity to parties outside the Group. Such non-controlling interests of FEC Finance Limited amounted to HK$2,883,903,000 (2020: HK$2,904,535,000) as at 31 March 2021.

50. CONTINGENT LIABILITIES

During the year, legal proceedings, which were issued in the High Court of Justice in London, were served upon Ensign House (FEC) Limited ("EHFL") and FEC Development Management Limited. The proceedings were instigated by Ensign House Limited ("EHL"). The claim which is made by EHL is stated as a claim for "damages and/or equitable compensation and/or an account of profits and/or a constructive trust and/or interest under statute and/or in equity and/or other relief". The essence of the claim is that each of the defendants was involved in a breach of contract and/or breaches of other duties by using confidential information provided by or on behalf of EHL in connection with the acquisition by EHFL of the property known as Ensign House, Admiral's Way, Canary Wharf. At this juncture, the management is of the opinion, upon advised by the legal counsel, that the claim is not valid as there is no breach of contract and therefore these allegations of wrongdoing will be rigorously denied and the proceedings are being fully contested.

51. EVENT AFTER THE REPORTING PERIOD

On 15 June 2021, the Group has entered into a sale and purchase agreement with independent third party to dispose its entire equity interest in an indirect wholly-owned subsidiary, which holds a hotel property in the United Kingdom, for an aggregate consideration of GBP115,000,000 (equivalent to approximately HK$1,256,950,000). The Group is in the process of finalising the financial impact of the disposal and it is impracticable to disclose the financial impact as at the date of this report.

List of Principal Properties

PROPERTY DEVELOPMENT/INVESTMENT PROPERTY

Codes of "Types of Property":

O — Office
R — Residential
S — Shops
CP — Car Park
H — Hospitality and Gaming
A — Agricultural
F — Ancillary Facilities

Name of property and location	Group's interest
Shanghai	
1. 133 units of shoplots in Jinqiu Xintiandi Lane 809 Jinqiu Road, Baoshan District	98.2%
2. Jinqiu School, Club House, Kindergarten and Ancillary portion of Area 17I California Garden, Jinqiu Road, Baoshan District	98.2%
3. 17 car parking bays, Area 16, California Garden, Jinqiu Road, Baoshan District	98.2%
4. 275 car parking bays California Garden, Jinqiu Road, Baoshan District	98.2%
5. King's Manor Area 16, California Garden, Jinqiu Road, Baoshan District	98.2%
6. The Royal Crest II Area 17 II, California Garden, Jinqiu Road, Baoshan District	98.2%

Total (not attributable) approximate floor area (m²)	Types of property	Stage of completion	Expected completion (financial year)
23,446	S	Completed	Existing
21,943	F	Completed	Existing
560	CP	Completed	Existing
11,272	CP	Completed	Existing
2,111	R	Completed	Existing
2,079	R	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
7. Area 17A, California Garden, Jinqiu Road, Baoshan District	98.2%
8. Land parcel no. E1B-01, Lot 47/6 Block 3, Qilian Town, Baoshan District	98.2%
9. Land parcel no. E2A-01, Lot 93/8 Block 3, Qilian Town, Baoshan District	98.2%
Guangzhou	
1. New Time Plaza Jian She Heng Road Yue Xiu District	50%
2. Gan Tang Yuan Huadidadao East Li Wan District	100%
3. Royal Riverside 10 Miaoqianjie North, Chajiao Li Wan District	100%
4. 455 car parking bays, 10 Miaoqianjie North, Chajiao Li Wan District	100%
Hong Kong	
1. Star Ruby Ground and 1st Floors, No. 1 San Wai Street Hung Hom	100%
2. 16th, 18th, 19th, 20th and 24th Floors, (including lavatories on 16th, 18th, 19th, 20th and 24th Floors Flat Roof on 24th Floor), Far East Consortium Building 121 Des Voeux Road Central	100%

List of Principal Properties

Total (not attributable) approximate floor area (m²)	Types of property	Stage of completion	Expected completion (financial year)
1,667	R	Completed	Existing
53,301	R	Planning stage	N/A
73,013	R	Planning stage	N/A
21,343	R	Planning stage	N/A
47,080	R	Planning stage	N/A
14,946	R & S	Completed	Existing
3,396	CP	Completed	Existing
1,430	R & S	Completed	Existing
2,474	O	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
3. Far East Consortium Building 204–206 Nathan Road Tsim Sha Tsui	100%
4. Fung Lok Wai, Yuen Long	25.33%
5. Various shops on LG/F and UG/F Tsuen Wan Gardens Phase 1 15–23 Castle Peak Road Tsuen Wan	100%
6. Route TWISK, Chuen Lung Tsuen Wan	100%
7. Manor Parc No. 3 Tan Kwai Tsuen Lane Yuen Long	100%
8. Various lots, Pak Kong Sai Kung	100%
9. Yau Kam Tau,Tsuen Wan	100%
10. Basement to 5th Floor Nos. 135–143, Castle Peak Road Tsuen Wan	100%
11. Aspen Crest Nos. 68–86A Wan Fung Street Wong Tai Sin, Kowloon	100%
12. The Garrison Mei Tin Road, Tai Wai, Shatin New Territories	100%
13. Marin Point No. 31 Shun Lung Street Sha Tau Kok, New Territories	100%

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
3,597	S & O	Completed	Existing
—	R	Planning stage	N/A
3,822	S	Completed	Existing
5,232	R	Planning stage	N/A
4,463	R	Completed	Existing
—	A	Planning stage	N/A
—	A	Planning stage	N/A
3,469	S & O	Completed	Existing
923	S	Completed	Existing
304	R & S	Completed	Existing
6,292	R & S	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
14.	Mount Arcadia 8388 Tai Po Road Sha Tin Heights, New Territories	100%
15.	Bakerview, 66 Baker Street, Hung Hom, Kowloon	100%
16.	Kai Tak Commercial Plot, Shing Kai Road, Kai Tak, New Kowloon Inland Lot No.6607	100%
Australia		
1.	The FIFTH 605–611 Lonsdale Street Melbourne, Victoria	100%
2.	The Towers at Elizabeth Quay Edge of CBD and Swan River along the Eastern Promenade on Barrack Street, Perth, Western Australia	100%
3.	West Side Place 250 Spencer Street Melbourne, Victoria	100%
4.	Perth Hub 600 Wellington Street, Perth, Western Australia	100%
5.	Queen's Wharf Brisbane, Queensland	
	– Tower 4	50%
	– Tower 5	50%
	– Tower 6	50%
6.	The Star Residences Casino Drive, Broadbeach Island Gold Coast, Queensland	
	– Tower 1	33.3%
	– Tower 2 – Epsilon	33.3%
	– Towers 3 to 5	33.3%

List of Principal Properties

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
7,795	R	Under construction	2022
578	S	Completed	Existing
16,585	S & O	Planning stage	2024
290	S	Completed	Existing
10,177	R & S	Completed	Existing
174,374	R & S	Under construction	2021/2022
22,018	R & S	Planning stage	2022
148,023	R & S R & S R & S	Under construction Planning stage Planning stage	2024 N/A N/A
165,398	R & S	Under construction Under construction Planning stage	2023 2024 N/A

List of Principal Properties

Name of property and location		Group's interest
7.	640 Bourke Street, Melbourne	100%
8.	Rebecca Walk Flinders Street Melbourne, Victoria	100%
9.	Upper West Side 313–349 Lonsdale Street Melbourne, Victoria	100%
10.	Northbank Flinders Street, Melbourne, Victoria	100%
Malaysia		
1.	Mukim of Kerling District of Hulu Selangor Selangor Darul Ehsan	90%
2.	Dorsett Bukit Bintang Lot 470, Jalan Imbi Kuala Lumpur	100%
3.	Dorsett Place Waterfront Subang Jalan SS 12/1, 47500 Subang Jaya, Selangor	50%
Singapore		
1.	ARTRA 10 Alexandra View, Singapore	70%
2.	Hyll on Holland Holland Road District 10, Singapore	80%
3.	Cuscaden Road District 9, Singapore	10%
4.	21 Anderson Road District 10, Singapore	100%

List of Principal Properties

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
55,894	R & S	Planning Stage	2024
686	S	Completed	Existing
2,717	S	Completed	Existing
809	S	Completed	Existing
422,907[i]	A	Planning stage	N/A
2,561	R	Completed	Existing
97,575	R	Under construction	2023
2,008	S	Completed	Existing
22,354	R	Under construction	2024
15,175	R	Under construction	2024
7,948	R	Completed	Existing

[i] This represents site area.

List of Principal Properties

Name of property and location		Group's interest
UK		
1.	Aspen at Consort Place 50 Marsh Wall London	100%
2.	Hornsey Town Hall The Broadway, Crouch End, London	100%
3.	MeadowSide Angel Meadows, Aspin Lane, Manchester	100%
4.	Victoria North Manchester	
	– New Cross Central	100%
	– Victoria Riverside	100%
	– Network Rail	100%
	– Others	100%
5.	Ensign House Admirals Way, Isle of Dogs London	100%

List of Principal Properties

Total (not attributable) approximate floor area (m²)	Types of property	Stage of completion	Expected completion (financial year)
35,368	R & S	Under construction	2025
13,375	R & O	Under construction	2022
52,939	R & S	Under construction	2022 and onwards
5,731	R	Under construction	2023
42,589	R	Planning stage	2023
142,326	Planning	Planning stage	N/A
111,654	Planning	Planning stage	N/A
25,176	R & S	Planning Stage	N/A

List of Principal Properties

HOSPITALITY AND GAMING

Name of property and location		Group's interest
Hong Kong		
1.	Dorsett Wanchai, Hong Kong Nos. 387–397 Queen's Road East Wan Chai	100%
2.	Cosmo Hotel Hong Kong Nos. 375–377 Queen's Road East Wan Chai	100%
3.	Lan Kwai Fong Hotel@Kau U Fong No. 3 Kau U Fong Central	100%
4.	Silka Far East, Hong Kong Nos. 135–143 Castle Peak Road Tsuen Wan	100%
5.	Silka Seaview, Hong Kong No. 268 Shanghai Street Yau Ma Tei	100%
6.	Dorsett Mongkok, Hong Kong No. 88 Tai Kok Tsui Road Tai Kok Tsui	100%
7.	Dorsett Kwun Tong, Hong Kong No. 84 Hung To Road Kwun Tong	100%
8.	Dorsett Tsuen Wan, Hong Kong No.28 Kin Chuen Street Kwai Chung	100%
9.	Silka Tsuen Wan, Hong Kong No. 119 Wo Yi Hop Road Kwai Chung	100%
10.	Kai Tak Hotel, Shing Kai Road, Kai Tak, New Kowloon Inland Lot No.6007	100%

List of Principal Properties

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
15,895	H	Completed	Existing
5,546	H	Completed	Existing
5,646	H	Completed	Existing
5,180	H	Completed	Existing
6,065	H	Completed	Existing
6,225	H	Completed	Existing
11,147	H	Completed	Existing
21,467	H	Completed	Existing
12,688	H	Completed	Existing
15,415	H & S	Under construction	2024

List of Principal Properties

Name of property and location		Group's interest
China		
1.	Dorsett Grand Chengdu No. 168 Xiyulong Street Qingyang District Chengdu Sichuan Province	100%
2.	Dorsett Wuhan Hong Kong & Macao Centre No. 118 Jianghan Road Hankou Wuhan Hubei Province	100%
3.	Dorsett Shanghai No. 800 Hua Mu Road Pudong New Area Shanghai	100%
4.	Lushan Resort Wenquan Zhen Xingzi Xian Jiujiang City Jiangxi Province	100%
Malaysia		
1.	Dorsett Kuala Lumpur 172, Jalan Imbi 55100 Kuala Lumpur Malaysia	100%
2.	Dorsett Grand Subang Jalan SS 12/1, 47500 Subang Jaya Selangor Darul Ehsan Malaysia	100%
3.	Dorsett Grand Labuan 462, Jalan Merdeka, 87029 Federal Territory of Labuan Malaysia	100%
4.	Silka Maytower Kuala Lumpur No 7 Jalan Munshi Abdullah 50100 Kuala Lumpur Malaysia	100%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
67,617	H	Completed	Existing
67,307	H&S	Completed	Existing
18,149	H&S	Completed	Existing
35,220	H	Completed	Existing
27,753	H	Completed	Existing
43,264	H	Completed	Existing
21,565	H	Completed	Existing
5,623	H	Completed	Existing

List of Principal Properties

	Name of property and location	Group's interest
5.	Silka Johor Bahru Lot 101375 Jalan Masai Lama Mukim Plentong 81750 Johor Malaysia	100%
6.	Dorsett Residences Bukit Bintang 172 A Jalan Imbi 55100 Bukit Bintang Kuala Lumpur, Malaysia	100%
7.	J-Hotel by Dorsett Jalan Jati, Off Jalan Imbi, 55100, Kuala Lumpur, Malaysia	100%
Singapore		
1.	Dorsett Singapore 333 New Bridge Road 088 765 Singapore	100%
2.	Oakwood Premier AMTD Singapore 6 Shenton Way, OUE Downtown #07-01 068809 Singapore	49.0%
UK		
1.	Dorsett Shepherds Bush, London 58 Shepherd's Bush Green London	100%
2.	Dorsett City, London 9 Aldgate High Street London	100%
3.	Dorsett Shepherds Bush II, London 56 Shepherd's Bush Green London	100%
4.	Consort Place 63-69 Manilla Street & 50 Marsh Wall London	100%
5.	Hornsey Town Hall The Broadway Crouch End London	100%

List of Principal Properties

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
8,804	H	Completed	Existing
6,447	H	Completed	Existing
5,349	H	Completed	Existing
16,226	H&S	Completed	Existing
25,054	H	Completed	Existing
14,651	H	Completed	Existing
9,647	H	Completed	Existing
4,787	H	Under construction	2022
10,107	H	Under construction	2025
13,337	H	Under construction	2022

List of Principal Properties

Name of property and location		Group's interest
Australia		
1.	Ritz-Carlton Tower 1, West Side Place, Melbourne Australia	100%
2.	Ritz-Carlton Elizabeth Quay, Perth Australia	100%
3.	Queen's Wharf Brisbane Australia	25%
4.	Sheraton Grand Mirage Resort 71 Sea World Drive, Main Beach, Gold Coast, Queensland	25%
5.	Dorsett Melbourne Tower 3, West Side Place, Melbourne Australia	100%
6.	Dorsett at Perth City Link City Link, Perth Australia	100%
7.	Dorsett Gold Coast Casino Drive, Broadbeach Queensland, Australia	33.3%
8.	The Star Residences – Epsilon Casino Drive, Broadbeach Island, Broadbeach, Queensland	33.3%
9.	Dorsett Sydney Union Street, Pyrmont, Sydney Australia	50%

List of Principal Properties

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
36,817	H	Under construction	2022
31,350	H	Completed	Existing
142,641	H&S	Under construction	2023/2024
31,483	H	Completed	Existing
19,516	H	Planning stage	2024
14,924	H	Planning stage	2022
12,056	H	Under construction	2022
9,627	H	Under construction	2024
11,423	H	Planning stage	N/A

List of Principal Properties

Name of property and location		Group's interest
Europe		
1.	Hotel Columbus Seligenstadt, Germany	100%
2.	Hotel Freizeit Auefeld Hann Münden, Germany	100%
3.	Hotel Kranichhöhe Much, Germany	100%
4.	Hotel Donauwelle Linz, Austria	100%
5.	Hotel Savannah Czech-Austrian Border	100%
6.	Ceska Kubice Czech-German Border	100%
7.	Dolni Dvoriste Czech-Austrian Border	100%
8.	Hate Casino Czech-Austrian Border	100%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
6,845	H	Completed	Existing
11,379	H	Completed	Existing
12,009	H	Completed	Existing
10,782	H	Completed	Existing
9,240	H	Completed	Existing
2,765	H	Completed	Existing
3,445	H	Completed	Existing
3,438	H	Completed	Existing

List of Principal Properties

CAR PARK PROPERTY

	Name of property and location	Group's interest
	Australia	
1.	12 Blyth Street/13–19 Bank Street Adelaide, South Australia Australia	77.75%
2.	Central Square 25 Doveton Street South Ballarat, Victoria Australia	77.75%
3.	Fenton Street Devonport, Tasmania Australia	77.75%
4.	Gasworks Willis Street Launceston, Tasmania Australia	77.75%
5.	Hub Arcade 15–23 Langhorne Street Dandenong, Victoria Australia	77.75%
6.	2–6 Mundy Street Bendigo, Victoria Australia	77.75%
7.	Northbank Place 507–581 Flinders Street Melbourne, Victoria Australia	77.75%
8.	Quadrant Plaza 94 York Street Launceston, Tasmania Australia	77.75%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
350 car parking bays	CP	Completed	Existing
634 car parking bays	CP	Completed	Existing
26 car parking bays	CP	Completed	Existing
40 car parking bays	CP	Completed	Existing
189 car parking bays	CP	Completed	Existing
44 car parking bays	CP	Completed	Existing
200 car parking bays	CP	Completed	Existing
369 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
9.	Dell Lane, Launceston, Tasmania Australia	77.75%
10.	344 Queen Street Brisbane, Queensland Australia	77.75%
11.	15 Roper Street Adelaide, South Australia Australia	77.75%
12.	14–40 Stewart Street Shepparton, Victoria Australia	77.75%
13.	360 St Kilda Road Melbourne, Victoria Australia	77.75%
14.	Toorak Place 521 Toorak Road Toorat, Victoria Australia	77.75%
15.	Watergate 767 Bourke Street Docklands, Victoria Australia	77.75%
16.	York Street Central 124 York Street Launceston, Tasmania Australia	77.75%
17.	9 Yarra Street, South Yarra, Victoria Australia	77.75%
18.	Festival Car Park 53 Charlotte Street Brisbane, Australia	19.44%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
4 car parking bays	CP	Completed	Existing
51 car parking bays	CP	Completed	Existing
715 car parking bays	CP	Completed	Existing
335 car parking bays	CP	Completed	Existing
180 car parking bays	CP	Completed	Existing
48 car parking bays	CP	Completed	Existing
111 car parking bays	CP	Completed	Existing
50 car parking bays	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing
383 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
19. Eden 677 Victoria Street Abbotsford, Victoria, Australia	77.75%
20. Monkey Bar 20 Endeavour Street Chatswood, New South Wales, Australia	77.75%
21. Bianca 120 Bay Street, Port Melbourne, Victoria, Australia	77.75%
22. Tip Top Edward Street, East Brunswick Melbourne, Australia	77.75%
23. EXO Car Park 55 Merchant Street, Docklands, Victoria, Australia	77.75%
Malaysia	
1. Plaza Damas, Sri Hartamas Kuala Lumpur Malaysia (Basement car park)	100%
2. Windsor Tower Service Apartments, Sri Hartamas Kuala Lumpur, Malaysia	100%
New Zealand	
1. Knox Street, 41 Hood Street, Hamilton	77.75%
2. 16 Mowbray Street, Wellington	77.75%
3. 70 Tory Street Wellington	77.75%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
121 car parking bays	CP	Completed	Existing
250 car parking bays	CP	Completed	Existing
141 car parking bays	CP	Completed	Existing
40 car parking bays	CP	Completed	Existing
322 car parking bays	CP	Completed	Existing
1,718 car parking bays	CP	Completed	Existing
348 car parking bays	CP	Completed	Existing
443 car parking bays	CP	Completed	Existing
53 car parking bays	CP	Completed	Existing
474 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
UK		
1.	Car Park at Manchester Airport Boundary Farm, Styal Road, Manchester	88.88%
Hungary		
1.	Akacfa Parkolohaz 12–14 Akácfa Street District VII, Budapest	77.75%
2.	Gozsdu (Hollo) Parkolohaz 6 Holló Street District VII,Budapest	77.75%
3.	Kertesz Parkolohaz 24–28 Kertész Street District VII, Budapest	77.75%
4.	Szekely Parkolohaz 3 Székely Mihály street District VI, Budapest	77.75%
5.	Opera (Zichy) Parkolohaz 9 Zichy Jenö street District VI, Budapest	77.75%
6.	Weiner Parkolohaz 16 Weiner Leó street District VI, Budapest	77.75%
7.	Liliom Parkolohaz Liliom Utca 43-45 IX. Kerület, Budapest	77.75%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
1,800 car parking bays	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing
229 car parking bays	CP	Completed	Existing
187 car parking bays	CP	Completed	Existing
273 car parking bays	CP	Completed	Existing
388 car parking bays	CP	Completed	Existing
130 car parking bays	CP	Completed	Existing
141 car parking bays	CP	Completed	Existing

Glossary

"2021 AGM"	the forthcoming annual general meeting of the Company to be held on Tuesday, 24 August 2021 at 11:30 a.m. at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong.
"ARR"	average room rate.
"Articles"	Articles of Association of the Company, as amended from time to time.
"Associate"	has the meaning ascribed to it under the Listing Rules.
"AUD" or "A$"	Australian Dollars, the lawful currency of Australia.
"BC Group" or "BCG"	BC Investment Group Holdings Limited (formerly known as BC Group Holdings Limited), a company incorporated in the Cayman Islands and which is the holding company of BC Securities following the reorganisation referred to the announcement of the Company dated 21 February 2019.
"BC Securities"	BC Securities Pty Ltd, BC Finance Services Pty Ltd, BC Investment Group Pty Ltd, BC Investment Group (HK) Limited, BC Securities (HK) Limited and their respective subsidiaries, whose principal business is the provision of regulated first mortgage finance to international buyers of residential properties.
"BCG Business"	international mortgage finance platform under the brand of BCG.
"Board"	the board of Directors.
"BVI"	the British Virgin Islands.
"CAGR"	compound annual growth rate.
"Care Park"	Care Park Group Pty. Ltd., a company incorporated in Australia with limited liability, an indirect non wholly-owned Subsidiary.
"CBD"	central business district.
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules.
"Companies Law"	Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
"Company" or "FEC" or "FECIL"	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 35).
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules.
"CTF"	Chow Tai Fook Group.
"Czech"	the Czech Republic.
"CZK"	Czech Koruna, the lawful currency of Czech.
"Director(s)"	the director(s) of the Company.
"Dorsett"	Dorsett Hospitality International Limited (formerly know as Kosmopolito Hotels International Limited), a company incorporated in the Cayman Islands and a listed subsidiary of the Company until it was privatized (previous stock code: 2266) and became an indirect wholly-owned Subsidiary in October 2015.
"Dorsett Group"	Dorsett and its subsidiaries.
"Dorsett Share Option Scheme"	the share option scheme of Dorsett adopted on 10 September 2010.

Glossary

"EBITDA"	earnings before interest, taxes, depreciation, and amortisation.
"ESG"	Environmental, Social and Governance.
"EUR"	Euro, the lawful currency of the eurozone.
"FECIL Share Option Schemes"	the share option schemes of the Company adopted pursuant to the resolutions passed by the Shareholders on 28 August 2002 and 31 August 2012.
"FEV"	Far East Vault.
"FY"	financial year ended/ending 31 March.
"F&B"	food and beverage.
"GBP" or "£"	pounds sterling, the lawful currency of the United Kingdom.
"GDV"	gross development value.
"GFA"	gross floor area.
"Group"	the Company and its Subsidiaries.
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong.
"HKICPA"	the Hong Kong Institute of Certified Public Accountants.
"HKIRA"	the Hong Kong Investor Relations Association.
"Hong Kong" or "HK" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC.
"LC"	local currency.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange.
"Mayland"	Malaysia Land Properties Sdn. Bhd..
"MCC"	Manchester City Council.
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules.
"MOU"	Memorandum of understanding.
"MYR"	Malaysian Ringgit, the lawful currency of Malaysia.
"Notes"	the notes issued under the US$1,000,000,000 medium term note programme of FEC Finance Limited unconditionally and irrevocably guaranteed by the Company.
"OCC"	overall occupancy rate.
"Perpetual Capital Notes"	the senior perpetual capital notes issued under the US$1,000,000,000 medium term note programme of FEC Finance Limited unconditionally and irrevocably guaranteed by the Company.
"PRC" or "Mainland China" or "China"	other regions in the People's Republic of China, and for the purpose of this annual report and unless otherwise stated, references in this annual report to the PRC, Mainland China or China do not include Taiwan, Hong Kong or Macau Special Administrative Region of the PRC.

Glossary

"QWB Project"	Queen's Wharf Project in Brisbane.
"RevPAR"	revenue per available room.
"RMB"	Chinese Yuan, Renminbi, the lawful currency of the PRC.
"RMBS"	residential mortgage-backed securities.
"Securities"	as the securities as defined in Schedule 1 to the SFO.
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
"SGD"	Singapore Dollars, the lawful currency of Singapore.
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company.
"Shareholder(s)"	holder(s) of Share(s).
"sq. ft."	square feet.
"sq. m."	square meters.
"SRF"	Strategic regeneration framework.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Subsidiary(ies)"	the subsidiary(ies) of the Company.
"The Star"	The Star Entertainment Group Limited.
"TWC"	Trans World Corporation.
"TWC Hotel Group"	hotels under TWC.
"UK"	the United Kingdom.
"URA"	Urban Renewal Authority.
"USD" or "US$"	United States Dollars, the lawful currency of the United States of America.
"Year" or "FY2021"	the financial year of the Company from 1 April 2020 to 31 March 2021.
"%"	per cent.

This annual report, in both English and Chinese versions, is available on the Company's website at www.fecil.com.hk.

Shareholders who have chosen to receive the corporate communications of the Company (the "Corporate Communications") in either English or Chinese version may request for a copy in the other language. The annual report in the requested language will be sent free of charge by the Company upon request.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the Corporate Communications.

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

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