FEC 遠東發展

遠東發展有限公司

Far East Consortium International Limited

(Incorporated in the Cayman Islands with limited liability)

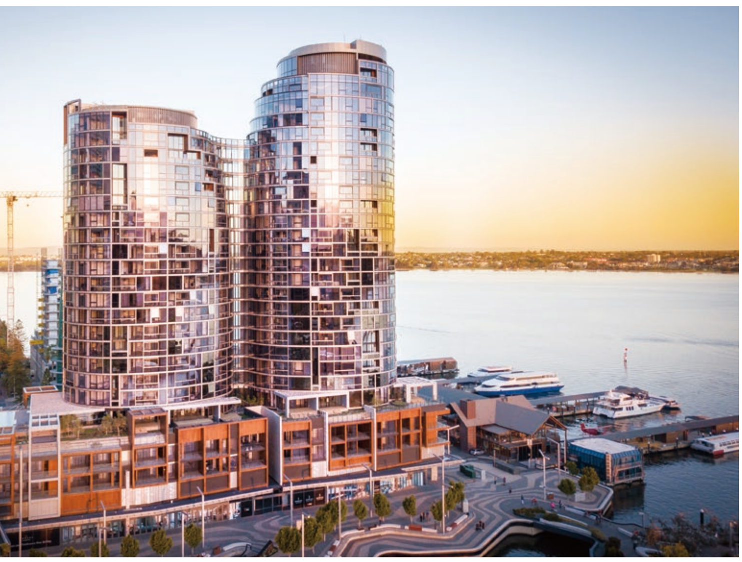
Stock Code: 035

ANNUAL REPORT 2022

Diversification Yields Resilience


MORNING NOON NIGHT


MERITON



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., Hong Kong Branch
China CITIC International Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
China Minsheng Banking Corp., Ltd., Hong Kong Branch
CMB Wing Lung Bank Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
East West Bank, Hong Kong Branch
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Malayan Banking Berhad, Hong Kong Branch
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

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
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 Co., Ltd.

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)
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 2022

2021 APR

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

2021 JUN

- BC Invest, a diversified financial services group c.53% owned by the Group, successfully priced its Australian dollar-denominated Ruby Bond Trust 2021-1, a residential mortgage-backed securities (RMBS) bond
- The Group disposed of Dorsett City London for GBP115 million on 30 June 2021 and recorded approximately HK$547 million gain on disposal
- The Group acquired a site in Lam Tei, Tuen Mun

2021 AUG

- The Group entered into an agreement to sell 128 affordable housing units at Victoria Riverside for approximately GBP26 million

2021 MAY

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

25 Years FinanceAsia | FinanceAsia ASIA'S BEST COMPANIES 2021

2021 JUL

- The Group issued an additional US$150 million 2024 Notes

2021 SEP

hkira IR Awards

- The Group won eight awards at the "HKIRA 7th Investor Relations Awards 2021"
- The Group signed an exclusivity agreement with London and Johannesburg-listed Capital & Regional PLC ("C&R" or Capital & Regional; LSE: CAL) in relation to the co-development of future residential developments on or around some of its retail properties

- The Group entered into an agreement to sell 21 Anderson Road in Singapore for approximately SGD216 million; the transaction was completed on 1 November 2021

- The Group formed a joint venture to acquire a site in Ho Chung, Sai Kung

Major Events of Financial Year 2022

2021 OCT

- BC Invest acquired strategic stake in Mortgageport to accelerate growth in Australian domestic mortgage market
- The Group entered into an agreement to sell 139 affordable housing units at Consort Place, London for approximately GBP43 million

2021 NOV

- S&P Global Ratings provided aligned opinion on the Group's Sustainable Finance Framework
- The Group won four awards at "11th Asian Excellence Award 2021"
- The Group formed a joint venture with New World Development Company Limited to acquire a significant residential development site in Kai Tak, Hong Kong

2021 DEC

- The Group entered into an agreement with a subsidiary of CLP Holdings Limited to dispose of the office portion of the Kai Tak Development for HK$3.38 billion
- The Group won the "Honourable Mention of the ESG Excellence Awards" of the "Hong Kong Corporate Governance & ESG Excellence Awards 2021"

2022 FEB

- BC Invest successfully launched BC Invest Australian Credit Fund; Green Units the first of their kind in Australia

2022 MAR

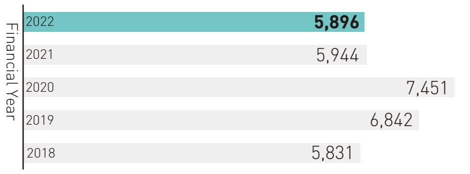
- The Group entered into an agreement to acquire the Vauxhall Square development from R&F Properties (HK) Company Limited for approximately GBP95.7 million and provided a repurchase option

Statement of Profit or Loss Highlights

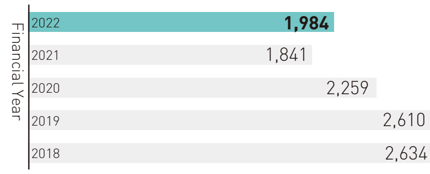
HK$ million, unless otherwise stated

	For the financial year ended 31 March 2018	2019	2020	2021	**2022**	CAGR
Revenue	5,831	6,842	7,451	5,944	**5,896**	0.3%
Gross profit	2,634	2,610	2,259	1,841	**1,984**	-6.8%
Net profit attributable to Shareholders	1,567	1,714	366	543	**1,300**	-4.6%
Adjusted cash profit[i]	1,703	1,389	895	630	**1,425**	-4.4%
Adjusted cash profit margin[i] (%)	29.2	20.3	12.0	10.6	**24.2**	N/A
Total dividend (HK cents)	22.0	22.0	19.0	19.0	**20.0**	-2.4%

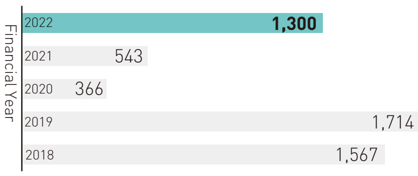
Revenue
(HK$ million)



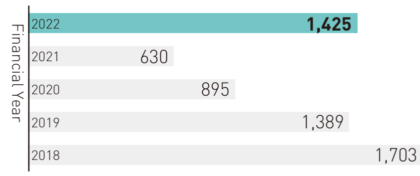
Gross Profit
(HK$ million)



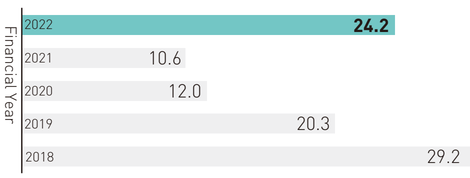
Net Profit Attributable to Shareholders
(HK$ million)



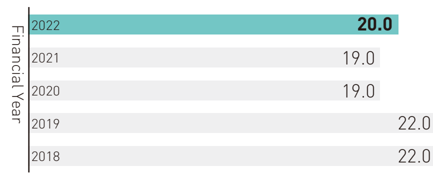
Adjusted Cash Profit[i]
(HK$ million)



Adjusted Cash Profit Margin[i]
(%)



Total Dividend
(HK cents)



Note:

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

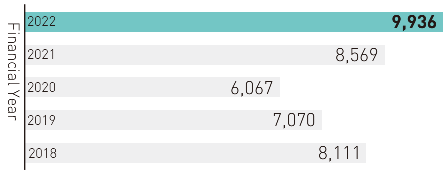
Statement of Financial Position Highlights

HK$ million, unless otherwise stated

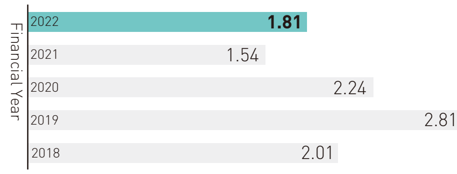
	As at 31 March					
	2018	2019	2020	2021	**2022**	CAGR
Cash balance and investment securities	8,111	7,070	6,067	8,569	**9,936**	5.2%
Current ratio	2.01	2.81	2.24	1.54	**1.81**	N/A
Adjusted net gearing ratio[i] (%)	28.7	45.4	56.7	54.9	**57.9**	N/A
Adjusted total assets[i]	50,082	56,916	58,128	67,451	**73,600**	10.1%
Adjusted net asset value attributable to Shareholders[i]	28,564	31,251	27,467	31,347	**33,428**	4.0%
Adjusted net asset value per share[i] (HK$)	12.41	13.29	11.59	13.09	**13.81**	2.7%

Cash Balance and Investment Securities

(HK$ million)
5.2% CAGR

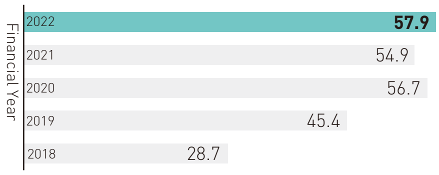


Current Ratio



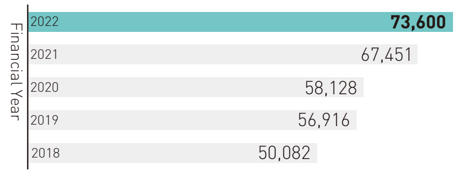
Adjusted Net Gearing Ratio[i]

(%)



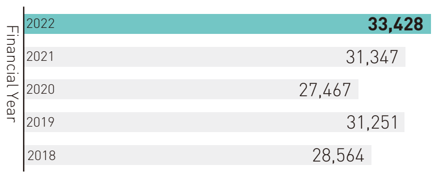
Adjusted Total Assets[i]

(HK$ million)
10.1% CAGR



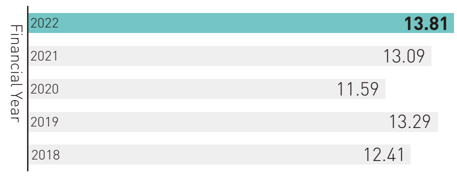
Adjusted Net Asset Value Attributable to Shareholders[i]

(HK$ million)
4.0% CAGR



Adjusted Net Asset Value Per Share[i]

(HK$)
2.7% CAGR



Note:

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

CAPTURE THE UPSWING


Queen's Wharf, Brisbane

Chairman and Chief Executive Officer's Statement

It is my pleasure to announce that the Group has once again defied a challenging business environment to deliver another solid year of results for our shareholders. Our business and geographical diversification played a central role in achieving this performance. Over the years, we had to work extra hard and use our balance sheet diligently to unlock opportunities in our operating regions. It was not plain sailing, but our strategy has again been vindicated by our ability to generate good returns for our shareholders in the last 12 months. The resilience of our business has definitely been on display as we navigated turbulent economic and market conditions.

For property development, our cumulative presales revenue stood at HK$16.7 billion as at 31 March 2022, which is the Group's highest presales amount ever and provides strong visibility for future revenue. We made good progress on the handover of MeadowSide in Manchester and West Side Place (Towers 1 and 2) in Melbourne. Additionally, our recent launches of Mount Arcadia in Hong Kong and Queen's Wharf Residences (Tower 5) in Brisbane met with a strong response. The commercial component of our Kai Tak Development was presold with attractive returns. The upcoming years will mark a new growth phase for the Group, with several large-scale developments scheduled to be completed.

The rebound of the Group's hotel operations can be attributed to the exceptional work of the Dorsett management team. The prompt tactical adjustments made to the business model of each hotel property together with the strong relationships built with local and overseas authorities ensured that we became a partner of choice during the pandemic. Our Hong Kong hotels played a vital role in anti-pandemic efforts by serving as Designated Quarantine Hotels and Community Isolation Facility Hotels. Globally, many of our properties were used to support healthcare staff or quarantined travellers. As the world re-opens, we expect our hotel business to continue to recover. To top it off, a number of new hotel properties, namely Ritz-Carlton Melbourne and Dorsett Melbourne, will open in the upcoming years and will contribute to our revenue stream. Though the Group's car park and facilities management business was hit hard by lockdowns last financial year, it rebounded strongly as soon as restrictions were lifted. The integrated resort at Queen's Wharf, Brisbane is expected to open by phases starting in mid-2023 and is expected to contribute to the Group's future recurring performance.

The Group progressed on its ESG journey at a steady pace. We implemented a sustainable finance framework to prepare for the possibility of raising green financing in the future. The Group has always believed in creating positive impacts and using our influence to contribute to the sustainability of our society. Regarding governance, we built on the reporting lines of the ESG Steering Committee as defined in the Group's ESG Report 2021 by expanding the ESG Working Group into several subcommittees according to their business functions. As a result, we were able to refine our bottom-up information flow and work more closely with regional teams to build upon their locally-tailored policies, with the aim of further systematising our existing sustainability strategy. We are very proud of the accolades that we received in FY2022, including "Most Committed to Social Causes in China" in FinanceAsia's 2021 Asia's Best Companies Poll; "Best ESG (E)," "Best ESG (S)" and "Best ESG (G)" at the HKIRA 7th Investor Relations Awards 2021 and "Best Environmental Responsibility" at the 11th Asian Excellence Award 2021.

Looking forward, we will continue focusing on strong returns and recurring income for our shareholders, as well as maintaining a steady dividend policy. We will remain flexible and adaptable to the ever-changing world, for innovation is a must and not a luxury. One of the keys to our continued success is our human resources; therefore, we make it a point to support our staff, as a prosperous company is made possible by its people. On a larger scale, all of our stakeholders and society as a whole need to be nurtured and prioritised as we continue on our journey to offer the best products and experiences to our customers.

We remain committed to our vision of growth while continuing to deliver a sustainable and attractive return to shareholders. With this in mind, I would like to take this opportunity to express my sincere gratitude to our shareholders, financiers, partners and our approximately 3,500 colleagues for their enduring support, which has been fundamental for the Group's success over the years. The year 2022 in particular is a special one, as it marks the Company's 50th anniversary as a listed company on The Stock Exchange of Hong Kong Limited.

David CHIU
Chairman and Chief Executive Officer

28 June 2022


ALWAYS READY TO
AIM HIGH


Dorsett Gold Coast

Managing Director's Report

OVERALL BUSINESS REVIEW

The financial year ended 31 March 2022 was a very busy year for the Group. New exciting projects were launched, non-core assets were sold, attractive acquisitions were completed and our operations continued their recovery from the COVID-19 pandemic. The year was not plain sailing, however, as the Group navigated a challenging business environment throughout the year. New COVID-19 variants and outbreaks affected our business. The ongoing deleveraging in China created headwinds for the property market and developers in China. The Federal Reserve turned more hawkish in light of rising inflation. Labour become tougher to find and keep, globally. And a conflict between Russian and Ukraine broke out, affecting the overall sentiment. As a result, we continued to look for new ways to optimise our operations. At the same time, the business and market environment did create interesting opportunities for the Group. In particular, more acquisition opportunities at the right price became available and, having analysed many throughout the year, a few were actioned and completed successfully.

The residential property business was impacted by some construction delays and some settlement delays. The COVID-19 pandemic created some supply chain and labour issues and affected the progress of some construction activities. Nevertheless, this affected all developers and the situation is getting back to normal. We also launched a number of new projects that have been met with a solid response.

Our hotels were impacted by COVID-19 but are recovering as business and leisure travelers are returning. In Hong Kong, the business was mitigated partially with our hotels being used as quarantine and close contact hotels. As Hong Kong re-opens, the situation should continue to improve. Furthermore, a number of new hotel properties will start contributing in the coming years.

Construction at Queen's Wharf, Brisbane

The car park and facilities management business has slowly recovered as the lock-downs were lifted. Similarly, for our gaming business in the Czech Republic, we have seen attendance and revenues rebound strongly as soon as the COVID-19 restrictions were lifted.

Finally, BC Invest continues to grow strongly organically and on the back of the Mortgageport acquisition. The Australian market remains buoyant and the entry in the United Kingdom has been a success so far.

Overall, the diversification of our business remains a strong point of the Group. It has allowed us to weather the headwinds better than others and to adjust our asset allocation where we see the most promising prospects.

During the year, we saw many attractive opportunities that arose as a result of financially weaker developers selling their development projects. The Group managed to secure a number of projects which added to our residential development pipeline.

We have continued to maintain a conservative approach in our financial management. We have lengthened the maturity profile of our borrowings by repaying or refinancing our debt. By selling some non-core assets, we have raised more liquidity to stand ready to take advantage of acquisition opportunities delivering better returns. Today, our balance sheet remains strong and liquid, and our outlook is very promising.

The following is a summary of our key achievements and results for the financial year ended 31 March 2022:

Key Achievements and Business Progress Update

Property Development

- We launched presale of a number of residential projects including Victoria Riverside in Manchester, Mount Arcadia in Hong Kong and more recently Queen's Wharf Residences (Tower 5) in Brisbane. These projects have a combined attributable GDV of approximately HK$6.3 billion.

- We achieved the highest amount ever of cumulative presales of properties so far at HK$16.7 billion as at 31 March 2022.

- We signed an agreement to sell the office component of our project in Kai Tak to CLP Properties Limited, a subsidiary of CLP Holdings Limited, for HK$3.38 billion.

- We completed the disposal of 21 Anderson Road in Singapore for approximately SGD216 million (equivalent to approximately HK$1.24 billion).

- We signed agreements to sell 2 affordable housing projects in the UK for a total of approximately GBP69 million (equivalent to approximately HK$723 million).

- We disposed of a number of non-core assets including some smaller car parks and retail units in Australia, raising AUD66.8 million (equivalent to approximately HK$393 million).

- We replenished our landbank by acquiring the Lam Tei site in Tuen Mun, Hong Kong and entered into joint ventures to acquire a large residential site in Kai Tak runway, as well as a Ho Chung site in Sai Kung, Hong Kong. We also acquired three parcels of land in Manchester as part of the Victoria North development.

- We signed an exclusivity agreement with Capital and Regional PLC, which has a portfolio of shopping malls in greater London, to explore co-development opportunities on or around some of its retail properties.

- We entered into an agreement with R&F Properties (HK) Company Limited through a subsidiary to acquire the entire issue share capital of R&F Properties VS (UK) Co., Ltd. ("VS") for approximately GBP95.7 million (equivalent to approximately HK$977 million). VS owns and is currently developing Vauxhall Square, a large mixed-use development in London with 133,000 sq. m. of gross floor area and planning consent for residential, hotel and hostel, office, retail and leisure space. The transaction was closed on 4 April 2022.

- We have struck a deal with Bonjour Holdings Limited to allow for the early redemption of the convertible bonds amounting to HK$110.5 million and the issuance of new warrants representing approximately 16.31% of Bonjour Holdings' share capital.

Managing Director's Report

Dorsett Gold Coast, Australia

Hotel Operations and Management

- The early adoption of a new business model by our hotel division in Hong Kong catering to quarantine and close contact stays in a number of our hotel properties has resulted in a strong recovery of our hotel business, especially when compared to our competitors.

- We completed the sale of Dorsett City London, realising profit of approximately GBP56.2 million (equivalent to approximately HK$547 million).

- We opened Dorsett Gold Coast in Australia with 313 rooms on 26 December 2021 and added Dao by Dorsett West London recently and Ritz-Carlton in Melbourne is also expected to open in latter 2022.

Car Park Operations

- Our car park division won many new management contracts and had approximately 120,200 car parking bays owned and under management as at 31 March 2022 versus approximately 114,800 car parking bays as at 31 March 2021.

Care Park

PALASINO Furth im Wald, Czech Republic

Gaming Operations

- Upon the re-opening of our properties in the third quarter of 2021, TWC's gaming revenues are recovered strongly from the last financial year. We completed the rebranding of our operations to "PALASINO" and filed an application for an online gaming license with the authorities in Malta.

Mortgage Financing Business

- BC Invest, our mortgage lending platform, completed the acquisition of Mortgageport, a well-established mortgage products provider in Australia and entered the market in the United Kingdom. BC Invest also launched Australia's first green mortgage fund targeting green residential buildings. The business also completed a number of Residential Mortgage-Backed Security offerings, which raised AUD800 million in FY2022.

- As of 31 March 2022, BC Invest had a total loans and advances of over AUD2.6 billion, an increase of 122.8% from 31 March 2021. As at 31 March 2022, including third party assets under management (AUM), BC Invest has a total AUM of approximately AUD3.8 billion.

BC Invest's Exhibition

Results Highlights

In FY2022, the Group recorded revenues of approximately HK$5.9 billion (FY2021: HK$5.9 billion), a slight reduction of 0.8% given the lower recognition of revenue in the property development segment. Despite that, all our other divisions reported positive growth. Adjusted gross profit, a non-GAAP financial measure, and net profit of the Group were approximately HK$2.3 billion and HK$1,511 million, respectively, which represented an increase of 5.5% and 87.5% compared to the year before.

The results for the year were supported by higher contributions from our recurring income businesses, the disposal of non-core assets and revaluation gains attributable to Hong Kong properties offset by lower contribution from the property development division.

The Group's adjusted cash profit, a non-GAAP financial measure, was approximately HK$1,425 million (FY2021: HK$630 million), demonstrating a 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$16 cents per share. Together with an interim dividend of HK$4 cents per share, the total dividend for the year will amount to HK$20 cents per share.

To celebrate the 50th anniversary of our listing on The Stock Exchange of Hong Kong Limited, the Board has recommended a bonus issue of shares on the basis of one bonus share for every ten existing ordinary shares held by the Shareholders to thanks the support from our Shareholders. This is subject to Shareholder's approval at the forthcoming annual general meeting of the Company, and if passed and upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in such new shares.

Adjusted net asset value per share, a non-GAAP financial measure, increased by 5.5% to HK$13.81 as a result of profits for the year.

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

Capital Structure and Balance Sheet Management

During the year, in addition to the additional US$150 million 2024 Notes issued, the Group has also completed a number of major loan financings including: a GBP255 million construction loan for Aspen at Consort Place in London, AUD75 million term loan for Ritz-Carlton hotel in Perth and a number of unsecured corporate facilities in an aggregation of approximately HK$1 billion. Post year-end, the HK$5 billion loan for Kai Tak Residential development in which the Group has a 50% interest was refinanced with a lower interest cost.

As at 31 March 2022, the Group's cash and liquidity position amounted to approximately HK$9.9 billion (HK$8.6 billion as at 31 March 2021). In addition, the Group's undrawn banking facilities stood at approximately HK$8.1 billion and the Group continues to hold 5 hotels unencumbered valued at approximately HK$1.7 billion and approximately HK$6.7 billion of various unsold inventory. These could be monetised 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 monetised if the consideration is deemed attractive. Our adjusted net gearing ratio, a non-GAAP financial measure, also remained at a relatively low level of 57.9%, measured on the basis of net debts to adjusted total equity.

Post Year-End

In April 2022, BC Invest closed another Australian RMBS, raising AUD416 million from institutional investors globally. The transaction had the novelty to include a number of green tranches issued as part of the BC Invest Green Framework.

In April 2022, the Group completed the acquisition of Vauxhall Square in London. Vauxhall Square is under the planning consent for approximately 133,000 sq. m. gross floor area of mixed-use development comprising residential, hotel and hostel, office, retail and leisure as approved under planning permission and subsequent non-material amendment approvals.

The Star Residences, Gold Coast

CORPORATE GOVERNANCE AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group continued to win many new awards in recognition of its corporate governance and environmental, social and governance efforts. During the year, we received the following awards:

- Six awards in "FinanceAsia's 2021 Asia's Best Companies" Poll, including "Asia's Overall Best Managed Company";
- Eight awards at the "HKIRA 7th Investor Relations Awards 2021", including "Best IR Company" and "The ESG Grand Award (Small Cap)";
- Silver Award in the category of "Property Development: Residential" of "Traditional Annual Report" at "The International ARC 2021 Awards";
- Four awards at the "11th Asian Excellence Award 2021", including "Best Environmental Responsibility"; and
- Titanium Award at "The Asset ESG Corporate Awards 2021".

The Group also released a sustainable finance framework and received an aligned opinion from S&P Global Ratings, paving the way for the Group to raise green financings for its projects in the future.

OUTLOOK

The Group is now well-positioned for growth. The last 2 years have been hindered by the outbreak of COVID-19, but there is light at the end of the tunnel. Most parts of the world seem resigned to live with COVID-19 and to return to normal. This should benefit all our operations. Evidently, there are still many risks, known and unknown, but the Group has proven its resilience and will keep pushing ahead.

We have invested in our businesses in the last few years and we hope to reap the fruits of our efforts over the next 24 months. More residential projects is expected to complete and marketing of new projects will start. Another 12 hotel properties will open and Queen's Wharf, Brisbane's gaming operations will start at the end of 2023. In addition, BC Invest is on the right track to double again its assets under management.

Managing Director's Report

The presale of Mount Arcadia in Hong Kong and Queen's Wharf Residences (Tower 5) in Brisbane are off to a very strong start, with presold value of approximately HK$598 million and HK$3.9 billion (attributable GDV of HK$1.9 billion) recorded in April 2022, respectively. Our two recent project acquisitions are very promising: the Kai Tak Residential development in Hong Kong and Vauxhall Square in London. These two transactions are a testament to our ability to source and close attractive transactions for the Group.

We expect to recognise a net gain of RMB302 million after the aggregate of estimated book carrying value of the joint venture company attributable to the Group and the estimated expenses in respect of settlement regarding the transaction with Guangdong Trust Real Estate Development Co., Ltd. and a joint venture company in FY2023.

Dao by Dorsett West London opened in June 2022 and we aim to open the Ritz-Carlton Melbourne in latter 2022 followed by a number of Dorsett-branded hotels in Australia (Melbourne, Perth and Brisbane), London (Consort Place) and Hong Kong (Kai Tak). The next 36 months will see an increase of 2,935 rooms we own and operate at the end of FY2025.

Our car park and facilities management business continues to grow steadily. On the back of the COVID-19 pandemic, a number of municipalities and hospitals, airports and mall operators have reached out for help in managing their car park operations.

Our gaming operations have proven to be very quick to recover. We plan to build on our physical presence with the launch of our online product offering as soon as our license is obtained. The game-changer will be the opening of the casino operations at Queen's Wharf, Brisbane in FY2024. Once fully opened in the following years, we expect a significant ramp up in revenues.

BC Invest has continued to grow at a rapid pace. Loans and advances reached approximately AUD2.6 billion as at 31 March 2022. Including third party AUM, our AUM was at approximately AUD3.8 billion as at 31 March 2022. The establishment of new financing warehouses and credit funds will ensure that more mortgages can be granted to customers. The organic growth remains very strong and more acquisitions could be considered if the fit is right. Medium term, we may consider spinning off BC Invest.

In conclusion, the Group weathered the COVID-19 pandemic reasonably well. The diversification of our operations, our quick response on optimising our options and the strength of our balance sheet allowed us to remain profitable and to continue to invest for the future. Our pipeline of projects has never been stronger, with more than HK$66.6 billion of GDV. Our cumulative presales have never been so high at approximately HK$16.7 billion. All our businesses have proven to be resilient and all are getting ready to operate back to normal again.

We have also upped our focus on ESG with the institution of key internal committees and the establishment of our financing framework. We continue to seek healthy growth whilst keeping a solid and conservative balance sheet and rewarding our shareholders via the consistent payment of dividends and increase in our net asset value.

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 68, 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 vice-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 53, 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, a listed company in Hong Kong. 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 63, 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 70, 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 42, 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 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 Limited; 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. Ms. CHIU was appointed as an independent director of Prenetics Global Limited on 18 May 2022, a Company listed on Nasdaq. 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 63, 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 88, 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, the honorary president of the Chinese Bankers Club of Hong Kong, and appointed as the director and chairman of the board of governors of Chu Hai College of Higher Education Limited in November and December 2021 respectively. 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) and Yuzhou Group Holdings Company Limited (formerly known as "Yuzhou Properties Company Limited") (stock code: 1628). Mr. LAM was an independent non-executive director of Vico International Holdings Limited (stock code: 1621) until April 2019, China Overseas Land & Investment Limited (stock code: 688) until June 2020 and Skymission Group Holdings Limited (stock code: 1429) until September 2021. 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 77, 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 obtained a Juris Doctor degree in the City University of Hong Kong in June 2022. 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 and a member of the Legislative Council for the HKSAR from 2000 to 2021. Mr. SHEK is currently a member of the Honorary Member of The Hong Kong University of Science and Technology, the Court and the Council Member of The University of Hong Kong, a member of the executive committee of Hong Kong Sheng Kung Hui Welfare Council Limited, the first director (non-remunerated) of Construction Charity Fund Integrated Service Centre Limited and non-executive director (non-remunerated) of Chinese-Italian Cultural Society 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); (p) Hao Tian International Construction Investment Group Limited (stock code: 1341); and (q) International Alliance Financial Leasing Co., Ltd. (stock code: 1563). He has been the independent non-executive director of Goldin Financial Holdings Limited (stock code: 530), and was appointed as vice chairman and re-designated to executive director in March 2021. Mr. SHEK has been re-designated from vice chairman to chairman of the board of Goldin Financial Holdings Limited since June 2022.

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) MTR Corporation Limited (stock code: 66) until May 2019; (b) Hop Hing Group Holdings Limited (stock code: 47) until June 2020; and (c) SJM Holdings Limited (stock code: 880) until May 2021.

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. He is also a director of various Subsidiaries. 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. He 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.

EMBRANCE THE UNKNOWN
CHANGE FOR CHANCES

MeadowSide, Manchester

Five-Year Financial Summary

	For the year ended 31 March				
	2018 HK$'000	2019 HK$'000	2020 HK$'000	2021 HK$'000	**2022 HK$'000**
RESULTS					
Revenue	5,831,127	6,842,319	7,450,604	5,943,694	**5,895,636**
Profit before taxation	2,156,133	2,312,486	837,321	1,265,827	**1,853,727**
Income tax expense	(570,735)	(543,761)	(286,340)	(460,087)	**(343,191)**
Profit for the year	1,585,398	1,768,725	550,981	805,740	**1,510,536**
Basic earnings per share	69 cents	74 cents	15.5 cents	22.9 cents	**54.1 cents**

	As at 31 March				
	2018 HK$'000	2019 HK$'000	2020 HK$'000	2021 HK$'000	**2022 HK$'000**
ASSETS AND LIABILITIES					
Total assets	34,488,949	39,077,863	41,779,991	49,900,788	**54,804,316**
Total liabilities	(21,345,067)	(25,445,601)	(27,466,257)	(32,846,525)	**(36,894,384)**
	13,143,882	13,632,262	14,313,734	17,054,263	**17,909,932**
Non-controlling interests	(173,070)	(219,186)	(290,667)	(373,330)	**(376,611)**
Owners' funds	12,970,812	13,413,076	14,023,067	16,680,933	**17,533,321**

The Ritz-Carlton, Melbourne

Management Discussion and Analysis

MeadowSide, Manchester

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2022 was approximately HK$5.9 billion, a slight decrease of 0.8% as compared with FY2021, driven primarily by the lower recognition of revenue from residential development but offset by robust recovery of all recurring income businesses. Adjusted gross profit[i], a non-GAAP financial measure, came in at approximately HK$2.3 billion as compared with HK$2.2 billion for FY2021. 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
FY2022						
Revenue	**3,378,357**	**1,405,408**	**664,277**	**231,478[ii]**	**216,116**	**5,895,636**
Gross profit	**1,102,036**	**500,441**	**81,524**	**113,688**	**186,348**	**1,984,037**
Depreciation	**–**	**267,149[iii]**	**33,784[iii]**	**11,640**	**–**	**312,573**
Adjusted gross profit[i]	**1,102,036**	**767,590**	**115,308**	**125,328**	**186,348**	**2,296,610**
Adjusted gross profit margin[i]	**32.6%**	**54.6%**	**17.4%**	**54.1%**	**86.2%**	**39.0%**
FY2021						
Revenue	4,226,066	888,958	502,195	87,811[ii]	238,664	5,943,694
Gross profit	1,525,059	106,312	(4,413)	9,573	204,952	1,841,483
Depreciation	–	290,709[iii]	32,941[iii]	11,219	–	334,869
Adjusted gross profit[i]	1,525,059	397,021	28,528	20,792	204,952	2,176,352
Adjusted gross profit margin[i]	36.1%	44.7%	5.7%	23.7%	85.9%	36.6%

Notes:

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

(ii) After deduction of gaming tax amounting to HK$95 million (FY2021: HK$37 million).

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

Management Discussion and Analysis

Revenue from sales of properties amounted to approximately HK$3,378 million in FY2022, a decrease of 20.1% as compared with FY2021. Major contributors to the revenues were West Side Place (Towers 1 and 2) in Melbourne and MeadowSide (Plots 2, 3 and 5) in Manchester and sale of other inventories in Australia, Mainland China and Hong Kong as well as revenue recognition over time of projects in Singapore and Malaysia.

Gross profit from sales of properties of approximately HK$1,102 million was recorded during FY2022, representing a 32.6% gross profit margin, a decrease compared to FY2021, due to lower gross profit margin recorded from property sales in Singapore.

Revenue from hotel operations and management continued its strong trajectory by increasing 58.1% as compared with last year to approximately HK$1,405 million in FY2022. Adjusted gross profit margin(i), a non-GAAP financial measure, for the Group's hotel operations increased to 54.6% in FY2022 from 44.7% in FY2021, which was driven by a strong improvement in overall revenue across all regions as a result of an improvement of revenue per available room.

Revenue from car park operations and facilities management also made a significant recovery of 32.3% year-on-year to approximately HK$664 million in FY2022, mainly due to loosened restrictions in the Group's major operating areas in particular in Victoria, Australia and strong recovery from Manchester, UK. Adjusted gross profit(i), a non-GAAP financial measure, of approximately HK$115 million was achieved for FY2022, a 304.2% increase year-on-year.

Revenue from gaming operations increased year-on-year by 163.6% to approximately HK$231 million (net of gaming tax) in FY2022. The higher revenue was primarily driven by the re-opening of our operations and the solid rebound in attendance, which consistently reached or sometimes even exceeded pre-pandemic levels. Adjusted gross profit margin(i), a non-GAAP financial measure, increased to 54.1% in FY2022 from 23.7% in FY2021, primarily due to a recovery in overall business and careful cost control.

Though the repercussions of the COVID-19 pandemic remain, rebounding revenues from the Group's recurring income businesses indicate the Group's position for sustainable growth through the cycles. Despite decreases in performance at the beginning of the pandemic, adjustments to business models and optimisation of costs have not only cushioned the overall impact, but also helped the businesses outperform its peers. As such, the Group remained profitable, with profit attributable to shareholders standing at approximately HK$1,300 million for FY2022, an increase of 139.4% as compared with approximately HK$543 million for FY2021.

Adjusted cash profit(i), a non-GAAP financial measure, was approximately HK$1,425 million for FY2022, an increase of 126.2% from approximately HK$630 million recorded for FY2021.

Note:

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

Hornsey Town Hall, London

2. Liquidity, financial resources and net gearing

The following table sets out the Group's bank and cash balances, investment securities (which are considered as cash equivalent items due to their easily monetisable nature), bank loans and borrowings and obligations under finance leases and equity as at 31 March 2022.

Consolidated statement of financial position	**As at 31 March 2022 HK$ million**	As at 31 March 2021 HK$ million
Bank loans, notes and bonds		
Due within 1 year[i]	**11,450**	12,274
Due 1–2 years	**10,643**	5,939
Due 2–5 years	**8,106**	6,581
Due more than 5 years	**996**	2,783
Total bank loans, notes and bonds	**31,195**	27,577
Investment securities	**3,033**	4,143
Bank and cash balances[ii]	**6,903**	4,426
Liquidity position	**9,936**	8,569
Net debts[iii]	**21,259**	19,008
Carrying amount of the total equity[iv]	**17,910**	17,054
Add: hotel revaluation surplus[v]	**18,796**	17,550
Adjusted total equity[vi]	**36,706**	34,604
Adjusted net gearing ratio[vi] (net debts to adjusted total equity[vi])	**57.9%**	54.9%
Net debt to adjusted total assets[vi]	**28.9%**	28.2%

Notes:

(i) Includes an amount of approximately HK$1,117 million which is reflected as liabilities due within one year even though such a sum is not repayable within one year, as the relevant banks and/or financial institutions have discretionary rights to demand immediate repayment.

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

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

(iv) Includes 2019 Perpetual Capital Notes.

(v) Based on the independent valuations carried out as at 31 March 2022 and 31 March 2021 respectively.

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

To better manage the Group's liquidity position, the Group allocates a portion of its cash position in marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed-income securities and investments in fixed-income funds; investments in the listed shares of The Star, which the Group intends to hold for the long-term; and investment in notes issued by the trusts which hold the mortgage portfolio managed by BC Invest, an entity in which the Group has a stake of over 50%.

The liquidity position of the Group as at 31 March 2022 was approximately HK$9.9 billion. The Group's adjusted total equity[i], a non-GAAP financial measure, as at 31 March 2022 was approximately HK$36,706 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$18,796 million, which is based on independent valuations assessed as at 31 March 2022 and includes the 2019 Perpetual Capital Notes. The adjusted net gearing ratio[i], a non-GAAP financial measure, of the Group rose to 57.9% as at 31 March 2022 from 54.9% as at 31 March 2021, reflecting some of the projects reaching a more advanced stage of development, namely Aspen at Consort Place and West Side Place (Towers 3 and 4) and acquisition of new development opportunities.

Management Discussion and Analysis

During FY2022, the Group continued with its prudent approach to financial management. It (i) issued an additional US$150 million 2024 Notes; (ii) completed a number of major loan financings including a GBP255 million construction loan for Aspen at Consort Place, a AUD75 million term loan for the Ritz-Carlton hotel in Perth and a number of unsecured corporate facilities raising in aggregate approximately HK$1 billion; (iii) fully redeemed the 2021 Notes amounting to approximately US$236.6 million, which were issued on 8 September 2016 and (iv) repaid approximately SGD146 million and GBP19 million in loan facility in relation to 21 Anderson Road and Dorsett City London respectively upon their disposal.

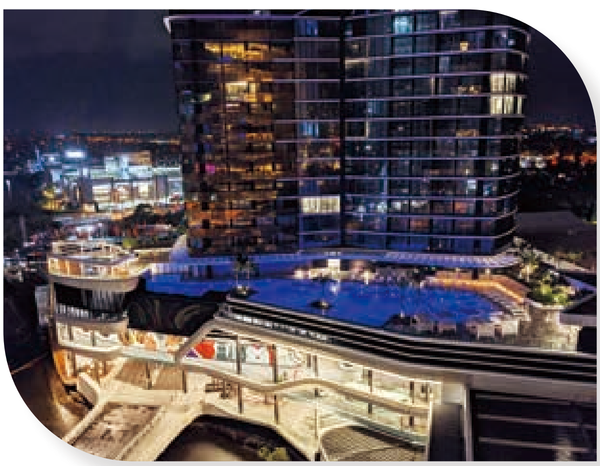
The Group continues to maintain a balanced debt maturity profile. As at 31 March 2022, the Group's bank loans, notes and bonds which were due within 1 year was approximately HK$11,450 million. Of this amount, approximately HK$5.4 billion loans were mostly secured and are expected to be rolled over or refinanced to a longer maturity. In addition, (i) certain development loans of approximately HK$2.9 billion will be repaid from presales proceeds upon settlement or refinanced; (ii) certain term loans of approximately HK$607 million were refinanced in the first quarter of FY2023; (iii) certain non-development term loans of approximately HK$608 million are close to the completion of refinancing; (iv) approximately HK$897 million will be repaid in accordance with the respective repayment schedule; and (v) the remaining balance of approximately HK$1.1 billion were in relation to long-term bank loans with a repayable on demand clause and hence classified as current liabilities.

In FY2022, the average interest rate for bank loans was reduced from 2.37% to 2.22% as compared with FY2021 and the average interest rate for notes and bonds was slightly increased to 4.92% in FY2022 from 4.63% in FY2021. The overall average interest rate for bank loans, notes and bonds was maintained at 2.68% in both financial years.

Note:

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


Mount Arcadia, Hong Kong


The Star Residences, Gold Coast

As at 31 March 2022, the Group's undrawn banking facilities stood at approximately HK$8.1 billion. Of this amount, approximately HK$3.8 billion is allotted to construction/development facilities while the balance of approximately HK$4.3 billion is for the Group's general corporate use. When combined with presales to be recognised from the Group's ongoing property development projects, the unutilised banking facilities place the Group in a solid financial position to fund not only its existing business and operations but also its sustainable growth going forward.

Dorsett Gold Coast

In addition, a total of 5 hotel assets were unencumbered as at 31 March 2022, the capital value of which amounted to approximately HK$1.7 billion based on independent valuation assessed as at 31 March 2022. The Group has other assets unencumbered such as unsold residential units. These assets totaling approximately HK$6.7 billion, 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 FY2022, the contribution from the Group's non-Hong Kong operations was influenced by the movement of foreign currencies against the Hong Kong dollar. The US dollar saw a sustained appreciation throughout the year due to the Federal Reserve actions and words to tighten financial conditions.

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 2022**	As at 31 March 2021	Change
HK$/AUD	**5.86**	5.90	(0.7)%
HK$/RMB	**1.23**	1.18	4.2%
HK$/MYR	**1.86**	1.87	(0.5)%
HK$/GBP	**10.26**	10.66	(3.8)%
HK$/CZK	**0.36**	0.35	2.9%
HK$/SGD	**5.78**	5.77	0.2%

Average rate for	**FY2022**	FY2021	Change
HK$/AUD	**5.88**	5.34	10.1%
HK$/RMB	**1.21**	1.14	6.1%
HK$/MYR	**1.87**	1.83	2.2%
HK$/GBP	**10.46**	10.11	3.5%
HK$/CZK	**0.36**	0.33	9.1%
HK$/SGD	**5.78**	5.61	3.0%

The Group adopts a practice whereby investments in its non-Hong Kong operations are hedged by borrowings in the local currency of the countries where such investments are made. The impact of movements in the above currencies to the Group's profit attributable to Shareholders for FY2022 is analysed below:

Decrease to the Group's profit attributable to Shareholders for FY2022 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the year:

	HK$ million
AUD	**(25.8)**
RMB	**(7.6)**
MYR	**(0.6)**
GBP	**(20.9)**
CZK	**(5.3)**
SGD	**(2.5)**
Total impact	**(62.7)**

The movement in foreign currencies also had an impact on the balance sheet position of the Group. As net assets of the Group's non-Hong Kong operations are translated into Hong Kong dollars for consolidation purposes, the movement in foreign currencies has affected the value in Hong Kong dollar-equivalent of such net assets and therefore the Group's net asset position. The Group's net asset value (less 2019 Perpetual Capital Notes) would have been approximately HK$38 million higher as at 31 March 2022 assuming exchange rates remained constant during FY2022.

4. Net asset value per share

	As at 31 March 2022 HK$ million	As at 31 March 2021 HK$ million
Equity attributable to shareholders of the Company	**14,632**	13,797
Add: Hotel revaluation surplus	**18,796**	17,550
Adjusted net asset value attributable to shareholders[i]	**33,428**	31,347
Number of shares issued (million)	**2,420**	2,395
Adjusted net asset value per share[i]	**HK$13.81**	HK$13.09

Adjusting for the revaluation surplus on hotel assets of approximately HK$18,796 million, based on independent valuation assessed as at 31 March 2022, adjusted net asset value attributable to shareholders[i], a non-GAAP financial measure, was approximately HK$33,428 million. Adjusted net asset value per share[i], a non-GAAP financial measure, for the Company as at 31 March 2022 was approximately HK$13.81.

Note:

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

5. Capital expenditures

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

During FY2022, the Group's capital expenditures amounted to approximately HK$1,237 million, primarily attributable to (i) Dorsett Kai Tak in Hong Kong; (ii) Dorsett Melbourne and the Ritz-Carlton Melbourne in Australia; and (iii) Dorsett Canary Wharf and Dao by Dorsett Hornsey in the UK. The capital expenditures were funded through a combination of borrowings and internal resources.

Given the impact of the COVID-19 pandemic, the Group closely reviewed each of its projects and all significant capital expenditures. In some cases, the Group paused or slightly delayed the timing of the expenditures as necessitated by the operating environment.

6. Capital commitments

The Group continued its close review of its capital commitments in order to optimise its investments and outgoings.

	As at 31 March 2022 HK$ million	As at 31 March 2021 HK$ million
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of		
– hotel properties	**1,390**	907
– investment properties	**719**	56
Commitment to provide credit facility to BC Invest	**81**	214
Others	**144**	14
	2,334	1,191

As at 31 March 2022, the Group's capital commitments amounted to approximately HK$2,334 million, primarily attributable to the following hotel developments: (i) Dorsett Kai Tak in Hong Kong; (ii) Dorsett Melbourne, Dorsett Gold Coast and The Star Residences – Epsilon in Australia; and (iii) Dorsett Canary Wharf and Dao by Dorsett Hornsey in the UK. The capital commitments will be financed through a combination of borrowings and internal resources.

The view from Queen's Wharf, Brisbane

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. The Group's strong regional diversification reinforces its resilience and allows it to take advantage of different property cycles. The Group has established strong local teams to carry out property development in each of these markets, as their presence allows the Group to identify trends and source the most attractive opportunities. The Group also actively looks to work with property owners for redevelopment opportunities, such as the partnership with The Star. Similarly, in early September 2021, it signed an exclusivity agreement with C&R to co-develop high-quality residential properties across, and potentially beyond, the existing portfolio of C&R in the UK. These land acquisition strategies have resulted in a land banking strategy comprising of a relatively low land cost base for the Group's development projects and little capital being kept idle.

Total attributable cumulative presales value of the Group's residential properties under development amounted to approximately HK$16.7 billion as at 31 March 2022, an increase of approximately HK$2.9 billion or 21.0% compared with 31 March 2021. Most presales proceeds are not reflected in the Group's consolidated income statement until 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 2022.

Developments	Location	Attributable presales HK$ million	Actual/ Expected financial year of completion
West Side Place (Tower 3)	Melbourne	2,528	FY2023
West Side Place (Tower 4)	Melbourne	2,669	FY2023
Queen's Wharf Residences (Tower 4)[ii]	Brisbane	1,669	FY2024
Queen's Wharf Residences (Tower 5)[ii]	Brisbane	494	FY2025
Perth Hub	Perth	575	FY2025
The Star Residences (Tower 1)[iii]	Gold Coast	511	FY2023
The Star Residences – Epsilon (Tower 2)[iii]	Gold Coast	591	FY2024
Aspen at Consort Place	London	1,134	FY2025
Consort Place Social/Affordable Housing	London	438	FY2025
Hornsey Town Hall	London	488	FY2023
MeadowSide (Plots 2 and 3)[i]	Manchester	644	FY2023
MeadowSide (Plot 5)[i]	Manchester	11	FY2023
New Cross Central	Manchester	184	FY2023
Victoria Riverside (Tower C)	Manchester	233	FY2025
Victoria Riverside (Tower B) Social/Affordable Housing	Manchester	269	FY2025
Hyll on Holland[i][iv]	Singapore	755	FY2024
Cuscaden Reserve[i][v]	Singapore	7	FY2025
Dorsett Place Waterfront Subang[i][ii]	Subang Jaya	156	FY2023
Kai Tak Development – Office	Hong Kong	3,380	FY2024
Total presales as at 31 March 2022		16,736	

Notes:

(i) Excludes contracted presales already recognised as revenue up to 31 March 2022.

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

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

(iv) The Group has 80% interest in the development.

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

As at 31 March 2022, the expected attributable gross development value of the Group's active residential property development projects under various stages of completion across the regions was approximately HK$66.6 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				
– Tower 3	518,000	2,651	Launched	FY2023
– Tower 4	621,000	3,152	Launched	FY2023
Monument	595,000	2,744	FY2023	FY2026
Perth				
Perth Hub	230,000	913	Launched	FY2025
Brisbane				
Queen's Wharf Residences[iii]				
– Tower 4	253,000	1,723	Launched	FY2024
– Tower 5	328,000	2,545	Launched	FY2025
– Tower 6	145,000	762	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Tower 1	111,000	528	Launched	FY2023
– Tower 2 – Epsilon	109,000	620	Launched	FY2024
– Towers 3 to 5	374,000	2,116	Planning	Planning
Hong Kong				
Kai Tak Development – Office	174,000	3,380	Launched	FY2024
Kai Tak Residential[v]	253,000	6,581	FY2023	FY2026
Lam Tei, Tuen Mun	180,000	2,966	Planning	Planning
Ho Chung, Sai Kung[vi]	19,000	567	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
London				
Aspen at Consort Place	377,000	4,256	Launched	FY2025
Consort Place Social/Affordable Housing	101,000	438	Launched	FY2025
Hornsey Town Hall	108,000	1,009	Launched	FY2023
Ensign House	285,000	3,217	Planning	Planning
Vauxhall Square[vii]	Planning	Planning	Planning	Planning
Manchester				
MeadowSide				
– Plots 2 and 3	184,000	805	Complete by stage	FY2023
– Plot 5	5,000	21	Complete by stage	FY2023
– Plot 4	244,000	1,026	Planning	Planning
Victoria North[viii]				
– New Cross Central	62,000	260	Launched	FY2023
– Victoria Riverside (Tower A)	226,000	1,055	Planning	Planning
– Victoria Riverside (Tower B) Social/ Affordable Housing	85,000	269	Launched	FY2025
– Victoria Riverside (Tower C)	149,000	658	Launched	FY2025
– Network Rail	1,532,000	6,445	Planning	Planning
– Others	1,202,000	5,056	Planning	Planning
– Leftfields	Planning	Planning	Planning	Planning
– Network Rail Phase 3	Planning	Planning	Planning	Planning
– John Ryan Land (NT03)	Planning	Planning	Planning	Planning
Singapore				
Hyll on Holland[ix]	194,000	2,876	Launched	FY2024
Cuscaden Reserve[x]	16,000	356	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang[xi]	451,000	931	Launched	FY2024
Total developments pipeline as at 31 March 2022	**9,131,000**	**59,926**		
Completed developments available for sale				
Melbourne				
West Side Place				
– Towers 1 and 2	424,000	2,082		
Perth				
The Towers at Elizabeth Quay	88,000	722		

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/ expected launch	Expected financial year of completion
Shanghai				
King's Manor	12,000	92		
The Royal Crest II	4,000	33		
District 17A	13,000	76		
Guangzhou				
Royal Riverside	36,000	161		
Hong Kong				
Marin Point	50,000	525		
Manor Parc	48,000	681		
Mount Arcadia	84,000	1,790		
Malaysia				
Dorsett Bukit Bintang	115,000	499		
Total completed developments available for sale as at 31 March 2022	**874,000**	**6,661**		
Total pipeline and completed developments available for sale as at 31 March 2022	**10,005,000**	**66,587**		

Notes:

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

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

(iii) Total saleable floor area of this development is approximately 1,500,000 sq. ft.. The Group has 50% interest in the development.

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

(v) Total saleable floor area of this development is approximately 506,000 sq. ft.. The Group has 50% interest in the development.

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

(vii) The Group entered into agreement to acquire the development in March 2022 and the transaction was closed in April 2022.

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

(ix) Total saleable floor area of this development is approximately 243,000 sq. ft.. The Group has 80% interest in the development.

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

(xi) Total saleable floor area of this development is approximately 902,000 sq. ft.. The Group has 50% interest in the development.

Australia

Melbourne

West Side Place is a mixed-use residential development located in the Central Business District (CBD) of Melbourne. The project comprises 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$11.4 billion.

West Side Place, Melbourne

The development consists of two hotels, including one in Tower 3 that is under the Group's Dorsett brand with approximately 300 hotel rooms and another in Tower 1 to be operated by Ritz-Carlton with approximately 250 hotel rooms. All four towers have been launched for presales. 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 FY2021 and is expected to continue by phases until FY2023. 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 2022 and the project is expected to be completed in FY2023. Tower 4 comprises 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$3.2 billion. HK$2.7 billion worth of units were presold as at 31 March 2022 and the project is also expected to be completed in FY2023. With the strong presales recorded for this development, the Group is expected to have significant cash flow and earnings in the coming few years.

Monument is a residential development at 640 Bourke Street comprising of 1, 2 and 3-bedroom units in Melbourne's CBD, near the West Side Place development. The property has obtained approval to be redeveloped into a residential project; it has a total saleable floor area of approximately 595,000 sq. ft., a total GDV of HK$2.7 billion and is expected to provide approximately 876 residential units. Presales for this development is expected to be launched in FY2023, with completion of the development expected in FY2026. Though the Group will continue with its build-to-sell approach, the development has also attracted attention as a potential build-to-rent option.

Monument, Melbourne

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 and a luxury Ritz-Carlton hotel of 205 rooms. As at 31 March 2022, the expected GDV of the remaining apartments available for sales was HK$722 million.

Perth City Link, one of Australia's most exciting regeneration projects, was initiated by the Western Australian Government with the goal of reconnecting Perth's CBD and the entertainment district. Perth Hub, the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena. It consists of Lots 2 and 3 of the Perth City Link project and features 314 residential apartments, with total expected GDV of HK$913 million and approximately 260 hotel rooms to be operated by Dorsett. As at 31 March 2022, the Group has presold HK$575 million worth of units. The project is expected to be completed in FY2025.

Perth City Link

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

Brisbane

The Destination Brisbane Consortium, a joint venture between the Group, The Star and Chow Tai Fook Enterprises Limited, entered into development agreements with the Queensland State, Australia for the delivery of the Queen's Wharf Project (QWB Project) located in Brisbane. The QWB Project comprises:

(i) an integrated resort component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are made progressively, commencing from signing of the QWB Project documents and 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 Group's total capital commitment is approximately AUD360 million, which the Group has mostly already funded from its internal resources. The QWB Project encompasses a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane and envisages two residential towers, a commercial tower, three world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development GFA of the QWB Project is expected to be approximately 387,000 sq. m., of which approximately 108,000 sq. m. relates to the residential component.

Tower 4 is the only residential tower directly connected to the integrated resort development and features 667 residential apartments, with a total saleable floor area of approximately 506,000 sq. ft. and a GDV of HK$3.4 billion. As at 31 March 2022, the Group has presold HK$3.3 billion (attributable GDV of HK$1.7 billion) worth of units. Completion of the development is expected to be in FY2024. The Group launched Queen's Wharf Residences (Tower 5) in FY2022. Tower 5 is across the street from Tower 4 and will house 819 residential apartments with total GDV of HK$5.1 billion. After its launch in March 2022, the project received a strong response with presold value of HK$3.9 billion (attributable GDV of HK$1.9 billion) was recorded up to the end of April 2022. Completion of the development is expected to be in FY2025. Tower 6 was originally considered to be another residential tower but given the strong interest for office space in that location, the Group is considering selling the tower as an office building to a single landlord. Deliberations are ongoing.

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 Star Residences, Gold Coast

The first tower of the development features 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. The Dorsett hotel formally opened in December 2021. Total presold value of HK$1.5 billion (attributable GDV of HK$511 million) was recorded as at 31 March 2022, with completion of the first tower expected to take place in FY2023.

Epsilon, which is the second tower of the development, will feature a 201-room five-star hotel and 440 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a GDV of HK$1.9 billion. Total presold value of HK$1.8 billion (attributable GDV of HK$591 million) was recorded as at 31 March 2022 and completion of the development is expected in FY2024.

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

California Garden, Shanghai

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai, over a number of years. The development is comprised of a diversified portfolio of residences, including low-rise and high-rise apartments as well as townhouses. 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$220 million of GDV being settled in FY2022.

Situated on the riverside, Royal Riverside in Guangzhou is a 5-tower residential development. The entire development has been completed. In FY2022, 64 apartments were settled and recognised of approximately HK$349 million revenue.

Hong Kong

The Group 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. More recently, it has also acquired projects from other developers facing financial strain.

Marin Point is a residential development at Sha Tau Kok. This development is made up of 261 low-rise apartments with approximately 103,000 sq. ft. in total saleable floor area. Total presold value of HK$568 million was recorded as at 31 March 2022 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 total saleable floor area and a GDV of HK$719 million. Total presold value of HK$602 million for 21 town houses was recorded as at 31 March 2022 and the remaining units will be sold on a completed basis.

Mount Arcadia is a residential development at Tai Po Road. The project comprises 62 apartments and 4 houses and has a total saleable floor area of approximately 84,000 sq. ft. and a GDV of HK$1.8 billion. The project was completed and launched in late March 2022. The project received a strong response post year end, with presold value of HK$598 million was recorded up to end of April 2022.

Kai Tak Development, Hong Kong

Mount Arcadia, Hong Kong

The Group acquired a piece of land in Kai Tak for mixed-used development through a government tender in August 2019, adjacent to the Kai Tak Sports Park. It comprises an office portion, a hotel portion that will house a flagship 400-room Dorsett hotel as well as some retail space The office portion of the development was presold for HK$3.38 billion in FY2022 and expected to be completed in FY2024.

In November 2021, the Group entered into a joint venture to acquire another Kai Tak site with 50% ownership for residential development. The construction had started on the site, which will significantly reduce the delivery time. The residential development will feature approximately 1,300 residential apartments, with a total saleable floor area of approximately 506,000 sq. ft. and a GDV of HK$13.2 billion. The development is expected to launch in FY2023 and expected to complete in FY2026.

The Group acquired a site at Lam Tei, Tuen Mun in June 2021 for residential development with a total saleable floor area of approximately 180,000 sq. ft. and a GDV of HK$2.97 billion. The project is currently under planning, with overall plans and timetable under review.

The Group entered into a joint venture to acquire another residential site located in Ho Chung, Sai Kung, with 33.3% ownership in September 2021. The residential development will feature a number of high-end houses with total approximately 58,000 sq. ft. of saleable floor area and a GDV of HK$1.7 billion.

Management Discussion and Analysis

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to the Dorsett Kuala Lumpur. The development consists of 252 high-rise apartments with approximately 215,000 sq. ft. in 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.

Dorsett Place Waterfront Subang, Subang Jaya

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 located next to Dorsett Grand Subang, the Group's renowned 5-star hotel. The development consists of three blocks and will offer 1,989 fully-serviced suites. Total presold value of HK$312 million (attributable GDV of HK$156 million) was recorded as at 31 March 2022 and the completion of the development is expected in FY2024.

United Kingdom

London

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 478,000 sq. ft. in total saleable floor area consisting of approximately 495 residential units, 139 affordable housing units and a hotel of approximately 230 rooms, as well as commercial spaces. Total presold value of HK$1.1 billion was recorded for the residential units as at 31 March 2022 and the affordable housing units were presold for approximately GBP43 million (equivalent to approximately HK$438 million) in FY2022. The development is expected to be completed in FY2025.

Located in North London, Hornsey Town Hall is a mixed-use redevelopment project which involves the conversion of an existing town hall into a hotel/serviced apartment tower with communal areas, as well as a residential component which will provide 146 apartments (including 11 social/affordable units) with a total saleable floor area of approximately 108,000 sq. ft. for private residential units. This development also has a commercial component covering approximately 37,400 sq. ft.. Total presold value of HK$488 million was recorded as at 31 March 2022 and the development is expected to be completed in FY2023.

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. Ensign House is planned to be a 56-storey residential tower consisting of 385 residential units. It will have a total saleable floor area of approximately 285,000 sq. ft. and a GDV of HK$3.2 billion. The project was recently received planning approval.

Aspen at Consort Place, London

In March 2022, the Group entered into an agreement to acquire Vauxhall Square, a large-mixed use development in London's city centre with a gross floor area of 133,000 sq. m. and the transaction was closed in April 2022. The development has planning consent for residential, hotel and hostel, office, retail and leisure space.

Manchester

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

The Strategic Regeneration Framework of the Victoria North development was approved by the Manchester City Council (MCC) in February 2019 to provide an Illustrative Masterplan in order to guide development proposals within Victoria North. It will be used to guide and coordinate developments brought forward by the joint venture formed between the Group and MCC and subsequently deliver a series of vibrant, sustainable and integrated residential neighborhoods within the extended city centre of Manchester.

Victoria North, Manchester

Management Discussion and Analysis

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

The Victoria North project is expected to provide the Group with a significant, long-term pipeline within the United Kingdom. As at 31 March 2022, the Group has already secured several land plots within the Victoria North territory, 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 5-8 years.


Victoria North, Manchester

MeadowSide is a residential development site in Manchester at NOMA which is one of the major residential growth areas of the city and is sitting on the doorstep of the Group's Victoria North development. The development will feature 4 Plots (Plots 2, 3, 4 and 5) comprising approximately 756 apartments with approximately 560,000 sq. ft. of total saleable floor area around the historic Angel Meadow Park near Victoria Station, one of the major transportation hubs of the city. Plots 2 and 3 have a total saleable area of approximately 217,000 sq. ft. and a GDV of HK$948 million. Total presold value of HK$787 million was recorded as at 31 March 2022. Handover starts in March 2022 smoothly and recognised approximately HK$148 million revenue in FY2022. The development will continue the handover by phases in FY2023. Plot 5 with a total saleable area of approximately 99,000 sq. ft. and a GDV of HK$419 million. Handover process starts in FY2022 and the cumulative GDV of approximately HK$406 million has been delivered as at 31 March 2022. The process is expected to continue in FY2023. Planning permit to build 40 floors residential building for Plot 4 was granted. Now, the Group is assessing and exploring for opportunity to increase GFA and enhance the GDV accordingly.


MeadowSide, Manchester

New Cross Central is one of the initial sites acquired from MCC as part of the development agreement for the Victoria North project. Located within New Cross at the northern edge of the Manchester city center, the development comprises 80 residential units with a total saleable floor area of approximately 62,000 sq. ft. and a GDV of HK$260 million. Total presold value of HK$184 million was recorded as at 31 March 2022. Construction work is progressing smoothly and the project is expected to be completed in FY2023.


New Cross Central, Manchester

Victoria Riverside is located within the Victoria North masterplan area in close proximity to major transport links including Victoria Station and Manchester City Centre. It is a key gateway into the Victoria North masterplan area and expands the city centre northwards from MeadowSide. It will be a predominantly residential development, incorporating a high-quality public realm with commercial and leisure use and a landmark building. The development features three towers comprising 634 units, with total saleable floor area of approximately of 460,000 sq. ft. and a GDV of HK$2.0 billion. Tower A is still under planning. Tower B comprises 128 affordable housing units and has been presold to Trafford Housing Trust, which is part of L&Q, one of the largest housing associations in England. The disposal amounted to a total consideration of approximately GBP26 million (equivalent to approximately HK$269 million). Tower C features 213 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a GDV of HK$658 million. Presales of Tower C was launched in late March 2021 and total presold value of HK$233 million was recorded as at 31 March 2022. The project is expected to be completed in FY2025.

Singapore

Hyll on Holland is a premium development of 319 residential units at Holland Road, a highly attractive and reputable neighbourhood in Singapore. The Group has an 80% interest of the development with an attributable saleable floor area of approximately 194,000 sq. ft. and an attributable GDV of HK$2,876 million. Attributable GDV of HK$755 million was presold as at 31 March 2022 and completion of the development is expected in FY2024.


Hyll on Holland, Singapore

The project located at Cuscaden Reserve is a residential development site in the prime area of District 9 in Singapore; it is expected to provide approximately 16,000 sq. ft. in attributable saleable floor area and an attributable GDV of HK$356 million and completion of the development is expected in FY2025. The Group has a 10% interest in the joint venture.

Property investment

The Group's property investments comprise investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore, the UK and Australia. In FY2022, a fair value gain on investment properties of approximately HK$643 million was recorded. This was attributable primarily to the revaluation gain from the office portion of the Kai Tak Development amounted to approximately HK$499 million (see below), and 21 Anderson Road (see below) which amounted to approximately HK$100 million. As at 31 March 2022, the valuation of investment properties was approximately HK$7.9 billion (31 March 2021: approximately HK$8.2 billion).

In September 2021, the Group entered into a sale and purchase agreement to sell the company holding the freehold condominium development in Singapore located at 21 Anderson Road, which comprises 34 residential units, for an aggregate consideration of approximately SGD216 million (equivalent to approximately HK$1.2 billion). The transaction was completed on 1 November 2021.

In December 2021, the Group entered into a sale and purchase agreement with a subsidiary of CLP Holdings Limited to sell the office portion of its landmark Kai Tak Development for a consideration of HK$3.38 billion. The office building is expected to be delivered and the disposal is expected to be completed in FY2024.

Previously, the Group acquired two sites in Shanghai's Baoshan District and both sites will be developed into residential blocks for leasing purpose. In FY2022, construction commenced on one of the sites with lettable floor area of approximately 573,000 sq. ft. which is expected to offer over 1,200 units of accommodation. The completion of the development is expected to be in FY2027.

Management Discussion and Analysis

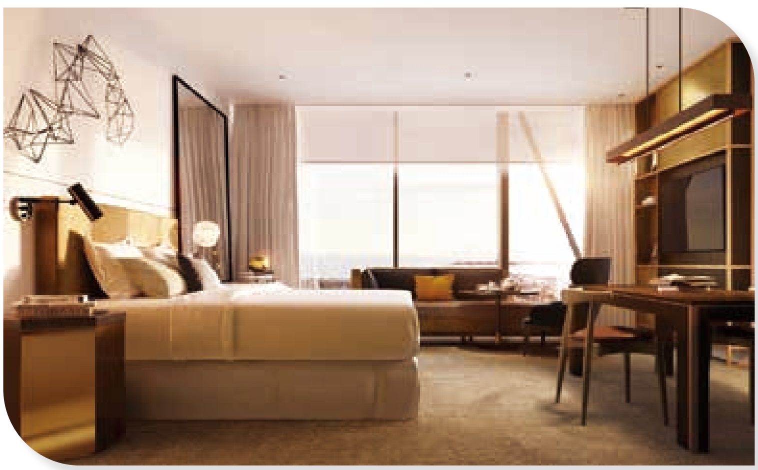
Dao by Dorsett West London

2. Hotel operations and management

The Group owns and operates its hotel portfolio through four distinct lines of business, which focuses on the three to four-star hotel segment. These include Dorsett Hotels and Resorts, which features the upscale "Dorsett Grand," the mid-scale "Dorsett," the value-led "Silka" branded hotels, the "d.Collection" boutique hotels with unique identities and "Dao by Dorsett", a newly-launched long-stay aparthotel brand which offers a collection of creative and harmonious aparthotels.

As at 31 March 2022, the Group owned a total of 31 hotels, including the wholly-owned Dorsett Group, Trans World Corporation (TWC Hotel Group) and the Ritz-Carlton hotel in Perth, as well as the partially-owned Dorsett Gold Coast and Sheraton Grand Mirage in Gold Coast and Oakwood Premier AMTD in Singapore, making for a total of approximately 8,149 rooms. These hotels are located in Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As at 31 March 2022, the Group also managed 3 other hotels in Malaysia with a combined total of approximately 824 rooms and Dorsett City London in the UK with approximately 267 rooms.

As at 31 March 2022, the Group had 12 hotels under its development pipeline, which will offer approximately 2,900 more rooms. Within this pipeline, Dao by Dorsett West London opened in June 2022 and Ritz-Carlton Melbourne is progressing steadily, and the hotel is expected to be completed in FY2023.



The Ritz-Carlton, Melbourne

The performance of the Group's owned hotel operations for FY2022 is summarised as follows. The results of hotels by region are expressed in their respective local currencies (LC).

	Occupancy Rate		Average room rate			RevPAR			Revenue	
	FY2022	FY2021	**FY2022 (LC)**	FY2021 (LC)	% Change	**FY2022 (LC)**	FY2021 (LC)	% Change	**FY2022 (LC'million)**	FY2021 (LC'million)
Hong Kong (HK$)	**77.1%**	75.5%	**892**	533	67.4%	**687**	402	70.9%	**773**	469
Malaysia (MYR)	**44.1%**	37.4%	**183**	160	14.4%	**81**	60	35.0%	**49**	44
Mainland China (RMB)	**44.3%**	43.6%	**307**	273	12.5%	**136**	119	14.3%	**136**	97
Singapore (SGD)[i]	**90.8%**	75.3%	**125**	138	(9.4%)	**114**	104	9.6%	**13**	10
United Kingdom (GBP)	**45.7%**	12.9%	**85**	68	25.0%	**39**	9	333.3%	**9**	3
Australia (AUD)[ii]	**49.6%**	39.2%	**425**	410	3.7%	**211**	161	31.1%	**28**	20
	(HK$)	(HK$)	**(HK$)**	(HK$)		**(HK$)**	(HK$)		**(HK$'million)**	(HK$'million)
Dorsett Group Total[iii]	**61.6%**	54.6%	**764**	513	48.9%	**471**	280	68.2%	**1,357**	860
TWC Hotel Group Total	**28.3%**	17.4%	**638**	607	5.1%	**181**	106	70.8%	**49**	29

Notes:

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

(ii) Excludes Sheraton Grand Mirage and Dorsett Gold Coast which are equity accounted.

(iii) Excludes TWC Hotel Group but includes Ritz-Carlton in Perth.

Amidst the ongoing COVID-19 pandemic, glimmers of a return to normality continued at a steady pace, with hotel operations making a strong recovery overall. Travel restrictions were progressively lifted, which brought eager business and leisure travellers back to the Group's hotels; additionally, the Group continued to focus its hotel business model towards quarantine guests. As at 31 March 2022, the Group has welcomed over half a million quarantine guests globally. Shifts in travel behaviour emerged as well, particularly with the rise of remote work and the tendency to travel less frequently but stay for a longer time. In order to target this opportunity, the Group will have 2 aparthotels under the newly-launched Dao by Dorsett brand, which targets the long-stay market. Dao by Dorsett West London, a 74-room aparthotel adjacent to Dorsett Shepherds Bush, was opened in June 2022. Following that, Oakwood Premier AMTD Singapore, a 268-room hotel acquired in 2019 by a joint venture company between AMTD and the Group, will be rebranded as Dao by Dorsett AMTD Singapore in July 2022.

Hong Kong

The closing of Hong Kong borders to non-residents since March 2020 has had a significant negative impact on the Group's hotel operations and the Hong Kong hospitality industry as a whole. According to the Hong Kong Tourism Board, Hong Kong received only 91,398 international visitors in 2021, as compared to approximately 55.9 million in 2019 and approximately 3.6 million in 2020. Nevertheless, the pandemic remained relatively under control in Hong Kong for most of 2021, leading to an upward trend in the overall performance of Hong Kong's hotel market.

The Group's hotel operations quickly readjusted its operating model to cater to quarantine stays in the beginning of the COVID-19 period. As a continued supporter of the Hong Kong government's anti-pandemic efforts, all 9 of the Group's Hong Kong hotels have been partnering with authorities in various initiatives such as the Community Isolation Facility and Designated Quarantine Hotel schemes and an agreement with the Social Welfare Department. These operations providing short-term accommodations for a range of guests such as overseas returnees, those who tested positive for COVID-19 but were asymptomatic or only had mild symptoms, medical frontliners and domestic helpers. This allowed the Group to effectively reposition all of its Hong Kong hotels and maximise their utilisation in spite of the COVID-19 situation.

Dorsett Tsuen Wan was selected as the first hotel for Community Isolation Facility in Hong Kong

As a result, total revenue for Hong Kong hotel operations recorded a growth of 64.8% as compared with FY2021. Hong Kong remained the main revenue contributor to the Group's hotel business with a total revenue of approximately HK$773 million, which accounted for approximately 55.0% of the Group's hotel revenue. OCC in Hong Kong increased 1.6 percentage points to 77.1% and ARR increased by 67.4% to HK$892 as compared with FY2021, resulting in an increase of 70.9% in RevPAR to HK$687.

Malaysia

In May 2021, the Malaysian government announced a third lockdown. As such, the Group continued to work with local authorities by serving guests with quarantine needs at Dorsett Grand Labuan and Dorsett Grand Subang, which provided a total room inventory of 658 rooms. Dorsett Kuala Lumpur, with 322 rooms in the city centre located next to Dorsett Bukit Bintang, was temporarily closed in June 2021 and reopened in August 2021 to welcome long-stay guests, in line with the overall recovery of Malaysia's hotel industry in second half of FY2022, after travel and quarantine restrictions for non-residents gradually relaxed.

Consequently, the Group's hotels in Malaysia showed an improvement in year-on-year business performance for FY2022 despite the temporary closures of Silka Johor Bahru, Silka Maytower Kuala Lumpur and J-Hotel by Dorsett during the financial year. Total revenue from the Group's Malaysia hotels increased 11.4% to approximately MYR49 million as compared with FY2021 and ARR increased by 14.4% to MYR183 and OCC increased to 44.1%, resulting in a 35.0% increase in RevPAR to MYR81 amidst the relatively low base in FY2021.

After 2 years of travel restrictions, Malaysia reopened its borders to fully-vaccinated foreign travellers on 1 April 2022 and the Group anticipates that the loosened policy will bring more international guests to Malaysia.

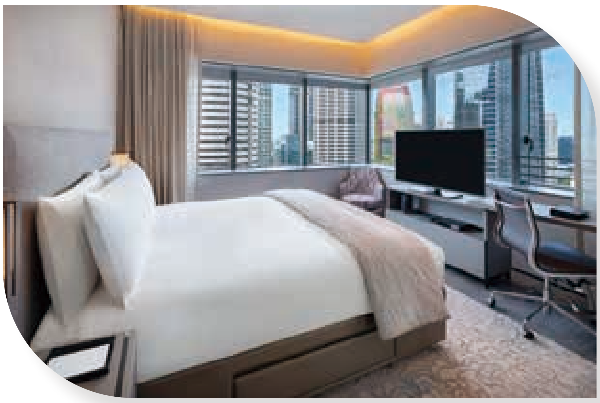
Mainland China

Restraints on international travel in Mainland China remained in place during FY2022, which limited most hotels to cater to domestic demand. The Group's hotels in Mainland China actively worked to drive online sales, widen distribution channels and increase brand awareness in order to attract more local leisure travellers, particularly travel groups.

Throughout the year, Dorsett Chengdu, the Group's largest hotel in Mainland China with 556 rooms, was periodically appointed by the local government to help combat different waves of COVID-19 outbreaks by acting as a quarantine centre. Additionally, Dorsett Shanghai was expropriated in March 2022 to support the local community as the city grappled with its recent outbreak.

Despite sporadic COVID-19 outbreaks, revenue from the Group's Mainland China hotels recorded an increase of 40.2% to RMB136 million, most of which was due to local travellers. ARR increased 12.5% year-on-year to RMB307 while OCC remained at similar level to FY2021 at 44.3%, resulting in a recorded increase in RevPAR of 14.3% to approximately RMB136.

Singapore



Dao by Dorsett AMTD Singapore

Dao by Dorsett AMTD Singapore

Dorsett Singapore, a 285-room hotel in downtown Singapore, was re-selected as one of the government facilities to accommodate quarantine guests in FY2022, thereby contributing its full room inventory to serve the local community from May 2021 to March 2022, an action that generated steady revenues as the pandemic continued to weigh down the local economy.

As a result, Dorsett Singapore's total revenue for FY2022 experienced a growth of 30.0% to approximately SGD13 million, mainly due to the jump in OCC from 75.3% to 90.8%, which subsequently resulted in a 9.6% increase in RevPAR to SGD114.

In September 2021, the Civil Aviation Authority of Singapore launched Vaccinated Travel Lanes for 32 countries/ regions, which was progressively extended to allow international travellers holding a valid Vaccinated Travel Pass to enter Singapore without being subjected to quarantine requirements. After the conclusion of the government contract in March 2022, Dorsett Singapore started to welcome domestic and international travellers, marking a resumption of its normal operations in FY2023.

UK

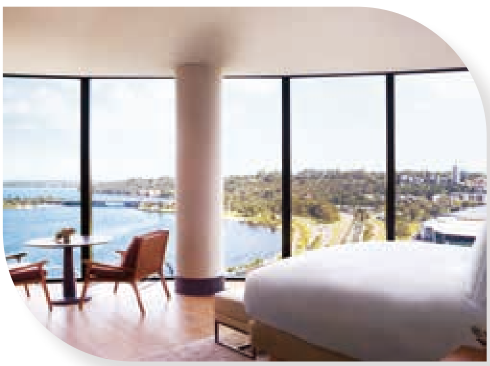
Dao by Dorsett West London

Due to several rounds of outbreaks and lockdowns in the UK, business at the Group's UK hotels in FY2022 started out very weak, which led to the Group's reluctant closure of both of its hotels in January 2021. In May 2021, Dorsett Shepherds Bush reopened and entered a 6-month government contract to serve quarantine guests arriving from certain countries. Bookings noticeably improved later on in mid-2021, which was largely attributed to the leisure segment. To capitalise on the growing demand, the Group reopened Dorsett City London in May 2021, prior to completion of the hotel's sale on 30 June 2021. Although the Group continues to manage and operate for the new owner for 2 years post disposal, the hotel performance for Dorsett City London has not been consolidated.

As a result, total revenue increased by 200.0% to approximately GBP9 million, with an increase of 32.8 percentage points in OCC to 45.7% and a 25.0% increase in ARR to GBP85, due to the very low base in FY2021.

With the announcement of the loosening of several COVID-19 restrictions in January 2022 and the subsequent removal of all testing requirements for eligible fully vaccinated arrivals in February 2022, travel bookings to the UK increased significantly; thus, the Group expects strong performance from its UK hotels in FY2023.

Australia



The Ritz-Carlton, Perth

The Western Australian tourism industry was hit hard by the delayed reopening of state borders and acceleration of local community cases in 2021, which inevitably impacted the Ritz-Carlton hotel in Perth. Furthermore, the hotel saw a reduction in catering demand following a plunge in customer confidence due to the capacity restrictions that were made in lieu of lockdowns for food and beverage venues. Despite this challenging environment, the Ritz-Carlton Perth leveraged its leadership position in the local market and successfully attracted a significant amount of domestic travellers by launching a series of marketing promotions, leading to satisfactory overall performance in FY2022.

The Ritz-Carlton Perth recorded a total revenue of approximately AUD28 million with 49.6% OCC and AUD425 ARR for FY2022, which represented a growth of 40.0% in total revenue and 31.1% growth in RevPAR over FY2021.

Following the reopening of Western Australia's state borders to both domestic and international travellers in March 2022, the hotel performed strongly due to an improvement in demand for hotel rooms. As such, the Group is poised to see significant recovery of hotel business in FY2023.

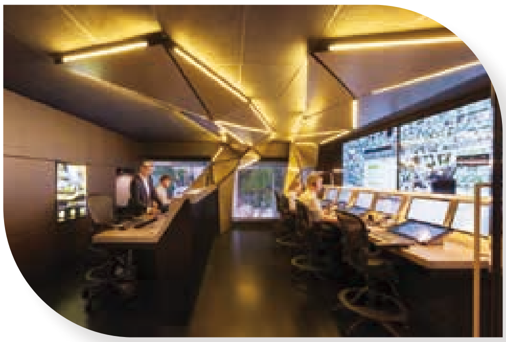
Continental Europe – TWC Hotel Group

Given the continued restrictions on global travel due to the impact and uncertainties of the COVID-19 pandemic, FY2022 remained a challenging year for the Group's hotels in Continental Europe. Nevertheless, performance improved in FY2022 as barriers to travel were gradually reduced, which allowed business to improve.

As a result, total revenue increased by 69.0% to approximately HK$49 million in FY2022, as compared with a very low base in FY2021. Overall OCC increased by 10.9 percentage points to 28.3% and ARR increased by 5.1% to HK$638, which resulted in a 70.8% growth in RevPAR to HK$181.

Hotel Donauwelle, Austria

3. Car park operations and facilities management


Central monitoring system, Care Assist

The Group's car park operations and facilities management business, including car park operations that operate under the "Care Park" brand, has a portfolio of car park bays amounting to 120,201 bays which were owned or managed by the Group as at 31 March 2022. Among the Group's 424 car parks, 27 were self-owned car parks with approximately 9,370 car park bays. The remaining 110,831 car park bays in Australia, New Zealand, the UK, Hungary and Malaysia remain under management contracts with third-party car park owners.

In FY2022, the Group's car park operations remained affected by COVID-19; however, the business environment has improved with the gradual loosening of restrictions. Revenue improved 32.3% to approximately HK$664 million as compared to FY2021.

The Group monetised several car parks in Australia and New Zealand for an aggregate consideration of approximately AUD47 million in FY2022. Most of these disposed car parks will continue to be managed by Care Park. The proceeds from the disposals have been used to reduce debt or to invest in operations.

4. Gaming operations and management

Europe

All casinos under TWC were rebranded as "PALASINO"

The Group operates its portfolio of 3 casinos in the Czech Republic through TWC which features gaming tables and slot machines. All the casinos were rebranded as "PALASINO" during FY2022.

The 3 casinos were temporarily closed for much of FY2021, but reopened in May 2021. As a result of increasingly relaxed pandemic-related restrictions and recovery of the economic environment, gaming operations quickly resumed and generated positive returns. Revenue from TWC's gaming operations in FY2022 increased by 163.6% to approximately HK$231 million (net of gaming tax) as compared to FY2021, despite being temporarily closed for two months due to the COVID-19 restrictions.

TWC is continuing with its previous initiative to obtain an online gaming licence in Malta to offer its services to more guests.

The following tables set forth certain operating data of TWC's casinos for the period ended 31 March 2022:

	As at 31 March 2022	As at 31 March 2021
Number of slot machines	**446**	442
Number of tables	**65**	65

	FY2022	FY2021
Table game revenue[i] (HK$ million)	**55**	21
Slots revenue[i] (HK$ million)	**145**	55
Average table game win rate[ii]	**20.9%**	20.1%
Average slot win per machine per day (HK$)	**1,644**	1,063

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.

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 Star, Gold Coast

The Group owns 25% of the integrated resort 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 ("DFS"), a global leader in retail operations.

The QWB Project is under construction with its first stage expected to complete and open in mid-2023.

5. BC Invest – Provision of mortgage services

As an extension of its property development business, the Group established a mortgage lending platform under BC Invest that specialises in providing residential mortgages to non-resident international property buyers. BC Invest is highly synergistic with the Group's property development business and offers significant growth potential beyond it.

After carefully reviewing potential markets in which it could grow its business, BC Invest expanded to the UK in late FY2021 and the response has been positive. BC Invest is building an asset management business (retail and institutional) to diversify its business model and financing sources. It is also extending its mortgage business to the domestic resident market.

Loans and advances reached approximately AUD2.6 billion as at 31 March 2022, an increase of about 122.8% from 31 March 2021. BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio of 60.9% for Australia and 62.8% for the UK on average as at 31 March 2022. Net interest margin was maintained at 1.29% in FY2022 as BC Invest aimed to capture more market share. Though most of the capital is provided by third parties, the Group has committed approximately AUD70 million and approximately GBP9 million as at 31 March 2022, which was classified as investment securities. Including interest income from funding, BC Invest contributed approximately HK$22.6 million to the Group's profit in FY2022.

In October 2021, BC Invest entered into a strategic partnership and long-term funding support arrangement with Mortgageport. The transaction allowed BC Invest to own a 53% stake in Mortgageport, including a significant placement of new equity and sponsorship of Mortgageport's current and future warehouse facilities. Mortgageport is a leading non-bank lender, catering mostly to domestic borrowers. Including third party assets under management, BC Invest managed a total AUM of approximately AUD3.8 billion as at 31 March 2022.

On the funding side, it continued to tap the RMBS market to diversify its funding sources. In February 2022, it launched the BC Invest Australian Credit Fund, which is Australia's first green mortgage fund targeting green residential buildings. In April 2022, it announced a new AUD416 million RMBS transaction, which contained a proportion of domestic borrowers and green tranches.

BC Invest's Exhibition

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.

OUTLOOK

Looking ahead, the business environment should continue to improve, especially the hospitality sector; this bodes well for our financial performance going forward. Our recurring income businesses should be the ones that most benefit from a full re-opening of the global economy. As more cities welcome business and leisure travelers, our hotel assets should see higher occupancy. Similarly, our car park operations should see more traffic.

With that being said, there are still many headwinds and risks to manage, such as persistently high inflation, labour shortages, rising interest rate environment and the continued Ukraine conflict, to name a few. As a result, the Group remains prudent and measured in all of the investments that it undertakes. The focus on monetising non-core assets is also important, as it provides us with additional capital that can be re-invested in attractive investment opportunities without unduly leveraging the balance sheet.

The Group's diversity and solid balance sheet allows us to manage these risks adequately. Our operations in different countries and across different sectors means that specific risks can be mitigated, whilst our solid balance sheet and our access to ample liquidity reduces financial risks and allows the Group to weather any major storm.

On the residential property development front, the Group has a significant pre-sales pipeline and a steady pipeline of new launches planned, which delivers visible and predictable cash flows to the Group as units settle with end customers. Furthermore, we remain on the lookout for attractive landbank opportunities and joint venture partners to bulk up our pipeline of projects in promising locations. The residential projects in Kai Tak, Hong Kong and Vauxhall Square, London are two of the Group's recent acquisitions and testify to the Group's ability to move fast and execute transactions.

Cumulative presales of properties reached a record high at approximately HK$16.7 billion. This includes the presales in various cities and the office portion of the Kai Tak Development. Our launch of Mount Arcadia in Hong Kong and Tower 5 of Queen's Wharf Residences in Brisbane has received an enthusiastic response post year-end and we will continue with presales of a number of developments in coming financial year.

In our hotel business, we are excited at the prospects of opening more hotel properties just as pent-up demand rises. With approximately 12 new hotels or 2,900 new rooms coming online in the next 3 years (by the end of FY2025), the Group is poised to benefit from the return of travel. The opening of Dao by Dorsett West London in June 2022 and the upcoming opening of the Ritz-Carlton Melbourne this year will contribute to the Group's revenue in FY2023.

Loosened restrictions contributed greatly to the rebound of the Group's car park operations, which were hit hard during the COVID-19 pandemic. Upon a meticulous review of its overall assets portfolio, the Group proceeded to sell a number of car parks primarily assets that had enjoyed very strong re-positioning and revaluation already. Whilst some car parks are being sold, the management contracts remain mostly with the Group, limiting the impact of loss of revenues. In fact, the Group increased the number of car park bays under management, from 114,821 in FY2021 to 120,201 in FY2022 and continued to grow its facilities management business.

The Group has continued over the past few years to invest steadily in a number of flagship projects and expects them to begin generating returns soon. The integrated resort at Queen's Wharf, Brisbane is one such investment. DFS, the retail giant, has signed up to manage the three-level retail emporium comprising over 6,000 sq. m. of retail and leisure space. DFS is expected to bring more than 100 global prestige brands to join this shopping haven. This landmark deal will bolster QWB's reputation as Australia's future international tourism and leisure hotspot and enhance the value of the integrated resort and the residential units.

The Group initiated ground work for the award of a Malta online gaming license, which will enable PALASINO to offer its gaming experience to other regional customers.

BC Invest is expected to continue its vigorous growth as non-residents' and residents' demand for residential mortgages in Australia and in the UK remains strong. BC Invest has now an array of financing tools available, including the issuance of more RMBS, the establishment of new financing warehouses and more recently, the launch of credit funds. BC Invest has built a strong institutional following and has proven its ability to raise financing in challenging market conditions. On the origination side, the acquisition and integration of Mortgageport is running smoothly and more cost benefits and revenue synergies should materialise from this transaction in the months to come.

The Group has laid a strong foundation for continued growth and is confident that it has a strong pipeline which will generate long-term value for its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, 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.

Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with HKFRS, non-GAAP financial measures of adjusted cash profit, adjusted cash profit margin, adjusted gross profit, adjusted gross profit margin, adjusted net asset value attributable to shareholders, adjusted net asset value per share, adjusted total assets, adjusted net gearing ratio, adjusted revenue and adjusted total equity have been presented in this report. The Company's management believes that the non-GAAP financial measures provide investors with clearer view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding certain non-cash items and certain impact from non-recurring activities and minority interests. Nevertheless, the use of these non-GAAP financial measures has limitations as an analytical tool. These unaudited non-GAAP financial measures should be considered in addition to, and not as a substitute for, analysis of the Group's financial performance prepared in accordance with HKFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

Adjusted cash profit represents the profit attributable to shareholders of the Company before (i) change in fair value of investment properties (after tax); (ii) change in fair value of financial assets at fair value through profit or loss; (iii) gain on disposal of debt instruments at FVTOCI; (iv) change in fair value of derivative financial instruments; (v) impairment loss under ECL model recognised on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; and (vii) depreciation and impairment; and adjusted for minority interests. We do not believe the said items are reflective of our core cash profit from our operating performance during the periods presented.

Adjusted cash profit margin represents the adjusted cash profit (as defined above) which represents the profit attributable to shareholders of the Company before (i) change in fair value of investment properties (after tax); (ii) change in fair value of financial assets at fair value through profit or loss; (iii) gain on disposal of debt instruments at FVTOCI; (iv) change in fair value of derivative financial instruments; (v) impairment loss under ECL model recognised on trade debtors; (vi) impairment loss under ECL model recognised on debt instruments at FVTOCI; and (vii) depreciation and impairment; and adjusted for minority interests divided by the revenue. We do not believe the said items are reflective of our core cash profit margin from our operating performance during the periods presented.

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

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

Adjusted net asset value attributable to shareholders represents the equity attributable to shareholders of the Company after accounting the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2022 and 2021 and was not recognised in the Group's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

Adjusted net asset value per share represents the adjusted net asset value attributable to shareholders after adjusting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2022 and 2021 and was not recognised in the Group's consolidated financial statements divided by the number of shares issued as at 31 March 2022 and 2021. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

Adjusted total assets represent the total assets after accounting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2022 and 2021 and was not recognised in the Company's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

Adjusted net gearing ratio represents the net debts (total bank loans, notes and bonds less investment securities, restricted bank deposits, deposits in financial institutions, bank balances and cash) to adjusted total equity which includes the 2019 Perpetual Capital Notes and after accounting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2022 and 2021 and was not recognised in the Group's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

Adjusted revenue represents the consolidated revenue after adjusting for the proceeds generated from the disposal of a subsidiary holding a residential property project, which is not presented as the consolidated revenue in the financial statements. It enhances the overall understanding of our core operating performance during the periods presented.

Adjusted total equity represents the total equity includes the 2019 Perpetual Capital Notes and after accounting for the hotel revaluation surplus which was based on independent valuation carried out as at 31 March 2022 and 2021 and was not recognised in the Group's consolidated financial statements. We believe the adjustment of hotel revaluation surplus brings a more meaningful and useful information of the asset value of the Group.

The following tables set forth the reconciliations of the Group's non-GAAP financial measures for the years ended 31 March 2022 and 2021 to the nearest measures prepared in accordance with HKFRS:

	FY2022 HK$'000	FY2021 HK$'000
Profit for the year attributable to shareholders of the Company	**1,300,381**	543,194
Less: Change in fair value of investment properties (after tax) excluding that relating to 21 Anderson Road[i]	**(538,526)**	(282,338)
Add: Change in fair value of financial assets at fair value through profit or loss	**27,723**	(80,834)
Loss/gain on disposal of debt instruments at FVTOCI	**129,785**	(66,408)
Change in fair value of derivative financial instruments	**(54,196)**	43,813
Impairment loss under ECL model recognised on trade debtors	**19,784**	11,050
Impairment loss under ECL model recognised on debt instruments at FVTOCI	**78,258**	–
Depreciation and impairment[ii]	**461,774**	461,495
Adjusted cash profit (Non-GAAP)	**1,424,983**	629,972
Adjusted cash profit margin (Non-GAAP)	**24.2%**	10.6%

	FY2022 HK$'000	FY2021 HK$'000
Gross profit	**1,984,037**	1,841,483
Depreciation[iii]	**312,573**	334,869
Adjusted gross profit (Non-GAAP)	**2,296,610**	2,176,352
Adjusted gross profit margin (Non-GAAP)	**39.0%**	36.6%

Non-GAAP Financial Measures

	FY2022 HK$ million	FY2021 HK$ million
Equity attributable to shareholders of the Company	**14,632**	13,797
Hotel revaluation surplus[iv]	**18,796**	17,550
Adjusted net asset value attributable to shareholders (Non-GAAP)	**33,428**	31,347
Number of shares issued (million)	**2,420**	2,395
Adjusted net asset value per share (Non-GAAP)	**HK$13.81**	HK$13.09

	FY2022 HK$ million	FY2021 HK$ million
Total assets	**54,804**	49,901
Hotel revaluation surplus[iv]	**18,796**	17,550
Adjusted total assets (Non-GAAP)	**73,600**	67,451

	FY2022 HK$ million	FY2021 HK$ million
Total equity	**17,910**	17,054
Hotel revaluation surplus[iv]	**18,796**	17,550
Adjusted total equity (Non-GAAP)	**36,706**	34,604
Net debts	**21,259**	19,008
Adjusted net gearing ratio (net debts to adjusted total equity) (Non-GAAP)	**57.9%**	54.9%

	FY2022 HK$'000	FY2021 HK$'000
Revenue	**5,895,636**	5,943,694
Proceeds from the disposal of 21 Anderson Road	**1,242,959**	–
Adjusted revenue (Non-GAAP)	**7,138,595**	5,943,694

Notes:

(i) Excludes the fair value gain on 21 Anderson Road of approximately HK$100 million which was recorded as a disposal of a subsidiary in FY2022.

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

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

(iv) Based on the independent valuations carried out as at 31 March 2022 and 31 March 2021 respectively.

Awards and Accolades

- **Six Awards in "FinanceAsia's 2021 Asia's Best Companies" Poll**
  - Asia's Overall Best Managed Company
  - Best Managed Listed Company in Hong Kong
  - Best CEO in Hong Kong
  - Most Committed to the Highest Governance Best Standards in Hong Kong
  - Most Committed to the Highest Governance Best Standards in China
  - Most Committed to Social Causes in China

FinanceAsia | FinanceAsia ASIA'S BEST COMPANIES 2021

- **Five Awards at "Questar Awards 2021"**
  - Corporate Video – Corporations: Conglomerate Gold
  - Corporate Video/Corporate Guideline – Corporations: Corporate Identity Silver
  - Corporate Video – Broadcast/Cable/Streaming: Brand Image Campaign Bronze
  - Annual Report 2020 – Corporations: Stakeholder Communications Bronze
  - Annual Report 2020 – Mobile Media: Annual Report Bronze

2021 questar AWARDS

- **Eight Honours at the "HKIRA 7th Investor Relations Awards 2021"**
  - Best IR by Chairman/CEO
  - Best IR by CFO
  - Best IR Company
  - Best Annual Report
  - Best ESG (E)
  - Best ESG (S)
  - Best ESG (G)
  - The ESG Grand Award (Small Cap)

hkira IR Awards 2021

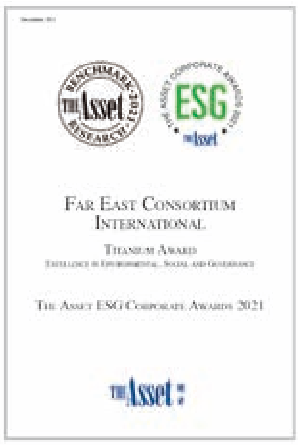
Awards and Accolades

- **Silver Award in the category of "Property Development: Residential" of "Traditional Annual Report" at "The International ARC 2021 Awards"**

- **Four Awards at the "11th Asian Excellence Award 2021"**
  - 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

- **Five Awards at the"iNOVA Awards 2021"**
  - Silver: Corporate Website/ Corporate Image
  - Bronze: Corporate Social Responsibility Report
  - Bronze: Corporate Websites: Real Estate
  - Bronze: Online Annual Report 2021: Real Estate
  - Bronze: Specialty Reports: Environmental, Social & Governance Report

- **Titanium Award at "The Asset ESG Corporate Awards 2021"**


Far East Consortium International
Titanium Award
The Asset ESG Corporate Awards 2021

- **Honourable Mention of the ESG Excellence Awards" of the "Hong Kong Corporate Governance & ESG Excellence Awards 2021"**

- **Caring Company Logo 2021/22 by Hong Kong Council of Social Service**

- **Certificate for Excellence in Investor Relations at IR Magazine Awards Greater China 2021**


IR magazine
IR Magazine Awards Greater China 2021
Far East Consortium International Limited

- **9th Outstanding Corporate Social Responsibility Award at The Mirror Post Monthly Post**

HONG KONG
Dorsett Hospitality International

- Best Hotel Group 2020 by Trip.com

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

- Manpower Developer 2020-2022 by Employees Retraining Board

Dorsett Kwun Tong, Hong Kong

- Traveller's Choice 2021 by Tripadvisor

- 5 years+ Caring Company Logo under "Caring Company Scheme" by the 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

Dorsett Mongkok, Hong Kong

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

- Travellers Review Awards 2021 (8.1/10) by Booking.com

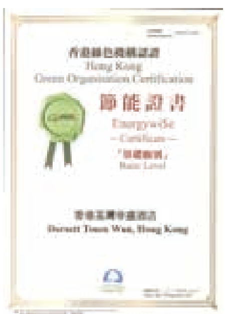
- Travellers' Choice 2021 by Tripadvisor

Awards and Accolades

Dorsett Tsuen Wan, Hong Kong

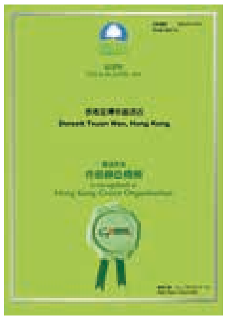
- Certificate of Participation in the Hong Kong Awards for Environmental Excellence 2020 by Environmental Campaign Committee

- 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
- Best Selling Hotel Award 2020 by Trip.com

Dorsett Wanchai, Hong Kong

- 10 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Services
- Travellers' Choice 2021 by Tripadvisor
- Best Strategic Partner 2020 by Trip.com

Cosmo Hotel Hong Kong

- 10 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Services
- Travellers' Choice 2021 by Tripadvisor

Lan Kwai Fong Hotel @ Kau U Fong

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

Silka Far East, Hong Kong

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

Silka Seaview, Hong Kong

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

Silka Tsuen Wan, Hong Kong

- 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 Services

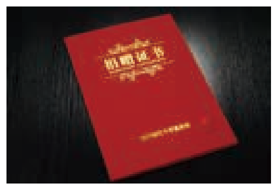
- Traveller's Choice 2021 by Tripadvisor

- Platinum Award and Certificate of "Charter on External Lighting" by Environment Bureau

MAINLAND CHINA

Dorsett Chengdu

- Donation certificate of "Offering love to Sichuan Red Cross Foundation Chengdu Army Support Development Fund" by Sichuan Red Cross Foundation



- Yue Rong Cafe of Dorsett Chengdu was awarded "Star Store of the Year 2020" by Dianping.com

Awards and Accolades

- Love Enterprise Award by Xiyuhe Street Luomashi Community

Dorsett Shanghai

- Loved by Guests Award 2021 (8.8/10) by Hotels.com

- Preferred Hotel For Business Award 2021 by Fliggy

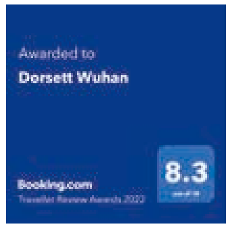
- Excellent Business Hotel Of The Year Award 2021 by Meituan

- 2020 Customer Review Award (8.2/10) by Agoda

Dorsett Wuhan

- 2021 Excellent Service Hotel of the year by Meituan

- 2022 Traveller Review Award (8.3/10) by Booking.com

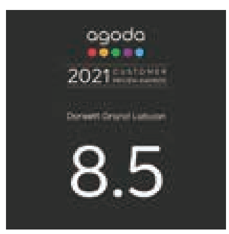


- 2021 Mafengwo Traveller's Choice Wuhan Excellent Hotel by Mafengwo

MALAYSIA

Dorsett Grand Labuan

- 2021 Customer Review Award 2020 (8.5/10) by Agoda



Dorsett Grand Subang

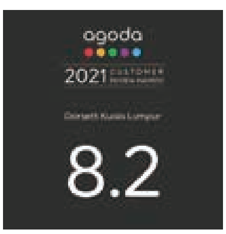
- 2021 Customer Review Award (8.4/10) by Agoda

Dorsett Hartamas

- 2021 Customer Review Award (8.1/10) by Agoda

Dorsett Kuala Lumpur

- 2021 Customer Review Award (8.2/10) by Agoda



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

Dorsett Residences Bukit Bintang

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

SINGAPORE

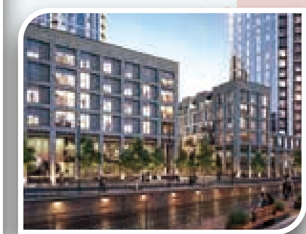
Dorsett Singapore

- Travellers' Choice Award 2021 by Tripadvisor

- SG Clean Certification 2021 by National Environment Agency

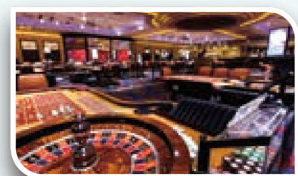
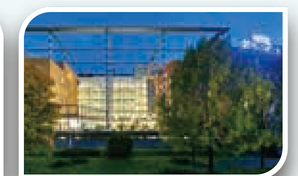
UNITED KINGDOM

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

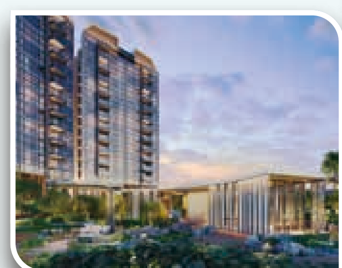
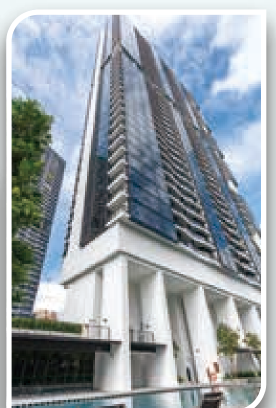
CONTINENTAL EUROPE

- Hotel operations
- Car park operations
- Gaming and entertainment

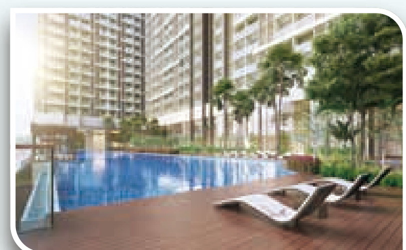
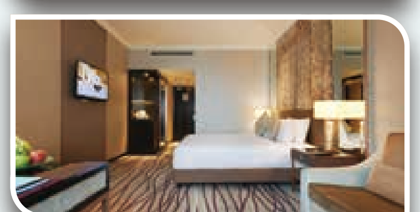
SINGAPORE

- Property development
- Property investment
- Hotel operations

MALAYSIA

- Property development
- Hotel operations
- Car park operations

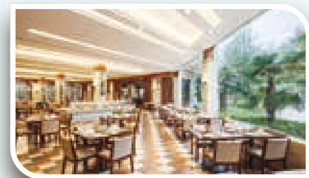



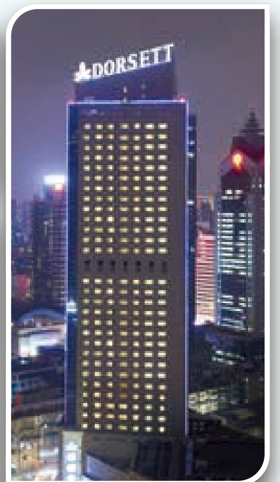
Diversified and Balanced Portfolio of Businesses

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

MAINLAND CHINA

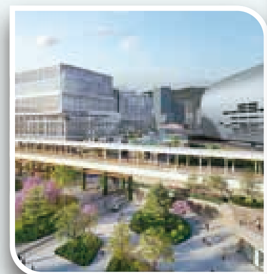
- Property development
- Property investment
- Hotel operations

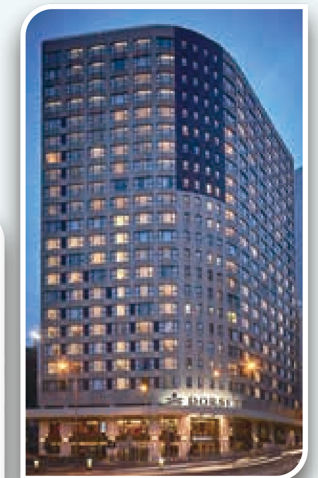




HONG KONG

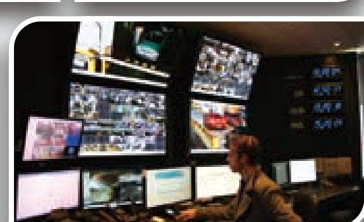
- Property development
- Property investment
- Hotel operations





AUSTRALIA & NEW ZEALAND

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



Major Projects

Hong Kong, China

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

Completion: FY2022

Building floors: 12

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 Highlights:

- 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; and
- 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.

Hong Kong, China

Project Name: Kai Tak Development

Development Address:
Shing Kai Road, Kai Tak, New Kowloon Inland Lot No. 6607

District: Kai Tak, Hong Kong

Approximate Saleable Floor Area (sq. ft.): 174,000

Number of Hotel Rooms: 400

Expected Completion: FY2024

Building Floors (including retail area): 14

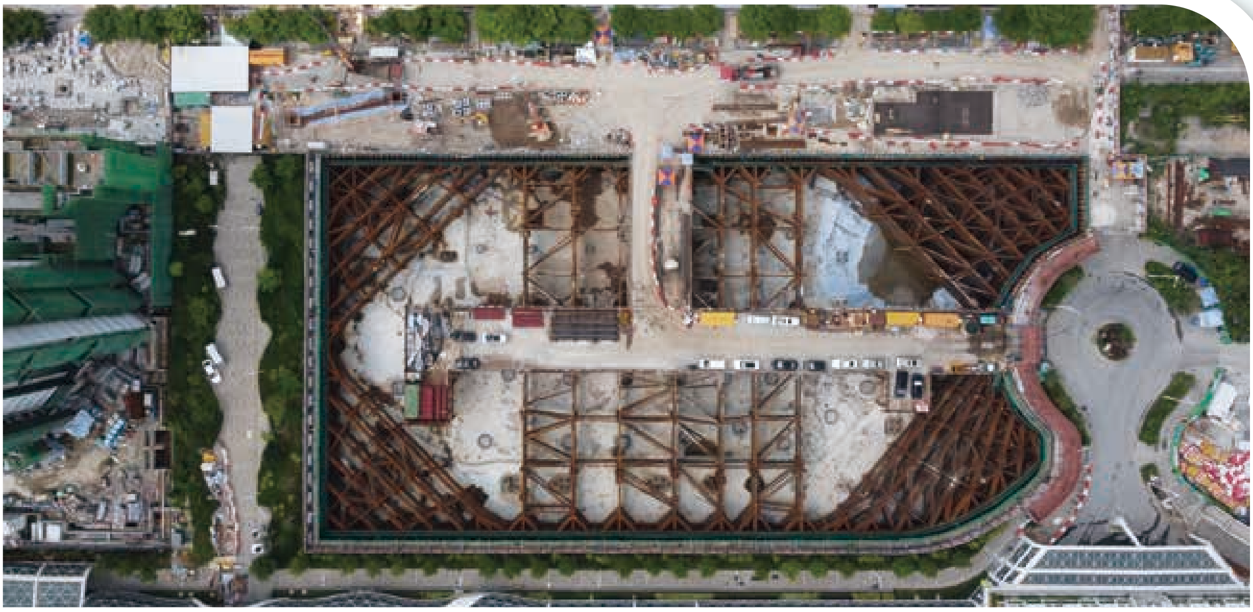
Geographical Environment:

- This prime piece of land is currently benefitting from significant ongoing infrastructural investments, with more to come. It will be adjacent to sports facilities, retail space and significant residential developments.

Project Highlights:

- The development will have convenient access to transportation hubs, with the Sung Wong Toi and Kai Tak stations both a 10-minute walk away;
- There will be some retail space;
- Nearby the site will be Kai Tak Sports Park, which will begin to welcome its first spectators in 2024; and
- The development will house a 400-room flagship Dorsett hotel.

Hong Kong, China



Project Name: Kai Tak Residential

Development Address:
Kai Tak Area 4B Site, New Kowloon Inland Lot No. 6591

District: Kai Tak, Hong Kong

Approximate Saleable Floor Area (sq. ft.): 506,000

Number of Residential Units: approximately 1,300

Expected Launch Time: FY2023

Expected Completion: FY2026

Building Floors: 25

Geographical Environment:
- Located in Kai Tak, the site's surrounding area is undergoing significant redevelopment by the Hong Kong government and will offer residents access to upgraded infrastructure.

Project Highlight:
- The project lies along the waterfront, providing residents with a tranquil sea view.

Remark:
- The Group has a 50% stake in this project.

Gold Coast, Australia

Project Name: The Star Residences

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.): 659,000

Number of Residential Units: 862

Number of Hotel Rooms: 313 (Dorsett hotel)
201 (The Star Residences)

Expected Completion: Tower 1: FY2023
Tower 2 – Epsilon: FY2024

Building Floors (Include Retail Area): Tower 1: 53
Tower 2 – Epsilon: 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.

Planning and Design:
- Architects – Cottee Parker and DBI Design

Project Highlight:
- Stage 1 of a masterplan and integrated resort inclusive of restaurants, bars, casino, hotels, theatre, gym, pools, spa etc.
- 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

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

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

Expected Completion: FY2025

Building Floors (Include Retail Area): 30

Geographical Environment:

- Perth Hub is one of Australia's most exciting regeneration projects made possible by approximately AUD1.1 billion of government funding. The project will reconnect the CBD with Northbridge and Chinatown for the first time in more than 100 years. The area, once just a network of bus and train connections, will become an exciting new destination with housing, shops, restaurants, offices and more; and
- 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.

Project Highlight:

- Perth Hub will consist of an apartment tower and a Dorsett hotel. The ground floor will consist of active hospitality venues such as bars, restaurants and cafés.

Melbourne, Australia

The Residences at
WEST SIDE PLACE
by Far East Consortium

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 Residential Units: 2,896

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

Expected Completion: FY2023

Building Floors (including retail area and roof)
Tower 1: 82
Tower 2: 64
Tower 3: 69
Tower 4: 72

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 a 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 Highlights:
- 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: Monument

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: FY2023

Expected Completion: FY2026

Building Floors: 67

Geographical Environment:
- The 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 Highlights:
- 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 are not limited to:
  - Pool, steam room and sauna
  - Gym
  - Yoga/Pilates/wellness area
  - Cinema
  - Private dining
  - Wine tasting/cellar
  - Residences lounge/reading room
  - Outdoor terraces
  - Meeting room
  - Virtual golf

Brisbane, Australia

Project Name: Queen's Wharf

Development Address: Queen's Wharf

District: Central Business District, Brisbane

Property Website: www.destinationbrisbaneconsortium.com.au

Approximate Saleable Floor Area (sq. ft.): 1,450,000

Number of Residential Units: Towers 4 and 5: 1,486

Number of Hotel Rooms: 3 hotels with 849 rooms

Launch/Expected Launch Time: Tower 4: FY2020
Tower 5: FY2022
Tower 6: Planning

Expected Completion: Tower 4: FY2024
Tower 5: FY2025
Tower 6: Planning

Building Floors (including retail area):
Tower 4: 64
Tower 5: 71
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 two residential towers and a commercial tower comprising approximately 1,500 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.

Remark:
- 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: hyllonholland.sg

Approximate Saleable Floor Area (sq.ft.): 242,000

Number of Residential Units: 319

Expected Completion: FY2024

Building Floors: 12

Geographical Environment:
- Close to lifestyle destinations and recreational enclaves known to locals and expats, such as Orchard Road, Holland Village and Dempsey Hill.

Project Highlights:
- 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;
- 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
- In the vicinity of numerous reputable schools.

Remark:
- 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: 67

Expected Completion: FY2023

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 Highlights:

- Grade II* listed historic Town Hall and Broadway Annex;
- 67-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

London, the United Kingdom

Project Name: Aspen at Consort Place

Development Address: 50 Marsh Wall

District: Canary Wharf, London

Property website: www.aspen-canarywharf.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

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 Highlights:

- 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.): 560,000

Number of Residential Units: 756

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: 40
Plot 5: 12

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

Project Highlights:
- 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

NEW CROSS
-CENTRAL-
MANCHESTER

Manchester, the United Kingdom

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 Highlights:
- 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.

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.): 460,000

Number of Residential Units: 634

Expected Completion: FY2025

Building floors:
Tower A: 36
Tower B: 17
Tower C: 25

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 Highlights:

- A landmark 36-storey building and 2 sister towers with 17 and 25 floors, respectively. There will also be two podium buildings. The property will include 1-bedroom, 2-bedroom, 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; and
- 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 2022.

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 2022 are set out in notes 50, 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 Continental 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 websites 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 websites 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 110.

The Board has recommended the payment of a final dividend for the year ended 31 March 2022 of HK16 cents (2021: 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 14 September 2022. 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 2022 AGM; and (ii) the Stock Exchange granting the 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 14 September 2022. 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 21 September 2022. Dividend warrants and/or new share certificates will be posted on or around 24 October 2022.

BONUS ISSUE OF SHARES

The Board has also recommended a bonus issue of shares on the basis of one bonus share for every ten existing ordinary shares held by Shareholders whose names appear on the Company's Register of Members on 14 September 2022 (the "Proposed Bonus Issue"). The Proposed Bonus Issue is subject to the conditions and trading arrangements set out in the circular despatched together with this annual report.

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 2022 AGM

The 2022 AGM is scheduled to be held on Tuesday, 30 August 2022. For determining the entitlement to attend and vote at the 2022 AGM, the Register of Members of the Company will be closed from Thursday, 25 August 2022 to Tuesday, 30 August 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2022 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 (which will be relocated to 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong with effect from 15 August 2022), for registration not later than 4:30 p.m. on Wednesday, 24 August 2022.

(b) For determining the entitlement to the Proposed Final Dividend and Proposed Bonus Issue

The Proposed Final Dividend and Proposed Bonus Issue are subject to the approval of Shareholders at the 2022 AGM. For determining the entitlement of the Proposed Final Dividend and Proposed Bonus Issue, the Register of Members of the Company will also be closed from Wednesday, 7 September 2022 to Wednesday, 14 September 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for entitlement to the Proposed Final Dividend and Proposed Bonus Issue, 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 applicable addresses for registration not later than 4:30 p.m. on Tuesday, 6 September 2022.

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 26.

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to Shareholders at 31 March 2022 amounted to approximately HK$65,040,000 (2021: HK$629,723,000).

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2022. The increase in fair value of investment properties, which has been credited directly to consolidated statement of profit or loss, amounted to HK$643,540,000.

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$1,140,849,000 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 2022 are set out on pages 246 to 273.

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, repurchased on the Stock Exchange (i) 4.5% USD Medium Term Notes 2023 in the aggregate principal amount of US$2,645,000; and (ii) 5.1% USD Medium Term Notes 2024 in the aggregate principal amount of US$1,500,000. These Notes repurchased were subsequently cancelled.

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. Craig Grenfell WILLIAMS, Mr. Kwok Wai CHAN, and Mr. Lai Him Abraham SHEK shall retire at the 2022 AGM and are eligible to offer themselves for re-election at the 2022 AGM. Mr. Kwok Wai CHAN has indicated to the Company that he will not offer himself for re-election and will therefore retire at the 2022 AGM whereas Mr. Craig Grenfell WILLIAMS and Mr. Lai Him Abraham SHEK will offer themselves for re-election at the 2022 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 2022 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) nor their respective close associates 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 12 April 2021, Drakar Limited (the "Developer"), an indirect wholly-owned subsidiary of the Company, entered into an 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.

On 24 November 2021, River Riches Limited (the "JV Company", a company held as to 50% (indirectly) by the Company and 50% (indirectly) by New World Development Company Limited ("NWD") which formed pursuant to the terms of a memorandum of agreement entered into between the Company and NWD dated 24 November 2021) as the purchaser, Yan You Limited (the "Vendor"), the Company and NWD, and Kaisa Group Holdings Limited have entered into a share purchase agreement (the "SPA") in relation to the sale and purchase of the 100% of all the issued ordinary shares of Rich Fast International Limited (the "Target Company") (the "Sale Shares") and the assignment of all outstanding loans and interest due to the Vendor or its affiliates by the Target Company as at the date of the SPA (other than the Reimbursable Amount (as defined in the SPA)) (the "Sale Loan"). Under the SPA, the JV Company shall (i) acquire all of the Sale Shares at the consideration of HK$7,948,000,000 minus HK$3,052,000,000, being the total outstanding principal amount under the Facility Agreement (2020) (as defined in the SPA) as at completion and minus HK$1,231,759,145 and (ii) accept the assignment of the Sale Loan at the consideration of HK$1,231,759,145. The Target Company is a special purpose vehicle holding all the piece or parcel of ground registered in the Land Registry of Hong Kong as New Kowloon Inland Lot No. 6591 with messuages erections and buildings thereon.

As a subsidiary of NWD is a substantial shareholder of a non-wholly-owned subsidiary of the Company, accordingly, NWD is a connected person of the Company at its subsidiary level (as defined under the Listing Rules). The formation of the joint venture with NWD for the acquisition of the Sale Shares and the assignment of the Sale Loan pursuant to the SPA therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 24 November 2021.

On 28 June 2022, FEC Capital Limited ("FEC Capital"), an indirect wholly-owned subsidiary of the Company, has granted purchase rights (the "Purchase Rights") to Mr. Cheong Thard HOONG ("Mr. HOONG") and Ms. Wing Kwan Winnie CHIU ("Ms. CHIU") to purchase the ordinary shares ("BC Shares") in the issued share capital of BC Investment Group Holdings Limited, whereby FEC Capital shall transfer 457,502 BC Shares and 114,376 BC Shares held by FEC Capital at AUD9.18 per BC Share, representing approximately 2% and 0.5% of the total BC Shares in issue as at 28 June 2022 respectively, to Mr. HOONG and Ms. CHIU respectively, upon the exercise of the Purchase Rights subject to and in accordance with the terms and conditions of the Purchase Rights. Mr. HOONG and Ms. CHIU, both being Executive Directors, are connected persons of the Company under the Listing Rules. Accordingly, the grant of the Purchase Rights and the transfer of the relevant BC Shares to Mr. HOONG and Ms. CHIU constitute connected transactions for the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 28 June 2022.

Save as disclosed above, during FY2022 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 FY2022 are set out in note 43 to the consolidated financial statements. The related party transactions as set out in note 43(b) and note 43(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 43 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 OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2022, 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	0.95%
	Interest of spouse	585,322[i]	0.02%
	Interest of controlled corporations	1,223,500,025[i]	50.57%
Cheong Thard HOONG	Beneficial owner	13,814,265	0.57%
	Joint interest	496,184[ii]	0.02%
Dennis CHIU	Beneficial owner	4,984	0.00%
	Interest of controlled corporations	3,893,575[iii]	0.16%
	Joint interest	2,139,261[iv]	0.09%
Wing Kwan Winnie CHIU	Beneficial owner	78,602	0.00%

Directors' Report

Notes:

(i) 1,223,483,003 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) 2,139,261 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 2022.

A.2 Debentures

As at 31 March 2022, Tan Sri Dato' David CHIU was deemed to have an interest in (i) 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 (ii) 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 USD4,000,000 of which USD1,000,000 was held by Tan Sri Dato' David CHIU and USD3,000,000 was held by his spouse, Ms. Nancy CHIU NG.

As at 31 March 2022, 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 2022, Ms. Wing Kwan Winnie CHIU has an interest in (i) the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD400,000, (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 USD1,000,000, and (iii) the 5.1% USD Medium Term Note 2024 issued by FEC Finance Limited, a wholly-owned subsidiary of the Company in the principal amount of USD3,000,000.

B. Associated corporations

B.1 Long position in the ordinary shares

Name of Director	Name of associated corporation	Capacity	Number of ordinary share(s) interested	Approximate % of the relevant issued share capital
David CHIU	Sumptuous Assets Limited	Interest of controlled corporations	1[i]	100%[ii]
Cheong Thard HOONG	BC Invest	Beneficial owner	792,383	3.46%[iii]
Craig Grenfell WILLIAMS	BC Invest	Beneficial owner	254,112	1.11%[iii]
	Care Park	Beneficiary of a discretionary trust	825[iv]	8.25%[v]

Notes:

(i) 1 share was held by Far East Organization (International) Limited, a company controlled by Tan Sri Dato' David CHIU.

(ii) The percentage represents the number of ordinary shares interested divided by Sumptuous Assets Limited's issued shares as at 31 March 2022.

(iii) The percentage represents the number of ordinary shares interested divided by BC Invest's issued shares as at 31 March 2022.

(iv) 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.

(v) The percentage represents the number of ordinary shares interested divided by Care Park's issued shares as at 31 March 2022.

Save as disclosed above, as at 31 March 2022, 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 45 to the consolidated financial statements.

SHARE OPTION SCHEMES

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 current share option scheme will be expired on 31 August 2022. In order to continue to provide incentives and rewards to the eligible employees and participants, the Board has recommended the adoption of a new share option scheme and the relevant resolution will be proposed at the 2022 AGM for Shareholder's consideration and voting.

As at 31 March 2022, 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 6.49% 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 45 to the consolidated financial statements.

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 OF THE COMPANY

As at 31 March 2022, so far as was known to the directors and chief executive of 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 of the SFO 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	1,223,483,003[i] (long position)	50.57%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.54%
	Interest of controlled corporations	140,942,693[ii] (long position)	5.82%
	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 of the Company and its Associated Corporations". 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 Company's issued shares as at 31 March 2022.

Save as disclosed above, as at 31 March 2022, 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$7,063,000.

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 2022, 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 45 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 93 to 104.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float 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 Act, 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"), an indirect wholly-owned 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 2022 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

28 June 2022

Corporate Governance Report

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2022.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Company recognises 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 2022. 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 2022, except for the deviation from Code Provision C.2.1. Key corporate governance principles and practices of the Company as well as details of the foregoing non-compliance and deviation of Code Provision are summarised 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 2022, 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 C.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 the Articles, Mr. Craig Grenfell WILLIAMS (Executive Director), Mr. Kwok Wai CHAN (Independent Non-executive Director) and Mr. Lai Him Abraham SHEK (Independent Non-executive Director) shall retire by rotation at the 2022 AGM. Mr. Kwok Wai CHAN has indicated to the Company that he will not offer himself for re-election and will therefore retire at the 2022 AGM whereas Mr. Craig Grenfell WILLIAMS and Mr. Lai Him Abraham SHEK will offer themselves for re-election at the 2022 AGM.

The Board recommended the re-appointment of Mr. Craig Grenfell WILLIAMS and Mr. Lai Him Abraham SHEK standing for re-election at the 2022 AGM. The Company's circular, sent together with this annual report, contains detailed information of Mr. Craig Grenfell WILLIAMS and Mr. Lai Him Abraham SHEK, 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 2022, 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 at 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 2022 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	3/4	N/A	2/3	0/1	1/1
Mr. Cheong Thard HOONG	4/4	N/A	N/A	N/A	1/1
Mr. Dennis CHIU	4/4	N/A	N/A	N/A	1/1
Mr. Craig Grenfell WILLIAMS	4/4	N/A	N/A	N/A	1/1
Ms. Wing Kwan Winnie CHIU	4/4	N/A	N/A	N/A	1/1
Mr. Kwok Wai CHAN	4/4	3/3	3/3	1/1	1/1
Mr. Kwong Siu LAM	4/4	3/3	N/A	1/1	1/1
Mr. Lai Him Abraham SHEK	4/4	3/3	3/3	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 2022.

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 A.2.1 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 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 2022, 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 2021, 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 2021 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 2022 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 E.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 2022, 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 meetings held during the year ended 31 March 2022 are set out in section A.6.2 above.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the senior management for the year ended 31 March 2022 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 2022 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 recognises 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 2022, 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 2021 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 2022 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 2022.

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.

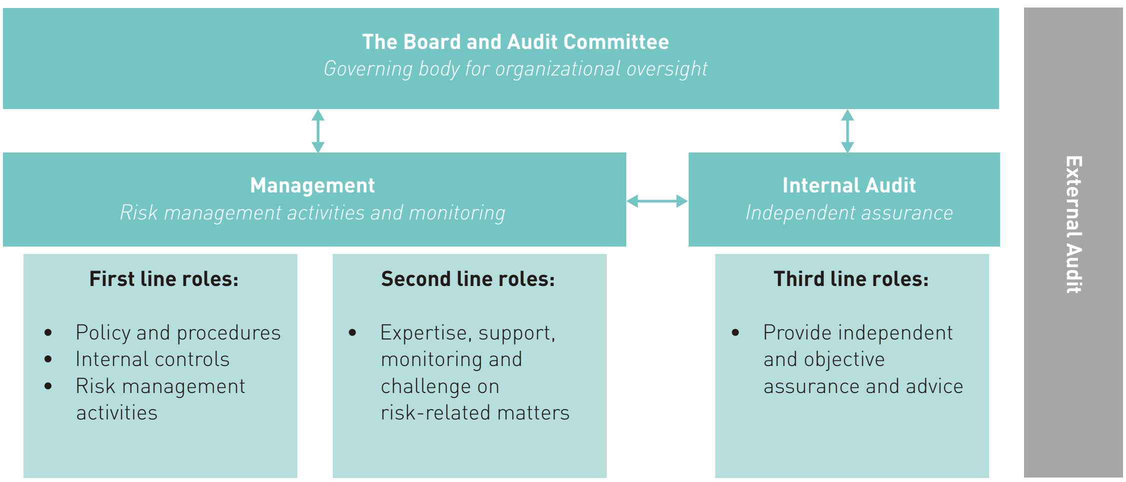
The Group's risk management framework is the responsibility of the Board and is overseen by the Audit Committee. The framework comprises the following elements:

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 categorised the risks according to the different business lines and defined the nature and extent of risks that the Group is willing to undertake.

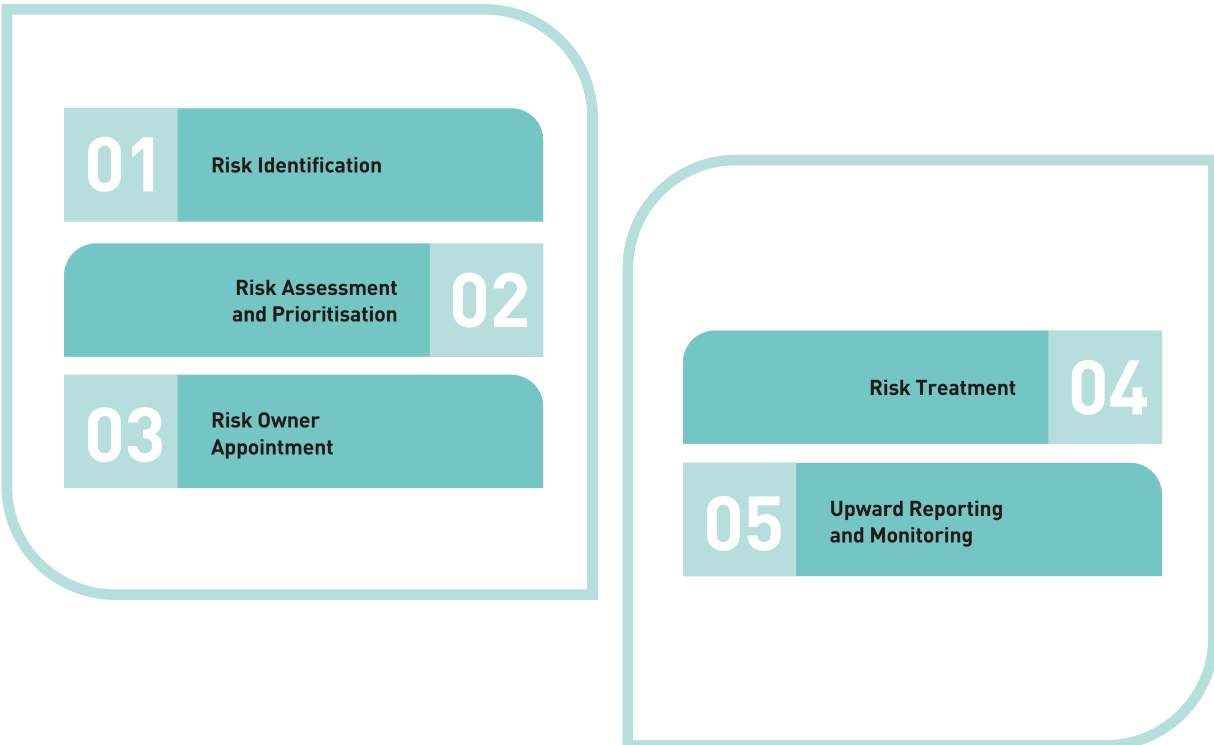
Risk governance structure

The Group has established an enterprise risk management structure in line with the "Three Lines Model" that defines the roles and responsibilities of the Board and the Audit Committee in (i) organizational oversight; (ii) risk monitoring and review, and risk and control ownership of the management; and (iii) the independent assurance role of the internal audit function.



Under the oversight of the Board and the Audit Committee, the Group's management assume the first and second line roles where the business and functional units are responsible for the day-to-day risk management and control processes whereas a designated risk management taskforce is 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 comprises the Group's outsourced internal auditor who is responsible for the independent assessment of the effectiveness of the risk management and internal control systems. The external auditor of the Group further complements the risk management structure by independently auditing material internal controls over the Group's operations and 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 prioritisation; 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 prioritised 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 2022 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, macroeconomic and sociopolitical impacts 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 unauthorised 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 2022, 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 2022 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 2022 are analysed below:

Type of services provided by the external auditor	Fees paid/payable HK$
Audit services – audit fee for the year ended 31 March 2022	22,071,000
Non-audit services	
– professional fee in connection with the review of interim account and services related to major transactions during the year	3,700,000
TOTAL:	25,771,000

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 recognises 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.

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 110 to 245, which comprise the consolidated statement of financial position as at 31 March 2022, 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 2022, 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, Singapore and the United Kingdom. The investment properties were carried at HK$7,888,061,000 as at 31 March 2022 and represents approximately 14% of total assets in the consolidated financial statements of the Group as at 31 March 2022. As disclosed in note 8 to the consolidated financial statements, changes in fair value of investment properties of HK$643,540,000 was recognised in the consolidated statement of profit or loss for the year then ended 31 March 2022. 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, estimated cost to completion, 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, estimated cost to completion, 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 Fung Suet Ngan.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 June 2022

Consolidated Statement of Profit or Loss

For the year ended 31 March 2022

	NOTES	2022 HK$'000	2021 HK$'000
Revenue	7	**5,895,636**	5,943,694
Cost of sales and services		**(3,432,536)**	(3,629,017)
Depreciation and impairment of hotel and car park assets		**(479,063)**	(473,194)
Gross profit		**1,984,037**	1,841,483
Other income		**213,566**	259,726
Other gains and losses	8	**1,189,809**	425,824
Administrative expenses			
– Hotel operations and management		**(355,083)**	(319,553)
– Others		**(496,522)**	(342,404)
Pre-operating expenses			
– Hotel operations and management		**(12,744)**	–
Selling and marketing expenses		**(279,462)**	(245,274)
Share of results of associates		**(21,851)**	(13,108)
Share of results of joint ventures		**(26,941)**	(31,082)
Finance costs	9	**(341,082)**	(309,785)
Profit before tax		**1,853,727**	1,265,827
Income tax expense	10	**(343,191)**	(460,087)
Profit for the year	11	**1,510,536**	805,740
Attributable to:			
Shareholders of the Company		**1,300,381**	543,194
Owners of perpetual capital notes		**206,877**	199,713
Other non-controlling interests		**3,278**	62,833
		210,155	262,546
		1,510,536	805,740
Earnings per share	12		
Basic (HK cents)		**54.1**	22.9
Diluted (HK cents)		**54.0**	22.9

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	2022 HK$'000	2021 HK$'000
Profit for the year	**1,510,536**	805,740
Other comprehensive (expense) income for the year		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(112,424)**	1,974,889
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of foreign operations	**15,029**	–
Fair value change on debt instruments at fair value through other comprehensive income ("FVTOCI")	**(155,449)**	114,742
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	**129,785**	(66,408)
Impairment loss recognised on debt instruments at FVTOCI	**78,258**	–
Share of other comprehensive income of an associate	**115,968**	–
Item that will not be reclassified to profit or loss:		
Fair value change on equity instruments at FVTOCI	**(149,920)**	525,837
Other comprehensive (expense) income for the year	**(78,753)**	2,549,060
Total comprehensive income for the year	**1,431,783**	3,354,800
Total comprehensive income attributable to:		
Shareholders of the Company	**1,221,625**	3,072,424
Owners of perpetual capital notes	**206,877**	199,713
Other non-controlling interests	**3,281**	82,663
	210,158	282,376
	1,431,783	3,354,800

Consolidated Statement of Financial Position

At 31 March 2022

	NOTES	2022 HK$'000	2021 HK$'000
Non-current Assets			
Investment properties	15	7,888,061	8,159,748
Property, plant and equipment	16	12,507,293	12,593,755
Goodwill	17	68,400	68,400
Interests in associates	18	1,921,367	1,800,616
Interests in joint ventures	19(a)	2,351,810	1,095,822
Investment securities	20	1,246,009	1,136,241
Derivative financial instruments	27	2,935	–
Deposits for acquisition of property, plant and equipment		99,462	95,372
Amounts due from joint ventures	44	645,990	26,154
Amount due from an associate	44	62,864	62,864
Amount due from an investee company	44	119,995	119,995
Loan receivables	21	182,598	210,876
Pledged deposits	22	4,834	9,525
Deferred tax assets	35	177,203	249,086
Other assets		13,500	–
		27,292,321	25,628,454
Current Assets			
Properties for sale	23		
Completed properties		4,201,912	1,613,798
Properties under development		11,571,867	12,334,478
Other inventories		9,586	9,735
Debtors, deposits and prepayments	24	805,602	1,143,837
Customers' deposits under escrow	25	468,696	335,818
Contract costs	26	309,402	315,042
Amounts due from joint ventures	44	194,342	463,399
Amounts due from associates	44	14,498	18,557
Amount due from a shareholder of non-wholly owned subsidiary	33	248,120	109,211
Tax recoverable		88,956	92,713
Investment securities	20	1,787,260	3,006,565
Loan receivables	21	5,037	7,029
Derivative financial instruments	27	14,984	3,531
Pledged deposits	22	889,128	377,050
Restricted bank deposits	22	–	14,016
Deposits in financial institutions	22	14,802	46,316
Bank balances and cash	22	6,887,803	4,365,751
		27,511,995	24,256,846
Investment properties held for sale	15	–	15,488
		27,511,995	24,272,334

Consolidated Statement of Financial Position

At 31 March 2022

	NOTES	2022 HK$'000	2021 HK$'000
Current Liabilities			
Creditors and accruals	28	2,184,678	1,694,889
Contract liabilities	29	666,423	689,615
Lease liabilities	32	74,567	81,139
Amount due to a related company	44	858	807
Amounts due to associates	44	7,245	51,326
Amounts due to shareholders of non-wholly owned subsidiaries	33	171,548	168,997
Derivative financial instruments	27	25,922	7,045
Tax payable		633,866	747,998
Notes	34	–	1,834,899
Bank and other borrowings	31	11,450,133	10,438,601
		15,215,240	15,715,316
Net Current Assets		12,296,755	8,557,018
Total Assets less Current Liabilities		39,589,076	34,185,472
Non-current Liabilities			
Lease liabilities	32	535,169	645,758
Derivative financial instruments	27	–	6,807
Notes	34	4,604,128	3,384,017
Bank and other borrowings	31	15,140,281	11,919,164
Deferred tax liabilities	35	1,055,480	1,046,665
Other liabilities	30	344,086	128,798
		21,679,144	17,131,209
Net Assets		17,909,932	17,054,263
Capital and Reserves			
Share capital	36	241,962	239,508
Share premium		4,650,772	4,584,371
Reserves		9,738,998	8,973,151
Equity attributable to shareholders of the Company		14,631,732	13,797,030
Owners of perpetual capital notes	37	2,901,589	2,883,903
Other non-controlling interests		376,611	373,330
		3,278,200	3,257,233
Total Equity		17,909,932	17,054,263

The consolidated financial statements on pages 110 to 245 were approved and authorised for issue by the Board of Directors on 28 June 2022 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 2022

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	FVTOCI reserve HK$'000	Exchange reserve HK$'000	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 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
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 FVTOCI	–	–	–	–	525,837	–	–	–	–	525,837	–	–	–	525,837
Fair value change on debt instruments at FVTOCI	–	–	–	–	114,742	–	–	–	–	114,742	–	–	–	114,742
Reclassification adjustment on disposal of debt instruments at FVTOCI 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
Sale 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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	FVTOCI reserve HK$'000	Exchange reserve HK$'000	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	-	-	-	-	-	-	-	-	1,300,381	1,300,381	206,877	3,278	210,155	1,510,536
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(112,427)	-	-	-	(112,427)	-	3	3	(112,424)
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of foreign operations	-	-	-	-	-	15,029	-	-	-	15,029	-	-	-	15,029
Fair value change on debt instruments at FVTOCI	-	-	-	-	(155,449)	-	-	-	-	(155,449)	-	-	-	(155,449)
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	-	-	-	-	129,785	-	-	-	-	129,785	-	-	-	129,785
Impairment loss recognised on debt instruments at FVTOCI	-	-	-	-	78,258	-	-	-	-	78,258	-	-	-	78,258
Fair value change on equity instruments at FVTOCI	-	-	-	-	(149,920)	-	-	-	-	(149,920)	-	-	-	(149,920)
Share of other comprehensive income of an associate	-	-	-	-	-	-	115,968	-	-	115,968	-	-	-	115,968
Other comprehensive (expense) income for the year	-	-	-	-	(97,326)	(97,398)	115,968	-	-	(78,756)	-	3	3	(78,753)
Total comprehensive income for the year	-	-	-	-	(97,326)	(97,398)	115,968	-	1,300,381	1,221,625	206,877	3,281	210,158	1,431,783
Distribution to owners of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(189,191)	-	(189,191)	(189,191)
Dividends recognised as distribution (note 13)	-	-	-	-	-	-	-	(455,778)	-	(455,778)	-	-	-	(455,778)
Shares issued in lieu of cash dividend	2,454	66,401	-	-	-	-	-	-	-	68,855	-	-	-	68,855
At 31 March 2022	241,962	4,650,772	35,964	54,727	(508,115)	(453,375)	116,952	601,986	9,890,859	14,631,732	2,901,589	376,611	3,278,200	17,909,932

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 2022

	NOTE	2022 HK$'000	2021 HK$'000
Operating activities			
Profit before tax		1,853,727	1,265,827
Adjustments for:			
Share of results of joint ventures		26,941	31,082
Share of results of associates		21,851	13,108
Depreciation of property, plant and equipment		462,244	487,612
Interest income		(24,877)	(7,773)
Finance costs		341,082	309,785
Change in fair value of investment properties		(643,540)	(382,882)
Change in fair value of financial assets at FVTPL		27,723	(80,834)
Loss (gain) on disposal of debts instruments at FVTOCI		129,785	(66,408)
Change in fair value of derivative financial instruments		(54,196)	41,295
Gain on disposal of subsidiaries	39	(552,207)	–
Gain on disposal of property, plant and equipment		(196,021)	(1,599)
Impairment loss under expected credit loss ("ECL") model recognised on debt instruments at FVTOCI		78,258	–
Impairment loss under ECL model recognised on trade debtors		19,784	11,050
Impairment loss recognised on right-of-use assets		33,642	–
Gain on termination of lease contracts		(8,618)	–
Rent concessions		(180)	(14,646)
Operating cash flows before movements in working capital		1,515,398	1,605,617
Increase in properties for sale		(1,685,795)	(85,254)
Decrease in other inventories		116	1,411
Decrease in loan receivables		30,270	51,201
Decrease in contract assets		–	1,170,650
Decrease (increase) in debtors, deposits and prepayments		316,705	(731,372)
Increase in customer's deposits under escrow		(151,557)	(188,272)
(Increase) decrease in investment held for trading		(52,043)	71,334
(Decrease) increase in creditors and accruals		(43,897)	279,024
Decrease in contract costs		1,488	29,438
(Decrease) increase in contract liabilities		(19,442)	339,557
Cash (used in) generated from operations		(88,757)	2,543,334
Income tax paid		(405,490)	(117,333)
Net cash (used in) from operating activities		(494,247)	2,426,001

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	NOTES	2022 HK$'000	2021 HK$'000
Investing activities			
Acquisition and development expenditures of property, plant and equipment		(1,067,461)	(931,475)
Proceeds from disposal of property, plant and equipment		248,871	7,927
Development expenditures of investment properties		(140,135)	(172,543)
Proceeds from disposal of investment properties		88,344	–
Deposit received for disposal of a subsidiary	30	338,000	–
Net cash inflow on disposal of subsidiaries	39	1,622,081	–
Capital investment in associates		(42,593)	(336,151)
Capital investment in joint ventures		(1,259,648)	(259,207)
Dividend and distribution received from associates and joint ventures		6,184	6,259
Repayment from associates		3,973	11,086
Advances to joint ventures		(595,287)	(166,424)
Repayment from joint ventures		246,385	99,931
Advance to a shareholder of a non-wholly owned subsidiary		(137,880)	(109,211)
Purchase of other assets		(13,500)	–
Purchase of equity instruments at FVTPL		(10,091)	(118,625)
Proceeds from sale of equity securities at FVTPL		2,659	62,994
Proceeds from sale of debt instruments at FVTPL		208,585	402,328
Purchase of debt instruments at FVTOCI		(3,133,461)	(5,461,590)
Proceeds from sale/redemption of debt instruments at FVTOCI		3,859,381	5,195,116
Purchase of investment funds		(259,666)	(498,712)
Purchase of convertible bonds		(129,500)	–
Proceeds from sale of investment funds		62,444	387,089
Purchase of structured notes		(242,044)	(353,820)
Proceeds from sale/redemption of structure notes		475,007	120,255
Net cash (outflow) inflow on derivative financial instruments		(4,528)	2,851
Placement of pledged deposits		(495,516)	(339,134)
Release of pledged deposits		–	24,568
Placement of restricted bank deposits		–	(1,938)
Release of restricted bank deposits		1,341	108,854
Receipt in advance	28	307,500	–
Bank interest received		24,877	7,773
Net cash used in investing activities		(35,678)	(2,311,799)

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	2022 HK$'000	2021 HK$'000
Financing activities		
New bank and other borrowings raised, net of transaction costs	13,702,720	8,588,890
Repayments of bank and other borrowings	(8,553,437)	(7,301,228)
Proceeds on issue of notes, net of transaction costs	1,180,610	2,205,000
Repurchase of notes	–	(553,675)
Repayment of notes	(1,831,516)	–
Repayments of lease liabilities	(113,257)	(63,308)
Repayments of other liabilities	–	(1,920)
Advance from a shareholder of a non-wholly owned subsidiary	–	169,113
Repayment to shareholders of non-wholly owned subsidiaries	–	(419,095)
Advance from a related company	51	56
Advance from associates	–	44,429
Repayment to associates	(44,250)	–
Payment for repurchase of shares	–	(48,520)
Payment for repurchase of perpetual capital notes	–	(131,294)
Proceeds from sale of perpetual capital notes	–	131,294
Distribution to owners of perpetual capital notes	(189,191)	(220,345)
Dividends paid	(386,923)	(345,406)
Interest paid	(755,227)	(697,675)
Net cash from financing activities	3,009,580	1,356,316
Net increase in cash and cash equivalents	2,479,655	1,470,518
Cash and cash equivalents brought forward	4,412,067	2,918,606
Effect of foreign exchange rate changes	10,883	22,943
Cash and cash equivalents carried forward	6,902,605	4,412,067
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	6,887,803	4,365,751
Deposits in financial institutions	14,802	46,316
	6,902,605	4,412,067

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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 2022 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 50.

The consolidated financial statements are presented in Hong Kong dollar ("HK$" or "HKD"), 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 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 2021 for the preparation of the consolidated financial statements:

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

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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

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

2.1 Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* ("HKFRS 7").

As at 1 April 2021, the Group had several unlisted debt instruments, bank borrowings and derivative, of which the interests are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts including the carrying amounts of unlisted debt instruments and bank borrowings, and notional amount of derivative.

	Australian Bank Bill Swap Rate ("BBSW") HK$'000	HKD Hong Kong Interbank Offered Rate ("HIBOR") HK$'000	Singapore Swap Offered Rate ("SOR") HK$'000	British Pound ("GBP") London Interbank Offered Rate ("LIBOR") HK$'000	USD London Interbank Offered Rate ("USD LIBOR") HK$'000
Non-derivative financial asset					
Unlisted debt instruments	228,518	–	–	–	–
Non-derivative financial liability					
Bank borrowings	363,676	9,179,901	3,200,677	943,740	310,000
Derivative financial liability					
Interest rate swaps	–	–	–	–	232,800

During the year, the Group's GBP LIBOR bank borrowings as at 1 April 2021 with carrying amount of HK$943,740,000 and additional GBP LIBOR bank borrowings raised during the year with carrying amounts of HK$1,073,391,000 have been transitioned to the relevant alternative benchmark rate. Such transitions have had no material impact on the consolidated financial statements as the Group has applied the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowings measured at amortised cost. Additional disclosures as required by HKFRS 7 are set out in note 47.

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

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

2.2 Impacts on application of the agenda decision of the Committee – Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's accounting policy prior to the Committee's agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee's agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and other cost necessary to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee's agenda decision has had no material impact on the Group's financial positions and performance.

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

1 Effective for annual periods beginning on or after 1 January 2022.
2 Effective for annual periods beginning on or after 1 January 2023.
3 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.

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 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2021)

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 2022, 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.

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 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 directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

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

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

Basis of preparation of consolidated financial statements (continued)

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 2022

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

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, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

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.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

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, except for financial assets within the scope of HKFRS 9 and investment properties, 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.

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.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in assets revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

The Group transfers a property from investment properties to property, plant and equipment where there is a change in use, evidenced by commencement of owner-occupation rather than earning rentals and/or for capital appreciation.

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" (included in property, plant and equipment") 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.

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.

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)

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.

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 assets 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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

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

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

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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur 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 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, loan receivables, restricted bank deposits, deposits in financial institutions and bank balances), and other items including 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 and lease receivables.

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 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 and lease receivables, 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, amount due to a related company, amounts due to associates, 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.

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

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

Significant accounting policies (continued)

Financial instruments (continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform (continued)

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

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.

A derivative contract over a group entity's own equity is accounted for as equity instrument only when it will be settled by the group entity delivering a fixed number of its own equity instruments and receiving a fixed amount of cash or another financial asset. Change in fair value of the equity instrument is not recognised in the consolidated financial statements.

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.

Construction contracts

Revenue from construction contracts is recognised over time when the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised based on the stage of completion of the contract using output method.

The Group's construction contracts include payment schedules which require monthly payments over the construction period.

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

Significant accounting policies (continued)

Revenue from contracts with customers (continued)

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.

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.

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

Significant accounting policies (continued)

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).

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

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.

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

Significant accounting policies (continued)

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.

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.

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

Significant accounting policies (continued)

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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

Significant accounting policies (continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale except for freehold land. 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, Australia and the United Kingdom do not provide the Group with such rights.

During the year ended 31 March 2022, revenue from sales of properties recognised over time by the Group amounted to HK$252,601,000 (2021: HK$964,364,000).

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, UK 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, UK and Singapore, the directors of the Company 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 third party 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 47.

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 qualified professional valuers ("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 Valuers drew attention in their valuation reports in respect of investment properties located in Australia with fair value amounting to HK$304,954,000 (2021: HK$339,693,000) that the valuation is valid as at 31 March 2022 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, estimated cost to completion, 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 2022, the carrying amount of the Group's investment properties is HK$7,888,061,000 (2021: HK$8,159,748,000).

Deferred tax asset

As 31 March 2022, a deferred tax asset of HK$44,385,000 (2021: HK$63,011,000) in relation to unused tax losses to the extent of HK$350,559,000 (2021: HK$480,266,000) has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the remaining tax losses and deductible temporary difference of HK$1,691,214,000 (2021: HK$1,615,932,000) and HK$437,952,000 (2021: HK$447,512,000), 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 deposits in financial institutions), 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)	
	2022 HK$'000	2021 HK$'000	2022 HK$'000	2021 HK$'000
Property development				
– Australia	1,658,006	2,214,158	297,266	349,190
– Hong Kong ("HK")	125,627	234,501	8,356	3,973
– Malaysia	7,253	6,529	(3,076)	(1,429)
– Other regions in People's Republic of China excluding HK ("PRC")	568,224	778,550	368,684	502,277
– Singapore	265,346	986,886	94,509	378,952
– The United Kingdom ("UK")	753,901	5,442	96,064	16,592
	3,378,357	4,226,066	861,803	1,249,555
Property investment				
– Australia	10,170	6,877	21,341	19,875
– HK	34,427	41,078	543,472	4,810
– PRC	41,731	42,456	9,905	16,663
– UK	6,421	–	8,283	–
	92,749	90,411	583,001	41,348
Hotel operations and management				
– Australia	166,888	110,028	(79,605)	(61,974)
– HK	772,794	468,619	198,855	4,665
– Malaysia	90,854	76,648	39,286	(22,476)
– PRC	163,322	110,138	1,648	308,555
– Singapore	72,224	63,358	19,281	25,348
– UK	90,703	31,387	34,777	(43,166)
– Europe (other than UK)	48,623	28,780	25,561	(8,197)
	1,405,408	888,958	239,803	202,755

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

	Segment revenue		Segment profit (loss)	
	2022	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000
Car park operations and facilities management				
– Australia and New Zealand	**571,924**	474,518	**93,827**	3,032
– UK	**43,050**	10,895	**(4,738)**	(25,159)
– Europe (other than UK)	**28,917**	15,418	**(2,798)**	(4,336)
– Malaysia	**20,386**	1,364	**2,464**	(2,813)
	664,277	502,195	**88,755**	(29,276)
Gaming operations				
– Australia	**–**	–	**(11)**	(51)
– Czech Republic	**231,478**	87,811	**62,156**	9,664
	231,478	87,811	**62,145**	9,613
Securities and financial product investments in HK	**93,135**	107,700	**(123,730)**	243,029
Provision of mortgage services				
– Australia	**23,797**	32,297	**22,137**	49,025
– HK	**6,435**	8,256	**17,408**	7,633
	30,232	40,553	**39,545**	56,658
Segment revenue/segment profit	**5,895,636**	5,943,694	**1,751,322**	1,773,682
Unallocated corporate income and expenses			**(108,115)**	(147,034)
Gain on disposal of subsidiaries (note 39)			**552,207**	–
Net foreign exchange loss			**(605)**	(51,036)
Finance costs			**(341,082)**	(309,785)
Profit before tax			**1,853,727**	1,265,827

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, gain on disposal of subsidiaries, net foreign exchange loss, 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 including investment properties held for sale without allocation of corporate assets which are mainly bank balances and cash and deposits in financial institutions.

	2022 HK$'000	2021 HK$'000
Property development		
– Australia	8,175,630	7,003,682
– HK	3,583,193	2,077,878
– Malaysia	410,297	410,968
– PRC	2,923,978	3,006,192
– Singapore	3,002,364	4,672,612
– UK	4,604,814	3,494,892
	22,700,276	20,666,224
Property investment		
– Australia	304,954	339,693
– HK	4,717,015	4,161,992
– PRC	2,599	4,324
– UK	24,368	–
	5,048,936	4,506,009
Hotel operations and management		
– Australia	4,253,779	3,617,993
– HK	4,590,723	4,393,750
– Malaysia	884,049	843,071
– PRC	2,665,998	2,231,990
– Singapore	581,801	573,985
– UK	882,273	1,296,670
– Europe (other than UK)	266,443	282,288
	14,125,066	13,239,747
Car park operations and facilities management		
– Australia and New Zealand	1,271,205	1,480,495
– Europe	550,281	570,435
– Malaysia	138,512	142,197
	1,959,998	2,193,127
Gaming operations		
– Australia	902,297	1,059,400
– Czech Republic	357,336	353,354
	1,259,633	1,412,754

6. SEGMENT INFORMATION (continued)

(b) Segment assets (continued)

	2022 HK$'000	2021 HK$'000
Securities and financial product investments	**1,781,836**	2,808,408
Provision of mortgage services		
– Australia	**747,116**	448,064
– HK	**272,050**	208,601
	1,019,166	656,665
Segment assets	**47,894,911**	45,482,934
Unallocated corporate assets	**6,909,405**	4,417,854
Total assets	**54,804,316**	49,900,788

(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, other assets and deferred tax assets.

	Revenue from external customers		Non-current assets	
	2022 HK$'000	2021 HK$'000	2022 HK$'000	2021 HK$'000
Australia and New Zealand	**2,430,785**	2,837,878	**7,236,902**	6,507,226
Czech Republic	**280,101**	116,591	**543,572**	564,492
HK	**1,032,418**	860,154	**9,704,351**	7,966,597
Malaysia	**118,493**	84,541	**880,890**	910,136
PRC	**773,277**	931,144	**4,407,598**	4,268,750
Singapore	**337,570**	1,050,244	**532,786**	1,667,227
UK	**894,075**	47,724	**1,205,043**	1,576,858
Europe (other than UK)	**28,917**	15,418	**325,251**	352,427
	5,895,636	5,943,694	**24,836,393**	23,813,713

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:

	2022								
	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:									
Impairment loss under ECL model recognised on trade debtors	(3,168)	(7,251)	(104)	-	(9,261)	-	-	-	(19,784)
Impairment loss under ECL model recognised on debt instruments at FVTOCI	-	-	-	-	-	(78,258)	-	-	(78,258)
Depreciation of property, plant and equipment	(10,181)	(1,233)	(310,905)	(11,640)	(122,888)	-	-	(5,397)	(462,244)
Gain on disposal of property, plant and equipment	(187)	-	37,713	143	157,182	-	-	1,170	196,021
Impairment recognised on right-of-use assets	-	-	-	-	(33,642)	-	-	-	(33,642)
Change in fair value of investment properties	100,865	540,265	2,410	-	-	-	-	-	643,540
Change in fair value of financial assets at FVTPL	-	-	998	(1,533)	-	(27,188)	-	-	(27,723)
Change in fair value of derivative financial instruments	-	-	17,878	-	-	21,632	-	14,686	54,196
Share of results of associates	-	(5,990)	(15,861)	-	-	-	-	-	(21,851)
Share of results of joint ventures	575	-	(29,036)	-	377	-	1,143	-	(26,941)
Interests in associates	-	241,415	1,679,952	-	-	-	-	-	1,921,367
Interests in joint ventures	1,730,448	5,733	254,579	-	41,121	-	319,929	-	2,351,810
Acquisition in property, plant and equipment	6,339	1,978	1,107,045	-	24,767	-	-	720	1,140,849
Additions of investment properties	-	196,854	-	-	-	-	-	-	196,854
Investment securities	5	-	86,466	943,345	-	1,593,234	410,219	-	3,033,269
Amortisation of contract costs	124,745	-	-	-	-	-	-	-	124,745

6. SEGMENT INFORMATION (continued)

(d) Other information (continued)

	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:									
Impairment loss under ECL model recognised on trade debtors	(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	–	251,425	1,549,191	–	–	–	–	–	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

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 and construction, 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:

	2022 HK$'000	2021 HK$'000
Sales of properties	3,282,073	4,178,545
Construction revenue	65,173	–
Hotel revenue		
– room revenue	1,218,513	765,366
– food and beverage	133,872	91,532
Car park income		
– parking revenue	582,857	436,900
– management fee	83,107	66,436
Gaming revenue	207,363	76,464
Provision of property management services	19,032	33,983
Other operations	9,146	9,565
Revenue from contracts with customers	5,601,136	5,658,791
Leasing of properties – operating lease (note 15)	169,824	136,650
Loan interest income	6,435	8,256
Interest income from financial instruments	115,794	137,066
Dividend income from financial instruments	2,447	2,931
	5,895,636	5,943,694
Timing of revenue recognition from contracts with customers		
– At a point in time	3,379,853	3,387,651
– Over time	2,221,283	2,271,140
	5,601,136	5,658,791

The disaggregation of revenue by geographical location is consistent with the segment disclosures under note 6.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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 2022					
	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
Property development*	3,378,357	(31,111)	–	–	–	3,347,246
Hotel operations	1,405,408	(67,992)	(126,695)	7,792	–	1,218,513
Car park operations	664,277	1,687	–	–	–	665,964
Gaming operations	231,478	–	(16,323)	(7,792)	–	207,363
Provision of property management services	–	19,032	–	–	–	19,032
Food and beverage	–	–	133,872	–	–	133,872
Other operations	–	–	9,146	–	–	9,146
Revenue from contracts with customers	5,679,520	(78,384)	–	–	–	5,601,136
Leasing of properties	92,749	78,384	–	–	(1,309)	169,824
Provision of mortgage services	30,232	–	–	–	(23,797)	6,435
Interest income and dividend income from financial instruments	93,135	–	–	–	25,106	118,241
Total revenue	5,895,636	–	–	–	–	5,895,636

	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
Property development*	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

* Revenue from property development includes sales of properties and construction revenue.

7. REVENUE (continued)

Performance obligations for contracts with customers

Sales of properties recognised at a 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)

Construction revenue

Construction revenue is recognised based on the stage of completion of the contract using output method. The Group's construction contracts include payment schedules which require monthly payments over the construction period, with reference to the survey of works performed.

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, and is recognised at a point in time.

Provision of property management services

Revenue from property management service is recognised over time using output method 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.

7. REVENUE (continued)

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 and construction revenue are as follow:

	2022 HK$'000	2021 HK$'000
Within one year	**6,921,471**	4,853,918
More than one year but not more than two years	**773,827**	223,556
More than two years	**2,210,501**	6,584,353
	9,905,799	11,661,827

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 2022 and 31 March 2021, 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 2022 and 2021, all income from lease of properties are fixed lease payments.

8. OTHER GAINS AND LOSSES

	2022 HK$'000	2021 HK$'000
Change in fair value of investment properties	643,540	382,882
Change in fair value of financial assets at FVTPL	(27,723)	80,834
(Loss) gain on disposal of debt instruments at FVTOCI	(129,785)	66,408
Change in fair value of derivative financial instruments	54,196	(43,813)
Net foreign exchange loss	(605)	(51,036)
Gain on disposal of property, plant and equipment	196,021	1,599
Gain on disposal of subsidiaries	552,207	–
Impairment loss under ECL model recognised on debt instruments at FVTOCI	(78,258)	–
Impairment loss under ECL model recognised on trade debtors	(19,784)	(11,050)
	1,189,809	425,824

9. FINANCE COSTS

	2022 HK$'000	2021 HK$'000
Interest on:		
Bank borrowings	517,062	499,747
Other loans	8,751	12,717
Interest on lease liabilities	20,246	21,239
Interest on notes	248,234	165,160
Amortisation of front-end fee of bank loans	18,804	19,069
Others	24,568	10,824
Total interest costs	837,665	728,756
Less: amounts capitalised to:		
– properties for sale (properties under development)	(441,116)	(377,800)
– property, plant and equipment (owned properties under development)	(55,467)	(41,171)
	341,082	309,785

Borrowing costs capitalised during the year which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 1.68% to 5.25% (2021: 2.11% to 5.25%) per annum to expenditure on the qualifying assets.

10. INCOME TAX EXPENSE

	2022 HK$'000	2021 HK$'000
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**75,042**	54,690
PRC Enterprise Income Tax ("PRC EIT")	**83,988**	201,769
PRC Land Appreciation Tax ("PRC LAT")	**70,344**	111,157
Australia Income Tax	**15,659**	56,052
Malaysia Income Tax	**370**	2,822
UK Income Tax	**264**	–
Singapore Income Tax	**–**	165,068
Czech Republic Income Tax	**9,447**	507
	255,114	592,065
Under(over)provision in prior years:		
Hong Kong Profits Tax	**38,819**	(3,382)
PRC EIT	**–**	7,027
Australia Income Tax	**(1,779)**	(8,758)
	37,040	(5,113)
Deferred taxation (note 35)	**51,037**	(126,865)
	343,191	460,087

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 profits 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% (2021: 30%, 24%, 17%, 19% and 19%) of the estimated assessable profits, respectively.

10. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to profit before tax per the consolidated statement of profit or loss as follows:

	Hong Kong HK$'000	PRC HK$'000	Australia HK$'000	Malaysia HK$'000	Singapore HK$'000	Others HK$'000 (Note)	Consolidated HK$'000
2022							
Profit before tax	302,158	346,798	321,770	38,007	115,280	729,714	1,853,727
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 25%	
Tax at the applicable income tax rate	49,856	86,699	96,532	9,122	19,598	138,395	400,202
Tax effect of expenses not deductible for tax purpose	173,494	399	10,582	1,177	9,988	3,316	198,956
Tax effect of income not taxable for tax purpose	(119,258)	(8,925)	(82,318)	(10,577)	(32,402)	(132,683)	(386,163)
PRC LAT	–	70,344	–	–	–	–	70,344
Tax effect of taxable temporary difference previously not recognised	(10,907)	–	552	–	–	–	(10,355)
Tax effect of deductible temporary difference not recognised	135	934	–	283	–	–	1,352
Utilisation of tax losses previously not recognised	(14,718)	–	(29,938)	–	–	–	(44,656)
Tax effect of PRC LAT	–	(17,586)	–	–	–	–	(17,586)
Utilisation of deductible temporary differences previously not recognised	(2,448)	(3,357)	–	–	–	–	(5,805)
Tax effect of tax losses not recognised	2,725	11,931	7,291	1,582	180	–	23,709
Tax effect of share of results of associates	988	–	4,758	–	–	–	5,746
Tax effect of share of results of joint ventures	(95)	–	2,921	(38)	1,952	–	4,740
Recognition of tax effect of PRC LAT previously not recognised	–	74,243	–	–	–	–	74,243
Under(over)provision in prior years	38,819	–	(1,779)	–	–	–	37,040
Others	(2,498)	(376)	(6,699)	(1,200)	684	1,513	(8,576)
Income tax expense for the year	116,093	214,306	1,902	349	–	10,541	343,191

Note: Included in others is mainly non-taxable gain on disposal of DCLL and Elite amounting to HK$546,831,000 as set out in note 39.

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
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

Details of the deferred taxation are set out in note 35.

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11. PROFIT FOR THE YEAR

	2022 HK$'000	2021 HK$'000
Profit for the year has been arrived at after charging:		
Cost of properties sold and construction contract recognised as an expense		
– Over time	**379,146**	556,204
– At point of time	**1,887,271**	2,128,280
	2,266,417	2,684,484
Auditor's remuneration	**22,071**	16,358
Depreciation of property, plant and equipment (included depreciation of leased properties with HK$94,141,000 (2021: HK$90,000,000))	**462,244**	487,612
Amortisation of contract cost	**124,745**	189,710
Impairment loss recognised on right-of-use assets included in "depreciation and impairment of hotel and car park assets"	**33,642**	–
COVID-19-related rent concessions	**180**	14,646
Staff costs (included HK$430,945,000 (2021: HK$389,500,000) in cost of sales and services)		
– Directors' emoluments (note 14(a))	**38,198**	26,389
– Other staffs	**779,634**	692,652
	817,832	719,041
Share of taxation of associates (included in share of results of associates)	**1,084**	885
and after crediting:		
Bank interest income	**24,877**	7,773
Other interest income	**25,102**	907
Government grants (Note)	**56,468**	203,032

Note: During the current year, the Group recognised government grants received from the government from various regions in aggregate amount of HK$56,468,000 (2021: 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$1,300,381,000 (2021: HK$543,194,000) and the number of shares calculated as follows:

	2022 '000	2021 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,404,098**	2,368,457
Effect of dilutive potential ordinary shares:		
Scrip dividend	**3,750**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,407,848**	2,368,457

13. DIVIDENDS

	2022 HK$'000	2021 HK$'000
Dividends recognised as distribution during the year:		
2022 interim dividend of HK4.0 cents per share (2021: 2021 interim dividend of HK4.0 cents per share)	**96,516**	95,456
2021 final dividend of HK15.0 cents per share (2021: 2020 final dividend of HK15.0 cents per share)	**359,262**	352,597
	455,778	448,053

The 2022 interim dividend and 2021 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$2.830 and HK$2.796 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 2022 of HK16.0 cents (2021: HK15.0 cents) per share, totalling of HK$387,139,000 (2021: 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 2022				
Executive Directors:				
David CHIU	25	2,040	–	2,065
Dennis CHIU	25	2,851	–	2,876
Craig Grenfell WILLIAMS	25	5,318	162	5,505
Cheong Thard HOONG	25	10,189	18	10,232
Winnie Wing Kwan CHIU	25	16,817	18	16,860
Independent Non-executive Directors:				
Kwok Wai CHAN	220	–	–	220
Lai Him Abraham SHEK	220	–	–	220
Kwong Siu LAM	220	–	–	220
	785	37,215	198	38,198

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' and chief executive's emoluments (continued)

Name of directors	Fees HK$'000	Salaries, bonuses and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 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

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$5,240,000 (2021: HK$1,212,000), Wing Kwan Winnie CHIU of HK$11,228,000 (2021: HK$557,000) and Craig Grenfell WILLIAMS of HK$2,940,000 (2021: HK$4,448,000) 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 2022 and 31 March 2021.

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 (2021: three) were directors whose emoluments are disclosed above. The remuneration of the remaining two (2021: two) individuals are as follows:

	2022 HK$'000	2021 HK$'000
Salaries and other benefits	15,369	5,147
Retirement benefits scheme contributions	36	36
	15,405	5,183

The emolument of five highest paid employees who are not directors of the Company was within the following bands:

	2022 Number of employee	2021 Number of employee
HK$2,500,001 to HK$3,000,000	–	2
HK$3,000,001 to HK$3,500,000	1	–
HK$12,000,001 to HK$12,500,000	1	–
	2	2

No emolument was paid to the directors and the five 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$'000	Properties under construction or development HK$'000	Total HK$'000
At 1 April 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
Additions	33,400	163,454	196,854
Reclassify to property, plant and equipment	(2,410)	–	(2,410)
Reclassify from property, plant and equipment	12,180	–	12,180
Reclassify from completed properties for sale	46,003	–	46,003
Disposal of a subsidiary (note 39)	(1,226,419)	–	(1,226,419)
Disposals	(72,856)	–	(72,856)
Increase in fair value	114,944	528,596	643,540
Exchange alignment	79,671	51,750	131,421
At 31 March 2022	4,368,861	3,519,200	7,888,061

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 (2021: 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.

Included in investment properties under development as at 31 March 2022 amounting to HK$2,240,000,000 are in relation to the sales and purchase agreement for disposal of a wholly-owned subsidiary as set out in note 30.

During the year ended 31 March 2022, the Group transferred certain property, plant and equipment and completed properties for sale to investment properties at fair values of HK$12,180,000 and HK$46,003,000 respectively upon inception of lease agreements.

During the year ended 31 March 2022, fair value gain of investment properties amounting to HK$643,540,000 was recognised in profit or loss. It mainly related to the fair value gain of an investment property under construction or development situated in Hong Kong amounting to HK$499,373,000 attributed by an increase in gross development value per square foot for office and car park.

15. INVESTMENT PROPERTIES (continued)

During the year ended 31 March 2021, fair value gain of investment properties amounting to HK$382,882,000 was recognised in the profit or loss. It mainly related to the fair value gain of an investment property situated in the PRC amounting to HK$352,985,000 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 on 24 June 2021.

The fair value of the completed investment properties in Hong Kong and outside Hong Kong at 31 March 2022, 31 March 2021 and at the date of transfer have been arrived at on the basis of a valuation carried out on those dates by the following Valuers:

Location of the investment properties	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
UK	Hallams Property Consultants LLP	Royal Institution of Chartered Surveyors

In determining the fair value of the relevant properties, the Group engages 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.

15. INVESTMENT PROPERTIES (continued)

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 2022 and 31 March 2021 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 and estimated cost to completion 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 construction or development respectively, and vice versa. A significant increase in the estimated cost to completion would result in a significant decrease in the fair value of the investment properties under construction or development, and vice versa.

15. INVESTMENT PROPERTIES (continued)

Details of the significant unobservable input are as follows:

Class of property	Carrying amount 2022 HK$'000	2021 HK$'000	Significant unobservable input(s)
Completed investment properties			
Income capitalisation approach			
Office portion in HK	**493,600**	494,900	(1) Capitalisation rate 2.15% – 2.375% (2021: 2.125% – 2.375%) per annum (2) Monthly market rent HK$29 to HK$38 (2021: HK$29 to HK$39) per square foot
Retail portion in HK	**1,318,329**	1,296,628	(1) Capitalisation rate 2.5% – 3.5% (2021: 2.5% to 3.5%) per annum (2) Monthly market rent HK$13.5 to HK$176.0 (2021: HK$13.5 to HK$183.0) per square foot
Car park in HK	**18,580**	15,220	(1) Capitalisation rate 3.2% (2021: 3.2%) per annum (2) Monthly market rent HK$1,500 (2021: HK$1,500) per car parking space
Retail portion in the PRC	**1,905,310**	1,820,740	(1) Capitalisation rate 5% – 5.5% (2021: 5%) per annum (2) Monthly market rent Renminbi ("RMB") 28 to RMB323 (2021: RMB37 to RMB336) per square metre
Office portion in the PRC	**59,000**	59,000	(1) Capitalisation rate 4.5% (2021: 4.5%) per annum (2) Monthly market rent RMB85 (2021: RMB85) per square metre
Retail portion in Australia	**304,954**	339,693	(1) Capitalisation rate 4.75% to 12% (2021: 4.75% to 12.5%) per annum (2) Monthly market rent Australian Dollar ("A$") 457 to A$15,000 (2021: A$454 to A$12,974) per square metre
Retail portion in PRC	**14,760**	–	(1) Capitalisation rate 5.0% per annum (2) Monthly market rent RMB32 to RMB79 per square metre
Retail portion in the UK	**24,367**	–	(1) Capitalisation rate 11% per annum (2021: N/A) (2) Monthly market rent GBP4.5 to GBP10.5 per square foot (2021: N/A)

15. INVESTMENT PROPERTIES (continued)

Class of property	Carrying amount 2022 HK$'000	Carrying amount 2021 HK$'000	Significant unobservable input(s)
Completed investment properties (continued)			
Direct comparison approach			**Market unit rate**
Car park in the PRC	88,929	90,152	RMB260,000 (2021: RMB263,000 to RMB267,000) per car parking space
Retail portion in Singapore	141,032	140,788	Singapore Dollar ("S$") 39,297 (2021: S$39,297) per square metre
Residential in Singapore	–	1,127,227	N/A (2021: S$28,234 per square metre)
	4,368,861	5,384,348	
Investment properties under construction or development measured at fair value			
Residual value approach			**Gross development value and estimated cost to completion**
Office, retail and carpark in HK	2,240,000	1,560,000	Gross development value of HK$19,500 (2021: HK$15,000) per square foot for office Gross development value of HK$25,000 (2021: HK$22,000) per square foot for retail Gross development value of HK$3,000,000 (2021: HK$1,900,000) per car parking space Estimated cost to completion Budgeted cost to completion of HK$3,832 per square foot (2021: HK$4,148 per square foot) Developers' profit of 10% (2021: 10%) Marketing cost of 4.5% (2021: 3%)
Direct comparison approach			**Market unit rate**
Residential in the PRC	1,279,200	1,215,400	RMB8,100 to RMB8,400 (2021: RMB8,100) per square metre
	3,519,200	2,775,400	

15. INVESTMENT PROPERTIES (continued)

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 Valuers drew attention in their valuation reports in respect of investment properties located in Australia with fair value amounting to HK$304,954,000 (2021: HK$339,693,000) that the valuation is valid as at 31 March 2022 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 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
Additions	–	12,102	1,249	1,080,356	47,142	1,140,849
Disposals	–	–	(686,557)	–	(29,823)	(716,380)
Lease early termination	–	(19,004)	–	–	–	(19,004)
Reclassify to investment properties	–	–	(13,324)	–	–	(13,324)
Reclassify from investment properties	–	–	2,410	–	–	2,410
Exchange alignment	(26,025)	(24,100)	(71,751)	(27,964)	(26,425)	(176,265)
At 31 March 2022	2,625,430	754,083	8,303,236	2,787,982	1,615,925	16,086,656
DEPRECIATION AND IMPAIRMENT						
At 1 April 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
Provided for the year	40,585	94,141	217,820	–	109,698	462,244
Impairment loss recognised in profit or loss	–	33,642	–	–	–	33,642
Disposals	–	–	(74,698)	–	(21,024)	(95,722)
Lease termination	–	(12,428)	–	–	–	(12,428)
Transfer to investment properties	–	–	(1,144)	–	–	(1,144)
Exchange alignment	(1,582)	(21,430)	(37,851)	–	(20,981)	(81,844)
At 31 March 2022	360,005	274,157	1,821,363	–	1,123,838	3,579,363
CARRYING VALUES						
At 31 March 2022	2,265,425	479,926	6,481,873	2,787,982	492,087	12,507,293
At 31 March 2021	2,330,453	604,853	7,353,973	1,735,590	568,886	12,593,755

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, or for leasehold improvements, depreciated over its useful life, whatever is shorter. 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$98,190,000 (2021: HK$99,256,000).

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 2022				
Carrying amount	2,265,425	479,926	–	2,745,351
As at 31 March 2021				
Carrying amount	2,330,453	604,853	18,336	2,953,642
For the year ended 31 March 2022				
Depreciation charge	40,585	94,141	–	134,726
Impairment loss recognised	–	33,642	–	33,642
For the year ended 31 March 2021				
Depreciation charge	48,087	90,000	2,752	140,839

	2022 HK$'000	2021 HK$'000
Expense relating to short-term leases and leases of low-value assets	**1,794**	1,821
Additions to right-of-use assets	**12,102**	49,347
Total cash outflow for leases	**135,297**	86,368

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 (2021: 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.

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group as lessee (continued)

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 2022 and 2021, 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% (2021: 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

	2022 HK$'000	2021 HK$'000
Unlisted investments, at cost	1,580,263	1,537,670
Exchange adjustments	51,820	63,759
Share of post-acquisition results and other comprehensive income, net of dividends received	289,284	199,187
	1,921,367	1,800,616

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18. INTERESTS IN ASSOCIATES (continued)

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
		2022	2021	
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%	Development and construction of integrated resorts

* 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.

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 2022 and 2021 was as follows:

	2022 **HK$'000**	2021 HK$'000
Non-current assets	**10,291,924**	6,466,058
Current assets	**639,701**	336,949
Non-current liabilities	**(3,837,192)**	(184,747)
Current liabilities	**(394,765)**	(443,137)

18. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

	2022 HK$'000	2021 HK$'000
Revenue	–	–
Loss for the year	(63,445)	(14,690)
Other comprehensive income for the year		
Fair value gain on hedging instruments designated as cash flow hedges	463,872	–
Total comprehensive income (expense) for the year	400,427	(14,690)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2022 HK$'000	2021 HK$'000
Net assets of DBC	6,699,668	6,175,123
Proportion of the Group's ownership interest in DBC	25%	25%
Carrying amount of the Group's interest in DBC	1,674,917	1,543,781

Aggregate information of associates that are not individually material:

	2022 HK$'000	2021 HK$'000
The Group's share of loss and other comprehensive expense after tax	(5,990)	(9,435)
Aggregate carrying value of the Group's interest in these associates	246,450	256,835

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:

	2022 HK$'000	2021 HK$'000
The unrecognised share of losses for the year	(4)	(13)
Cumulative unrecognised share of losses	(51,170)	(51,166)

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19. INTERESTS IN JOINT VENTURES

(a) Joint ventures

	2022 HK$'000	2021 HK$'000
Unlisted investments, at cost	**2,342,688**	1,083,040
Share of post-acquisition results, net of dividends/distributions received	**(55,974)**	(26,869)
Exchange adjustments	**65,101**	39,656
Less: impairment	**(5)**	(5)
	2,351,810	1,095,822

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 2022	2021	Principal activities
River Riches Limited (Note)	BVI/HK	**50%**	–	Property development
Guangdong Xin Shi Dai Real Estate Limited	PRC	**50%**	50%	Property development
QWB Residential Precinct Holdings Pty Ltd	Australia	**50%**	50%	Property development
BC Investment Group Holdings Limited (formerly known as BC Group Holdings Limited)	Cayman Islands/ Australia	**53.11%**	52.03%	Provision of mortgage service
Destination Gold Coast Consortium Pty Ltd	Australia	**33.33%**	33.33%	Property development
Destination Gold Coast Consortium Hotel Pty Ltd	Australia	**33.33%**	33.33%	Hotel operation
Destination Gold Coast Investments Pty Ltd	Australia	**25%**	25%	Hotel operation
Cuscaden Homes Pte Limited	Singapore	**10%**	10%	Property development

Note: On 24 November 2021, the Group and Modern Culture Limited ("JV Partner"), a wholly-owned subsidiary of New World Development Company Limited ("NWD"), formed a joint venture, namely River Riches Limited ("River Riches"), which is held as to 50% by the Group and 50% by JV Partner, under the terms of memorandum of agreement entered into between the Company and NWD in relation to formation of River Riches dated 24 November 2021.

Following by the formation of River Riches, River Riches as the purchaser and Yan You Limited (the "Vendor") entered into a sales and purchase agreement with the Company and NWD as the purchaser guarantors and Kaisa Group Holdings Limited as the vendor's guarantor, pursuant to which, the Vendor agreed to sell 100% of the issued ordinary shares of Rich Fast International Limited ("Rich Fast") to River Riches. The Group and JV Partner had contributed amount of approximately HK$990,799,000 pro rata to their respective equity interest in River Riches, for the acquisition of Rich Fast by River Riches.

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

The Group and the other joint venturers have 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) River Riches 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 HKFRSs.

The summarised financial information regarding the assets and liabilities of River Riches for the year ended 31 March 2022 was as follows:

	2022 HK$'000
Current assets	8,447,632
Non-current liabilities	(6,050,154)
Current liabilities	(415,880)
The above amounts of assets include the following: Cash and cash equivalents	158,517
Revenue	–
Loss and total comprehensive expense for the year	(37)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2022 HK$'000
Net assets of River Riches	1,981,598
Proportion of the Group's ownership interest in River Riches	50%
Carrying amount of the Group's interest in River Riches	990,799

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(ii) QWB Residential Precinct Holdings Pty Limited (the "QWB Residential") is regarded as a material joint venture of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this joint venture is set out below and represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with IFRSs, equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of QWB Residential for the year ended 31 March 2022 and 2021 was as follows:

	2022 HK$'000	2021 HK$'000
Non-current assets	–	15,636
Current assets	1,236,861	889,577
Non-current liabilities	(263,732)	–
Current liabilities	(67,452)	(43,503)
The above amounts of assets include the following:		
Cash and cash equivalents	12,928	29,428
Revenue	–	–
Loss and total comprehensive expense for the year	–	(3)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2022 HK$'000	2021 HK$'000
Net assets of QWB Residential	905,677	861,710
Proportion of the Group's ownership interest in QWB Residential	50%	50%
Carrying amount of the Group's interest in QWB Residential	452,839	430,855

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(iii) BC Investment 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 2022 and 2021 was as follows:

	2022 HK$'000	2021 HK$'000
Non-current assets	15,215,237	6,923,974
Current assets	1,262,938	606,673
Non-current liabilities	(16,084,355)	(7,367,142)
Current liabilities	(59,461)	(43,905)

	2022 HK$'000	2021 HK$'000
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,044,895	594,098
Loan receivables	15,183,624	6,852,033
Notes	(16,158,294)	(7,367,142)
Revenue	569,038	155,106
Expenses	(566,837)	(112,282)
Income tax expense	(3)	(11,338)
Profit and total comprehensive income for the year	2,198	31,486

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2022 HK$'000	2021 HK$'000
Net assets of the BC Group	334,359	119,600
Proportion of the Group's ownership interest in BC Group	53.11%	52.03%
The Group's share of net assets of BC Group	177,578	62,228
Goodwill	142,336	142,336
Carrying amount of the Group's interest in BC Group	319,914	204,564

19. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

Summarised financial information of material joint ventures (continued)

(iv) Aggregate information of joint ventures that are not individually material:

	2022 HK$'000	2021 HK$'000
The Group's share of loss and total comprehensive expense for the year	**(29,102)**	(47,464)
Aggregate carrying value of the Group's interest in these joint ventures	**588,258**	460,403

(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 Group's joint operation has had no material impact on the Group's financial positions and performance for the current and prior financial year.

20. INVESTMENT SECURITIES

			2022 HK$'000	2021 HK$'000
(i)	Financial assets at FVTPL			
	(a)	*Investments held for trading*		
		Listed equity securities	**42,617**	6,336
	(b)	*Debt instruments at FVTPL*		
		Listed debt securities	**152,851**	351,266
		Unlisted debt securities (Note)	**–**	34,029
			152,851	385,295
	(c)	*Equity instruments at FVTPL*		
		Unlisted equity securities	**13,662**	4,506
	(d)	*Investment funds*	**675,399**	424,666
	(e)	*Structured notes*	**–**	233,759
	(f)	*Convertible bonds*	**122,281**	–
			1,006,810	1,054,562
(ii)	Financial assets at FVTOCI			
	(a)	*Debt instruments at FVTOCI*		
		Listed debt securities	**704,557**	1,834,355
		Unlisted debt securities (Note)	**419,604**	194,489
			1,124,161	2,028,844
	(b)	*Equity instruments at FVTOCI*		
		Equity securities listed overseas	**902,298**	1,059,400
		Total	**3,033,269**	4,142,806

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20. INVESTMENT SECURITIES (continued)

	2022 HK$'000	2021 HK$'000
Analysed for reporting purposes as:		
Non-current assets	**1,246,009**	1,136,241
Current assets	**1,787,260**	3,006,565
	3,033,269	4,142,806

Note: Included in the unlisted debt securities are debt securities issued by the Group's joint venture amounting to HK$410,220,000 (2021: HK$228,518,000) which carry interest at one-month BBSW and mature by earlier of the date on which the joint venture exercise its call option to redeem the debt securities or February 2024.

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 cash outflow in coming next twelve months.

Investment securities that are denominated in A$, Euro ("EUR"), GBP, USD and S$, amounted to A$2,954,000 (equivalent to HK$17,309,000) (2021: A$42,154,000 (equivalent to HK$248,708,000)), EUR20,766,000 (equivalent to HK$181,290,000) (2021: EUR9,307,000 (equivalent to HK$84,691,000)), GBP2,172,000 (equivalent to HK$22,286,000) (2021: GBP5,564,000 (equivalent to HK$59,184,000)), USD143,106,000 (equivalent to HK$1,129,487,000) (2021: USD325,321,000 (equivalent to HK$2,524,449,000)) and S$8,840,000 (equivalent to HK$51,092,000) (2021: S$15,001,000 (equivalent to HK$86,557,000)) respectively. All other investment securities are denominated in functional currency of the respective group entities.

21. LOAN RECEIVABLES

	2022 HK$'000	2021 HK$'000
Loan receivables	**187,635**	217,905
Less: amount due within one year and classified under current assets	**(5,037)**	(7,029)
Amount due after one year	**182,598**	210,876

Loan receivables represent mortgage loans secured by the properties of the borrowers.

Included in loan receivables is an amount of HK$3,018,000 (2021: HK$5,683,000) which bear interest ranging at prime rate minus 1.5% per annum for first two years and prime rate plus 0.5% per annum for the remaining period; an amount of HK$39,938,000 (2021: HK$14,906,000) are interest-free for the first 3 years and bear interest ranging from prime rate minus 2% to prime rate per annum and are repayable by instalment thereafter; an amount of HK$144,651,000 (2021: HK$197,252,000) which bear interest ranging from prime rate minus 3% to prime rate plus 2% per annum for whole loan period and the remaining balance of HK$28,000 (2021: HK$64,000) are unsecured, interest-free and repayable on demand.

Details of impairment assessment of loan receivables are set out in note 47.

22. PLEDGED DEPOSITS, RESTRICTED BANK DEPOSITS, DEPOSITS IN FINANCIAL INSTITUTIONS, BANK BALANCES AND CASH

Pledged deposits included in non-current assets carry interest at rates ranging from 0.00% to 1.95% (2021: 0.00% to 1.95%) 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% (2021: 0.00% to 2.03%) 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, carried interest at market rates ranging from 0.00% to 0.35% for the year ended 31 March 2021, represented 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.

Deposits in financial institutions carry interest at a rate of 0.00% to 1.11% (2021: 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 0.10% (2021: 0.00% to 2.00%) per annum.

Bank balances and cash that are denominated in A$, EUR, GBP, S$ and USD, amounted to A$13,669,000 (equivalent to HK$80,100,000) (2021: A$1,647,000 (equivalent to HK$9,720,000)), EUR7,288,000 (equivalent to HK$63,626,000) (2021: EUR16,957,000 (equivalent to HK$154,416,000)), GBP128,216,000 (equivalent to HK$1,315,501,000) (2021: GBP17,630,000 (equivalent to HK$187,932,000)), S$1,931,000 (equivalent to HK$11,164,000) (2021: S$1,775,000 (equivalent to HK$10,243,000)) and USD113,619,000 (equivalent to HK$888,505,000) (2021: USD184,675,000 (equivalent to HK$1,433,070,000)) 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, deposits in financial institutions and bank balances are set out in note 47.

23. PROPERTIES FOR SALE

Included in properties for sale are properties with carrying value of HK$6,688,600,000 (2021: HK$6,966,928,000) which are not expected to be realised within the next twelve months.

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24. DEBTORS, DEPOSITS AND PREPAYMENTS

	2022 HK$'000	2021 HK$'000
Trade debtors		
– Contracts with customers	448,354	863,853
– Lease receivables	59,693	22,905
Less: allowance for expected credit loss	(65,940)	(46,156)
	442,107	840,602
Utility and other deposits	55,470	52,809
Prepayment and other receivables	188,116	184,671
Other tax recoverable	119,909	65,755
	805,602	1,143,837

At 1 April 2020, trade receivable from contracts with customers amount to HK$147,121,000.

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:

	2022 HK$'000	2021 HK$'000
Unbilled (Note)	–	665,292
0–60 days	392,391	130,198
61–90 days	17,840	6,119
Over 90 days	31,876	38,993
	442,107	840,602

Note: The amount represented 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:

	2022 HK$'000	2021 HK$'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 2022, included in the Group's trade and lease receivables balances are debtors with an aggregate carrying amount of HK$49,716,000 (2021: HK$45,112,000) which are past due at the reporting date. Out of the past due balances, HK$31,876,000 (2021: HK$38,993,000) 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 47.

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 47.

26. CONTRACT COSTS

Contract costs capitalised as at 31 March 2022 and 2021 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$124,745,000 (2021: HK$189,710,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year (2021: 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.

27. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2022 HK$'000	2021 HK$'000	2022 HK$'000	2021 HK$'000
Derivatives that are not designated in hedge accounting relationships:				
Interest rate swap contracts	13,835	3,531	–	(13,352)
Cross currency swap contracts	4,084	–	(1,911)	(500)
Liabilities from profit guarantee arrangement (note 39)	–	–	(24,011)	–
	17,919	3,531	(25,922)	(13,852)
Analysed for reporting purpose as:				
Current	14,984	3,531	(25,922)	(7,045)
Non-current	2,935	–	–	(6,807)
	17,919	3,531	(25,922)	(13,852)

Interest rate swap contracts of HK$13,835,000 (2021: HK$3,531,000) with notional amount of USD20,000,000 (2021: USD30,000,000) for swapping certain 3-month USD LIBOR floating-rate bank borrowings from floating rates to fixed-rates, is subject to interest rate benchmark reform. Details are set out in note 47.

28. CREDITORS AND ACCRUALS

	2022 HK$'000	2021 HK$'000
Trade creditors		
– Construction cost and retention payable	**773,085**	805,054
– Others	**107,809**	67,907
	880,894	872,961
Construction cost and retention payable for capital assets	**336,622**	201,714
Rental deposits and rental receipts in advance	**32,994**	56,345
Receipt in advance (Note)	**307,500**	–
Other payables and accrued charges	**626,668**	563,869
	2,184,678	1,694,889

Note: Amount represents the first and second instalments received in relation to settlement agreement entered between the Group and relevant parties as mentioned in the Company's announcements published on 27 July 2021 and 16 August 2021 ("Settlement Agreement") on 27 July 2021 at a total consideration of RMB408,000,000 (equivalent to approximately HK$501,840,000).

Pursuant to the Settlement Agreement, the Group is obliged to fulfil all of the stipulated obligations in order to entitle the consideration of RMB408,000,000.

As at 31 March 2022, the Group had received the first and second instalments from relevant parties amounting to RMB250,000,000 (equivalent to approximately HK$307,500,000). The stipulated obligations had yet to be fulfilled by the Group as at 31 March 2022.

Based on the external legal counsel opinion, the Group is required to refund the first and second instalments of RMB250,000,000 if the Group fails to fulfil all the obligations. As a result, the directors of the Company considered the first and second instalments are recorded as receipt in advance under current liability in the consolidated statement of financial position, given it is expected the remaining obligations to be fulfilled by 31 December 2022 in accordance with the agreed timetable between the Group and the relevant parties in the Settlement Agreement.

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

	2022 HK$'000	2021 HK$'000
0–60 days	**746,097**	731,780
61–90 days	**3,158**	5,069
Over 90 days	**131,639**	136,112
	880,894	872,961

29. CONTRACT LIABILITIES

	2022 HK$'000	2021 HK$'000
Sales of properties	**666,423**	689,615

As at 1 April 2020, contract liabilities amounted to HK$310,598,000.

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 2022, the Group has recognised revenue of HK$307,202,000 (2021: HK$152,936,000) that was included in the contract liabilities balance at the beginning of the year.

30. OTHER LIABILITIES

Included in other liabilities are deposit received for a disposal of a subsidiary of the Company as detailed below, amounting to HK$338,000,000 as at 31 March 2022.

On 6 December 2021, the Group and CLP Properties Limited ("Purchaser") entered into a sale and purchase agreement to dispose of the entire equity interest of Sanon Limited ("Sanon"), a wholly-owned subsidiary of the Company, which currently owns a land situated in Kai Tak, Hong Kong, for a development divided into a hotel portion and non-industrial portion (including office portion). Pursuant to the sales and purchase agreement, Sanon will assign the hotel portion to another subsidiary of the Company as the hotel owner, under a hotel portion assignment to be entered by Sanon and the hotel owner prior to completion of the transaction, such that the Purchaser will acquire Sanon (holding only the non-industrial portion) at completion. The consideration under the sales and purchase agreement amounted to HK$3,380,000,000, subject to post-completion adjustments including additional costs in respect of any add-on designs required by the Purchaser.

As at 31 March 2022, the Group had received deposit of HK$338,000,000 from the Purchaser, and the transaction is expected to be completed in 2024.

31. BANK AND OTHER BORROWINGS

	2022 HK$'000	2021 HK$'000
Bank loans	25,823,378	21,571,315
Other loans	870,030	853,592
	26,693,408	22,424,907
Less: front-end fee	(102,994)	(67,142)
	26,590,414	22,357,765
Analysed for reporting purpose as:		
Secured	20,587,588	18,853,373
Unsecured	6,105,820	3,571,534
	26,693,408	22,424,907
Current liabilities	11,450,133	10,438,601
Non-current liabilities	15,140,281	11,919,164
	26,590,414	22,357,765

The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:

	Bank loans		Other loans	
	2022 HK$'000	2021 HK$'000	2022 HK$'000	2021 HK$'000
Revolving loans without specified repayment terms and loans repayable within one year	5,621,190	6,879,524	796,158	853,592
More than one year, but not exceeding two years	6,513,288	5,939,369	–	–
More than two years, but not exceeding five years	8,105,490	5,485,321	–	–
More than five years	447,631	494,474	73,872	–
	20,687,599	18,798,688	870,030	853,592
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:				
Within one year	3,915,575	1,552,474	–	–
More than one year, but not exceeding two years	401,553	356,227	–	–
More than two years, but not exceeding five years	641,871	717,957	–	–
More than five years	73,786	78,827	–	–
	5,032,785	2,705,485	–	–
Total	25,720,384	21,504,173	870,030	853,592

31. BANK AND OTHER BORROWINGS (continued)

Currencies	Interest rates	2022 HK$'000	2021 HK$'000
HK$	HIBOR plus 0.75% to 1.62% (2021: HIBOR plus 0.75% to 1.6%)	15,235,483	11,843,997
RMB	3 to 5 years or above People's Bank of China Prescribed Interest Rate ("PBOC PIR") (2021: 3 to 5 years or above PBOC PIR)	710,567	716,628
S$	SOR plus 0.92% to 1.03% (2021: SOR plus 0.68% to 1.1%)	2,340,380	3,200,677
MYR	Malaysia Base Lending Rates ("Malaysia BLR") minus 1.50% and Malaysia Bank's Cost of Funds ("Malaysia COF") plus 1.50% (2021: Malaysia BLR minus 1.50% and Malaysia COF plus 1.50%)	138,879	135,551
A$	BBSW plus 1.07% to 3% (2021: BBSW plus 1.5% to 2.0%)	5,420,367	3,794,215
GBP	Sterling Overnight Interbank Average Rage ("SONIA") plus 1.55% to 2.55% (2021: LIBOR plus 1.72% to 2.75%)	2,130,993	1,498,327
USD	LIBOR plus 1.55% (2021: LIBOR plus 1.35%)	625,751	1,134,103
EUR	Czech Republic Lombard Rate ("Czech Republic LR") plus 1.95% to 3.1% (2021: Czech Republic LR plus 1.95% to 3.1%)	90,988	101,409
		26,693,408	22,424,907

Bank and other borrowings that are denominated in GBP, A$, USD and EUR which are not denominated in functional currency of respective group entities, amounted to GBP78,337,000 (equivalent to HK$803,740,000) (2021: GBP3,399,000 (equivalent to HK$36,214,000)), A$159,235,000 (equivalent to HK$933,120,000) (2021: A$27,000,000 (equivalent to HK$159,300,000)), USD80,019,000 (equivalent to HK$625,751,000) (2021: USD153,212,000 (equivalent to HK$1,134,103,000)) and EUR1,097,000 (equivalent to HK$9,577,000 (2021: EUR9,541,000 (equivalent to HK$86,709,000)) respectively. All other bank and other borrowings are denominated in functional currency of the respective group entities.

32. LEASE LIABILITIES

	2022 HK$'000	2021 HK$'000
Lease liabilities payable:		
Within one year	74,567	81,139
Within a period of more than one year but not more than two years	63,225	79,811
Within a period of more than two years but not more than five years	132,184	162,853
More than five years	339,760	403,094
	609,736	726,897
Less: amount due for settlement with 12 months shown under current liabilities	(74,567)	(81,139)
Amount due for settlement after 12 months shown under non-current liabilities	535,169	645,758

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% (2021: 1.5% to 6.0%).

33. AMOUNTS DUE FROM/TO SHAREHOLDERS OF NON-WHOLLY OWNED SUBSIDIARIES

As at 31 March 2022, the amount of S$42,927,000 (equivalent to HK$248,120,000) (2021: 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 Pte. Ltd. as a result of sales of the property development project. The amount is unsecured, interest-free and no fixed repayment date.

As at 31 March 2022, included in the amounts due to shareholders of non-wholly owned subsidiaries is an amount of S$28,375,000 (equivalent to HK$164,006,000) (2021: S$27,975,000 (equivalent to HK$161,414,000)) due to a shareholder of FEC Skypark Pte. Ltd., 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 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
Issue of new notes	–	–	–	–	–	1,187,233	1,187,233
Less: transaction costs directly attributable to issue	–	–	–	–	–	(6,623)	(6,623)
Interest charged during the year	4,332	51,439	31,463	10,426	10,744	139,830	248,234
Interest paid during the year	(3,801)	(30,497)	(30,122)	(8,804)	(6,473)	(104,829)	(184,526)
Interest payable due within 12 months and included in other payable	(268)	(18,848)	–	(1,467)	(3,999)	(29,856)	(54,438)
Repayment	–	–	(1,831,516)	–	–	–	(1,831,516)
Exchange adjustments	–	8,437	(4,724)	–	–	23,135	26,848
At 31 March 2022	77,926	1,106,374	–	198,713	197,721	3,023,394	4,604,128

34. NOTES (continued)

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 2022, the aggregate principal amount of the 2029 Notes outstanding was HK$80,000,000 (2021: HK$80,000,000).

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 2022, the aggregate principal amount of the 2023 Notes outstanding was USD141,775,000 (equivalent to HK$1,108,681,000) (2021: USD141,775,000 (equivalent to HK$1,100,174,000)).

2021 Notes

On 8 September 2016, the Company issued notes with aggregate principal amount of USD300,000,000 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 2022, the 2021 Notes with aggregate principal amount USD236,630,000 (equivalent to HK$1,831,516,000) had been fully redeemed. 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).

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 2022, the aggregate principal amount of the 2030 Notes outstanding was HK$200,000,000 (2021: 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 2022, the aggregate principal amount of the 2033 Notes outstanding was HK$200,000,000 (2021: HK$200,000,000).

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. During the year ended 31 March 2022, the subsidiary of the Company issued additional notes with aggregate principal amount of USD150,000,000 (equivalent to approximately HK$1,187,233,000). As at 31 March 2022, the aggregate principal amount of the 2024 Notes outstanding was USD385,000,000 (equivalent to HK$3,010,700,000) (2021: USD235,000,000 (equivalent to HK$1,823,600,000)).

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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$'000	Provision of PRC LAT HK$'000	Others HK$'000 (Note)	Total HK$'000
At 1 April 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
Charge (credit) to profit or loss	15,408	(8,482)	(33,407)	(1,245)	11,232	(16,195)	9,483	(23,206)
Recognition of tax effect of PRC LAT previously not recognised	–	–	–	–	–	74,243	–	74,243
Disposals of subsidiaries (note 39)	–	–	–	–	223	–	–	223
Exchange alignment	(1,320)	10,457	4,303	(1)	7,171	17,678	(8,850)	29,438
At 31 March 2022	92,257	432,813	51,456	38,915	(44,385)	(106,818)	414,039	878,277

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:

	2022 HK$'000	2021 HK$'000
Deferred tax assets	**(177,203)**	(249,086)
Deferred tax liabilities	**1,055,480**	1,046,665
	878,277	797,579

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, Singapore and the United Kingdom, as those properties were recovered through sales.

35. DEFERRED TAXATION (continued)

At 31 March 2022, the Group has unused tax losses of HK$1,998,167,000 (2021: HK$2,096,198,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK$212,661,000 (2021: HK$480,266,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$1,785,506,000 (2021: HK$1,615,932,000) due to the unpredictability of future profit streams.

At 31 March 2022, the Group has deductible temporary difference in relation to accelerated accounting depreciation of property, plant and equipment amounted to HK$370,438,000 (2021: HK$447,512,000). 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$5,235,566,000 (2021: HK$4,947,619,000) 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 2020	2,369,421,209	236,942
Share repurchase	(18,775,000)	(1,877)
Issue of shares in lieu of cash dividends (i)	44,430,532	4,443
At 31 March 2021	2,395,076,741	239,508
Issue of shares in lieu of cash dividends (ii)	24,541,938	2,454
At 31 March 2022	2,419,618,679	241,962

(i) 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.

(ii) On 16 February 2022 and 1 October 2021, the Company issued and allotted 6,696,801 and 17,845,137 new fully paid shares of HK$0.10 each at HK$2.830 and HK$2.796, respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2022 interim dividend and 2021 final dividend pursuant to the scrip dividend scheme announced by the Company on 4 January 2022 and 2 September 2021, respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

36. SHARE CAPITAL (continued)

All the shares issued during the years ended 31 March 2022 and 2021 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 USD17,000,000.

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$68,855,000 (2021: HK$102,647,000).

(ii) During the year ended 31 March 2022, the Group entered into new lease agreement for the use of leased properties for five years, the Group recognised HK$12,102,000 (2021: HK$49,347,000) of right-of-use assets and lease liabilities.

(iii) Included in additions of properties, plant and equipment, and investment properties are construction cost and retention payable for capital assets amounting to HK$120,193,000 and HK$56,719,000, respectively, which are non-cash transactions.

39. DISPOSAL OF SUBSIDIARIES

On 15 June 2021, the Group entered into a sale and purchase agreement with Aldgate Hotel Bidco Limited ("Aldgate Hotel" or "Purchaser"), an independent third party to the Group, whereby the Group has agreed to sell, and Aldgate Hotel has agreed to purchase, the entire issued share capital of Dorsett City London Limited ("DCLL") and Elite Region Limited ("Elite"), wholly-owned subsidiaries of the Company for a consideration of GBP115,000,000 (equivalent to approximately HK$1,228,367,000). DCLL and Elite were the operator and owner of Dorsett City London Hotel, respectively. Such disposal was completed on 30 June 2021. Following the completion, DCLL and Elite ceased to be subsidiaries of the Company.

As part of the disposal, the Group entered into a hotel management agreement with the Purchaser to manage and operate Dorsett City London Hotel and agreed to provide a profit guarantee whereby the Group will compensate the Purchaser on a yearly basis, the shortfall between the annual guaranteed return of GBP6,065,000 (equivalent to approximately HK$66,290,000) and the gross operating profits to be generated by Dorsett City London Hotel, for a term of 2 years starting from the completion date of disposal.

The net assets disposed of DCLL and Elite at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	567,808
Deferred tax assets	223
Debtors, deposits and prepayments	520
Other inventories	33
Tax recoverable	3,310
Trade and other payables	(8,296)
Net assets disposed of	563,598
Gain on disposal of DCLL and Elite:	
Consideration	1,228,367
Net assets disposed of	(563,598)
Transaction costs paid	(21,358)
Liabilities arising from profit guarantee arrangement	(56,406)
Reclassification of cumulative exchange reserve to profit or loss upon disposal	(40,174)
Gain on disposal	546,831
Consideration was satisfied by:	
Cash consideration received (Note)	1,017,172
Settlement of bank loan by the Purchaser (Note)	211,195
	1,228,367
Net cash inflow arising on disposal:	
Cash consideration received	1,017,172
Transaction costs paid	(21,358)
	995,814

Note: Included in the cash consideration received, there was HK$349,403,000 used to settle shareholders' loan due by Elite to the Group. Prior to the completion of the disposal, the Purchaser settled the bank loan of Elite directly through its bank loan account, which constitutes as a non-cash transaction.

39. DISPOSAL OF SUBSIDIARIES (continued)

The revenue and loss for the period from 1 April 2021 to 30 June 2021 of DCLL and Elite, which have been included in the consolidated statement of profit or loss, were HK$4,351,000 and HK$1,270,000 (from 1 April 2020 to 31 March 2021: HK$9,139,000 and HK$37,280,000) respectively. During the year ended 31 March 2022, DCLL and Elite contributed HK$7,499,000 (2021: paid HK$2,032,000) to the Group's net operating cash flows, received HK$6,524,000 (2021: paid HK$12,220,000) in respect of investing activities.

On 17 September 2021, the Group entered in to a sale and purchase agreement with Kheng Leong Company (H.K.) Limited ("Kheng Leong"), an independent third party of the Group, whereby the Group has agreed to sell, and Kheng Leong has agreed to purchase 100% of all the issued shares and paid-up shares of Highest Reach Investments Limited ("Highest Reach") for an aggregate consideration of approximately S$215,871,000 (equivalent to HK$1,242,959,000). Pursuant to the sales and purchase agreement, the Group shall procure the settlement of the outstanding bank loan of approximately S$102,110,000 (equivalent to HK$588,154,000) ("Outstanding Bank Loan") prior to completion, failing which Kheng Leong shall deduct the Outstanding Bank Loan from the consideration of approximately S$215,871,000. As the Group did not settle the Outstanding Bank Loan prior to completion, the consideration was adjusted to approximately S$113,761,000 (equivalent to HK$654,805,000).

The disposal has been completed on 1 November 2021. Following the completion, Highest Reach and its subsidiaries have ceased to be subsidiaries of the Company.

The net assets disposed of Highest Reach and its subsidiaries at the date of disposal were as follows:

	HK$'000
Investment properties	1,226,419
Other debtors, deposits and prepayments	1,142
Restricted bank deposits	12,675
Bank balances and cash	8,769
Creditors, deposits received and accruals	(6,046)
Bank loan	(588,154)
Net assets disposed of	654,805
Gain on disposal of Highest Reach and its subsidiaries	
Consideration	654,805
Net assets disposed of	(654,805)
Transaction costs paid	(19,769)
Reclassification of cumulative exchange reserve to profit or loss upon disposal	25,145
Gain on disposal	5,376
Consideration was satisfied by:	
Cash consideration received	654,805
Net cash inflow arising on disposal:	
Cash consideration received	654,805
Bank balances and cash disposed of	(8,769)
Transaction costs paid	(19,769)
	626,267

39. DISPOSAL OF SUBSIDIARIES (continued)

The revenue and profit for the period from 1 April 2021 to 1 November 2021 of Highest Reach and its subsidiaries, which have been included in the consolidated statement of profit or loss, were HK$12,745,000 and HK$89,280,000 (31.3.2021: HK$19,047,000 and HK$24,486,000) respectively. During the year ended 31 March 2022, Highest Reach and its subsidiaries contributed HK$8,217,000 (2021: contributed HK$9,636,000) to the Group's net operating cash flows and paid HK$5,361,000 (2021: paid HK$8,738,000) in respect of financing activities.

40. CHARGE ON ASSETS

Bank borrowing of HK$20,587,588,000 (2021: HK$18,853,373,000) and lease liabilities of HK$1,151,000 (2021: HK$13,057,000) 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:

	2022 HK$'000	2021 HK$'000
Investment properties	5,060,911	5,346,129
Property, plant and equipment (excluding right-of-use assets)	6,102,316	7,078,994
Right-of-use assets	2,106,087	1,129,049
Properties for sale	12,706,140	11,522,516
Bank deposits	893,962	386,575
Investment securities	648,071	769,282
	27,517,487	26,232,545

In addition, the shares of certain subsidiaries are pledged as securities to obtain certain banking facilities granted to the Group at the end of the reporting period.

Restrictions or covenants on leases

In addition lease liabilities disclosed above, lease liabilities of HK$608,585,000 (2021: HK$713,840,000) are recognised with related right-of-use assets of HK$491,594,000 (2021: HK$604,853,000) as at 31 March 2022. 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.

41. CAPITAL COMMITMENTS

	2022 HK$'000	2021 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of		
– hotel properties	**1,390,056**	906,875
– investment properties	**718,902**	55,867
Commitment to provide credit facility to a joint venture	**80,580**	213,981
Capital injection to investment funds	**144,282**	13,988
	2,333,820	1,190,711

42. 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 (2021: 1 to 18 years).

Minimum lease payments receivables on leases are as follows:

	2022 HK$'000	2021 HK$'000
Within one year	**137,935**	128,139
In the second year	**118,108**	106,681
In the third year	**97,110**	83,897
In the fourth year	**87,405**	75,735
In the fifth year	**74,901**	68,863
More than five years	**621,300**	696,514
	1,136,759	1,159,829

43. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) During the year, the Group entered into the following transactions with related parties:

	2022 HK$'000	2021 HK$'000
Provision of building management service by associates	4,016	3,866
Provision of underwriting service to joint ventures	–	514
Provision of sales and marketing services by a joint venture	23,086	15,779
Sales of properties to a related company (Note)	–	235,060
Interest income from a joint venture	11,608	848
Interest income from unlisted debt securities issued by a joint venture	23,797	31,779

Note: The properties comprised 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 2022, hotel management services income of HK$nil (2021: HK$20,000) 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.

44. AMOUNTS DUE FROM/TO RELATED PARTIES

The amounts due from/to associates, joint ventures, an investee company and a related company 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.

45. 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 Schemes 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 2022 and 2021, there were no options which remained outstanding under FECIL Share Option Schemes.

46. 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.

46. RETIREMENT BENEFITS SCHEMES (continued)

The Group makes defined contributions to the Employees Provident Fund for qualifying employees in Malaysia under which the Group is required to make fixed contributions under the defined contribution plans to separate entities. The Group has no legal or constructive obligations of further contributions to make up any deficiencies of fund assets to cover all employees benefits relating to their services to the Group.

The Group makes defined contribution to the Singapore Central Provident Fund which the Group is required to make a certain percentage of the salaries of the employees in Singapore, whereby the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefits plan.

The Group makes contribution to independent superannuation master funds for employees in Australia, based on a certain percentage of the employee's salaries and wages. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contribution.

The Group operates defined contribution schemes in respect of its employees in the United Kingdom. Contribution are made based on a certain percentage of salaries of the employees in the United Kingdom to the defined contribution scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension costs of the defined contribution schemes represent the contributions accrued to the scheme in respect of the accounting period.

The Group makes contribution to defined benefit pay-as-you go system administrated by the Czech Social Security Administration for employees in Czech Republic, based on certain percentage of the salaries of the employees in Czech Republic.

Total retirement benefits expenses charged to profit or loss amounted to HK$43,486,000 in the current year (2021: HK$31,432,000).

47. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2022 HK$'000	2021 HK$'000
Financial assets		
Debt instruments as FVTOCI	1,124,161	2,028,844
Equity instruments at FVTOCI	902,298	1,059,400
Financial assets at FVTPL	1,006,810	1,054,562
Financial assets at amortised cost	10,018,835	7,155,044
Derivative financial instruments	17,919	3,531
	13,070,023	11,301,381
Financial liabilities		
Derivative financial instruments	25,922	13,852
Financial liabilities at amortised cost	33,122,490	29,176,861
	33,148,412	29,190,713

47. FINANCIAL INSTRUMENTS (continued)

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, 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.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. Details of the impacts on the Group's risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under "interest rate benchmark reform" in this note.

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 (2021: 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$42,548,000 (2021: HK$34,334,000) and the interest capitalised would have increased/decreased by HK$64,452,000 (2021: HK$56,031,000).

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.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

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	
	2022 HK$'000	2021 HK$'000	2022 HK$'000	2021 HK$'000
A$	613,779	421,585	933,120	159,300
US$	2,250,182	3,957,519	4,755,518	5,879,349
EUR	199,312	239,107	9,577	86,709
S$	257,446	336,919	–	–
GBP	1,337,789	247,116	803,740	36,214

Inter-company balances

	Assets		Liabilities	
	2022 HK$'000	2021 HK$'000	2022 HK$'000	2021 HK$'000
A$	10,755,646	8,367,287	–	–
RMB	1,571,271	419,813	1,594,810	1,173,943
EUR	364,344	361,764	–	–
S$	165,881	174,344	–	–
GBP	3,631,692	2,229,509	–	–

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

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% (2021: 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.

	(Decrease) increase in profit after tax	
	2022	2021
	HK$'000	HK$'000
A$	**(26,665)**	21,901
RMB	**(209,196)**	(98,024)
EUR	**15,843**	12,725
S$	**21,497**	28,133
GBP	**44,593**	17,610

	Increase in other comprehensive income	
	2022	2021
	HK$'000	HK$'000
A$	**1,075,565**	836,729
RMB	**157,127**	41,981
EUR	**36,434**	36,176
S$	**16,588**	17,434
GBP	**363,169**	222,951

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.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Price risk

The Group is exposed to equity price risk, fair value interest rate risk and other price risk arising from financial assets at FVTPL and financial assets at FVTOCI.

Price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and debt price risk at the end of the reporting period.

If the price of the respective equity and investment funds have been 5% (2021: 5%) higher/lower:

- profit after tax would have increased/decreased by HK$2,350,000 (2021: HK$453,000) as a result of the changes in fair value of equity securities at FVTPL.

- profit after tax would have increased/decreased by HK$28,198,000 (2021: HK$17,729,000) as a result of the changes in fair value of investment funds at FVTPL.

- FVTOCI reserve would have increased/decreased by HK$37,671,000 (2021: HK$52,970,000) as a result of the changes in fair value of 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.

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, pledged/restricted bank deposits, bank balances, deposits in financial institutions, 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 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 advice 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.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group concentration of credit risk mainly on amounts due from an investee company, amount due from a shareholder of a non-wholly owned subsidiary, amounts due from associates which is mainly due from two associates (2021: two associates), and amounts due from joint ventures which is mainly due from eight joint ventures (2021: 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.

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

	2022		2021	
	Fair value HK$'000	Principal amount HK$'000	Fair value HK$'000	Principal amount HK$'000
AA- to BBB-	**73,388**	**90,900**	166,806	163,726
BB+ to B	**74,809**	**80,116**	129,350	130,523
Unrated	**4,654**	**4,676**	89,139	87,291
	152,851	**175,692**	385,295	381,540

Trade debtors 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.

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 a 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.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Debt instruments at FVTOCI

The Group only invests in debt securities with credit rating of B or above issued by Moody's or Standard & Poor's. The directors of the Company focus on the investment diversification and their credit ratings changes. During the year, the credit rating of certain debt securities which are issued by PRC property developers, have been down-graded to CCC triggered by default events.

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. Summary of the fair value and principal amount of debt securities at FVTOCI are set out below.

	2022		2021	
	Fair value HK$'000	Principal amount HK$'000	Fair value HK$'000	Principal amount HK$'000
AA- to BBB-	106,817	116,534	435,537	425,445
BB+ to B	476,190	523,286	1,259,538	1,274,442
CCC	79,769	109,480	–	–
Unrated	461,385	466,830	333,769	354,277
	1,124,161	1,216,130	2,028,844	2,054,164

During the year ended 31 March 2022, as certain issuers, which are PRC property developers, were determined to be credit-impaired, the credit loss allowances on those individual debt instruments are measured on lifetime ECL basis. For the purpose of ECL assessment, the Group considers the gross principal amount and the related contracted interests of the debt instruments. The Group assesses ECL for debt instruments at FVTOCI by reference to the credit rating of the debt instruments announced by external credit rating agencies, the macroeconomic factors affecting each issuer, and the probability of default and loss given default of each debt instrument.

During the year ended 31 March 2022, the impairment loss on debt instruments at FVTOCI amounting to HK$78,258,000 was recognised in profit or loss. During the year ended 31 March 2021, the directors of the Company were of the opinion that the ECL on these debt instruments was insignificant.

The credit risks on pledged deposits, restricted bank deposits, deposits in financial institutions, bank balances and deposits are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

47. 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/	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

47. 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 and other items which are subject to ECL assessment:

	NOTES	External credit rating	Internal credit rating	12-month or lifetime ECL	2022 Gross carrying amount HK$'000	2021 Gross carrying amount HK$'000
Debt instruments at FVTOCI						
Investment in debt securities	20	AA- to B	N/A	12-month ECL	583,007	1,695,075
		Unrated	Low risk	12-month ECL	461,385	333,769
		CCC	N/A	Lifetime ECL – credit-impaired	79,769	–
Financial assets at amortised cost						
Trade debtors (contract with customers)	24	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	391,667	826,950
		N/A	Loss	Credit-impaired	56,687	36,903
Loan receivables	21	N/A	Low risk (Note 2)	12-month ECL	187,635	217,905
Amounts due from related parties and a shareholder of a non-wholly owned subsidiary	33 & 44	N/A	Low risk (Note 2)	12-month ECL	1,285,809	800,180
Pledged deposits/restricted bank deposits	22	above A- (Note 3)	N/A	12-month ECL	893,962	400,591
Bank balances/deposits in financial institutions	22	above A- (Note 3)	N/A	12-month ECL	6,902,605	4,412,067
Other receivables	24	N/A	Low risk (Note 2)	12-month ECL	145,833	170,786
Customers' deposits under escrow	25	N/A	Low risk (Note 2)	12-month ECL	468,696	335,818
Others						
Lease receivables	24	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	59,693	22,905

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

1. Trade debtors and lease receivables

   For trade debtors and lease receivables, 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 2022, the Group provided HK$9,253,000 (2021: HK$9,253,000) impairment allowance for trade debtors, based on the collective assessment. Impairment allowance of HK$56,687,000 (2021: HK$36,903,000) were made on credit impaired debtors on an individual basis. The increase of impairment allowance made on credit impaired debtors was due to increase of long outstanding debtors in particular to car park segment.

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 deposits in financial institutions, the ECL is assessed by reference to probability of default and loss credit rating grade published by international credit agencies.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

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 2022							
Creditors and accruals	N/A	1,404,211	–	–	–	1,404,211	1,404,211
Other liabilities	3.0	3,628	2,249	2,249	209	8,335	6,086
Other liabilities (deposit received)	N/A	–	–	338,000	–	338,000	338,000
Amount due to a related company	N/A	858	–	–	–	858	858
Amounts due to associates	N/A	7,245	–	–	–	7,245	7,245
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	171,548	–	–	–	171,548	171,548
Bank and other borrowings	1.71	11,133,518	11,368,802	4,351,697	559,441	27,413,458	26,590,414
Lease liabilities	3.08	93,386	151,595	97,160	400,442	742,583	609,736
Notes	4.96	231,211	4,364,198	74,640	557,097	5,227,146	4,604,128
		13,045,605	15,886,844	4,863,746	1,517,189	35,313,384	33,732,226
Derivatives financial instrument – net settled							
Interest rate/currency swap contracts		25,922	–	–	–	25,922	25,922

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (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 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

Liquidity risk

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 2022 and 31 March 2021, the carrying amounts of these bank borrowings amounted to HK$5,032,785,000 and HK$2,705,485,000 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 2022						
Bank and other borrowings	**3,947,823**	**1,041,951**	**21,817**	**76,730**	**5,088,321**	**5,032,785**
At 31 March 2021						
Bank and other borrowings	1,623,246	719,149	421,043	80,888	2,844,326	2,705,485

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.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Interest rate benchmark reform

As listed in notes 20, 27 and 31, the Group's unlisted debt instruments, bank borrowings and interest rate swaps which are indexed to SOR and the 3-month USD LIBOR will mature before the cessation of SOR and 3-month USD LIBOR as mentioned below. In addition, several of the Group's bank borrowings which are indexed with BBSW and HIBOR, BBSW and HIBOR will co-exist with AUD Overnight Index Average ("AONIA") and Hong Kong Dollar Overnight Index Average ("HONIA") respectively. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

LIBOR

During the year ended 31 March 2022, the LIBOR settings in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings ceased immediately after 31 December 2021.

The Financial Conduct Authority has confirmed the remaining LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after 30 June 2023, in the case of the remaining US dollar settings.

BBSW

The Reserve Bank of Australia has indicated a multi-rate approach to be adopted in Australia, where AONIA has been identified as an alternative to BBSW and there is no plan to discontinue BBSW. Therefore, BBSW will co-exist with AONIA.

For the floating rate bank borrowings that are linked to BBSW, the management expects the BBSW will continue to maturity. Accordingly, the management does not expect there is significant uncertainty or risks arising from the interest rate benchmark reform.

HIBOR

While the Hong Kong Dollar Overnight Index Average ("HONIA") has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

For the floating rate bank borrowings that are linked to HIBOR, the management expects the HIBOR will continue to maturity. Accordingly, the management does not expect there is significant uncertainty or risks arising from the interest rate benchmark reform.

SOR

The Association of Banks in Singapore and the Singapore Foreign Exchange Market Committee have confirmed that SOR will cease to be provided by any administrator or no longer be representative immediately after 30 June 2023 and identified the Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark for SOR and have set out a roadmap for this transition.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Interest rate benchmark reform (continued)

Risks arising from the interest rate benchmark reform

Except for the bank borrowings indexed with HIBOR and BBSW, the following are the key risks for the Group arising from the transition:

Interest rate related risks

For contracts which have not been transitioned to the relevant alternative benchmark rates and without detailed fallback clauses, if the bilateral negotiations with the Group's counterparties are not successfully concluded before the cessation of LIBORs and other index rates that are relevant to the Group, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts were entered into.

There are fundamental differences between IBORs and the various alternative benchmark rates. IBORs are forward looking term rates published for a period (e.g. 3 months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments.

Liquidity risk

The additional uncertainty on various alternative rates which are typically published on overnight basis will require additional liquidity management. The Group's liquidity risk management policy has been updated to ensure sufficient liquid resources to accommodate unexpected increases in overnight rates.

Progress towards implementation of alternative benchmark interest rates

As part of the Group's risk management for transition, new contracts entered into by the Group are linked to the relevant alternative benchmark rates or interest rates which are not subject to reform to the extent feasible. Otherwise, the Group ensured the relevant contracts include detailed fallback clauses clearly referencing the alternative benchmark rate and the specific triggering event on which the clause is activated.

During the year, all contracts which are linked to GBP LIBOR have been transitioned to SONIA. For the floating rate bank borrowings that are linked to HIBOR and BBSW, the management expects the contracts will continue to maturity and the Group does not intend to transition the contracts to HONIA and AONIA respectively.

The following table shows the total amounts of outstanding contracts and the progress in completing the transition to alternative benchmark rates as at 31 March 2022. The amounts of financial assets and liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Progress towards implementation of alternative benchmark interest rates (continued)

Financial instruments	Maturing in	Carrying amounts/ notional amounts HK$'000	Transition progress
Non-derivative financial asset			
Unlisted debt instruments at FVTOCI linked to BBSW	2024	410,220	AONIA will co-exist with BBSW. The management expects the BBSW will continue to maturity.
Non-derivative financial liabilities			
Bank loans linked to HIBOR	2022 to 2027	15,181,008	HONIA will co-exist with HIBOR. The management expects the HIBOR will continue to maturity.
Bank loans linked to SOR	2022	2,339,474	The contract will mature before the cessation of SOR.
Bank loans linked to BBSW	2024	5,410,639	AONIA will co-exist with BBSW. The management expects the BBSW will continue to maturity.
Bank loans linked to 3-month USD LIBOR	2022	625,751	The contract will mature before the cessation of 3-month USD LIBOR.
Derivative			
Interest rate swaps – Receive 3-month USD LIBOR, pay fixed interest rate swap	2030–2031	156,400	The contracts will transit based on International Swaps and Derivatives Association protocol.

Note: No detailed fallback clauses for the above contracts.

47. 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 31.3.2022 HK$'000	Fair value as at 31.3.2021 HK$'000	Fair value hierarchy	Valuation technique and key inputs
1a) Listed equity securities classified as financial assets at FVTPL	42,617	6,336	Level 1	Quoted bid prices in an active market
1b) Listed equity securities classified as equity instrument at FVTOCI	902,298	1,059,400	Level 1	Quoted bid prices in an active market
1c) Unlisted equity securities classified as financial assets at FVTPL	13,662	4,506	Level 2	Recent transaction price of equity securities issued to third parties
2a) Listed debt securities classified as financial assets at FVTPL	152,851	351,266	Level 1	Quoted bid prices in an active market
2b) Unlisted debt securities classified as financial assets at FVTPL	-	34,029	Level 2	Reference to market value provided by brokers/financial institution
2c) Unlisted debt securities classified as financial assets at FVTOCI	419,604	194,489	Level 2	Reference to market value provided by brokers/financial institution
2d) Listed debt securities classified as financial assets at FVTOCI	704,557	1,834,355	Level 1	Quoted bid prices in an active market
3a) Investment funds classified as financial assets at FVTPL	427,873	310,029	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	247,526	114,637	Level 3	Reference to the net asset value of the unlisted equity investment provided by the external counterparties. Discount of 4.6% (2021: 1.3%) for lack of marketability

47. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at 31.3.2022 HK$'000	Fair value as at 31.3.2021 HK$'000	Fair value hierarchy	Valuation technique and key inputs
4) Structured notes classified as financial assets at FVTPL	–	233,759	Level 2	Reference to market value provided by financial institution
5) Convertible bond classified as financial assets at FVTPL	122,281	–	Level 3	Binomial Option Pricing Model The fair value is estimated based on the risk free rate, conversion price, underlying share price, expected volatility of the underlying share price, expected dividend yield and discount rate.
6a) Cross currency swap contracts classified as derivative financial instruments	Assets – 4,084 Liabilities – (1,911)	– Liabilities – (500)	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward exchange, discounted at a rate that reflects the credit risk of various counterparties.
6b) Interest rate swap contracts classified as derivative financial instruments	Assets – 13,835 –	Assets – 3,531 Liabilities – (13,352)	Level 2	Discounted cash flow Future cash flows are estimated based on interest rates (from observable interest rates at the end of the reporting period) and contracted forward interest rates, discounted at a rate that reflects the credit risk of various counterparties.
7) Liabilities arising from profit guarantee arrangement	Liabilities – (24,011)	–	Level 3	Income approach Future cash flows are estimated based on the contractual terms to be payable by the Group, discounted using an appropriate discount rate.

There were no transfers between Levels 1, 2 and 3 during the years ended 31 March 2022 and 31 March 2021.

47. 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$'000	Liabilities arising from profit guarantee arrangement HK$'000	Convertible bonds classified as financial assets at FVTPL HK$'000
At 1 April 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	–	–
Addition	111,224	56,406	129,500
Redemption	–	–	(2,660)
Unrealised fair value change recognised in profit or loss	23,528	(32,667)	(4,559)
Exchange realignment	(1,863)	272	–
At 31 March 2022	247,526	24,011	122,281

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.

d. Financial instruments subject to enforceable master netting arrangements

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. No further disclosure is provided as the effects are considered insignificant.

48. 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 44)	Amounts due to associates HK$'000 (note 44)	Amounts due to shareholders of non-wholly owned subsidiaries HK$'000 (note 33)	Lease liabilities HK$'000 (note 32)	Other liabilities HK$'000	Total HK$'000
At 1 April 2020	19,911,762	3,548,124	-	751	6,897	395,126	624,339	8,014	24,495,013
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	238	1,325,813
At 31 March 2021	22,357,765	5,218,916	-	807	51,326	168,997	726,897	6,332	28,531,040
New lease entered	-	-	-	-	-	-	12,102	-	12,102
Termination of lease contracts	-	-	-	-	-	-	(15,194)	-	(15,194)
Disposal of subsidiaries	(588,154)	-	-	-	-	-	-	-	(588,154)
Financing cash flows	4,598,828	(835,432)	(386,923)	51	(44,250)	-	(133,503)	-	3,198,771
Non-cash changes (Note)	(211,195)	(54,438)	(68,855)	-	-	-	(180)	-	(334,668)
Finance costs	569,185	248,234	-	-	-	-	20,246	-	837,665
Dividends recognised as distribution	-	-	455,778	-	-	-	-	-	455,778
Foreign exchange translation	(136,015)	26,848	-	-	169	2,551	(632)	(84)	(107,163)
At 31 March 2022	26,590,414	4,604,128	-	858	7,245	171,548	609,736	6,248	31,990,177

Note: The non-cash changes mainly represented settlement of bank loan by the Purchaser amounting to HK$211,195,000 as disclosed in note 39, accrued interest payables of HK$54,438,000 included in "other payables and accrued charges" as disclosed in note 28, and issuance of shares in lieu of cash dividend amounting to HK$68,855,000 as disclosed in note 38.

In addition, the Group has made distributions of HK$189,191,000 (2021: HK$220,345,000) to owners of perpetual capital notes during the year ended 31 March 2022.

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2022 HK$'000	2021 HK$'000
Non-current Asset		
Interests in subsidiaries	6,117,754	7,482,201
Current Assets		
Amount due from a subsidiary	–	1,138,840
Bank balances, deposits and cash	7,748	7,839
	7,748	1,146,679
Current Liabilities		
Creditors and accrued charges	25,137	29,554
Loan from a subsidiary	–	159,300
Amount due to a subsidiary	–	19,465
Notes	–	1,834,899
	25,137	2,043,218
Net Current Liabilities	(17,389)	(896,539)
Total Assets Less Current Liabilities	6,100,365	6,585,662
Capital and Reserves		
Share capital	241,962	239,508
Share premium	4,650,772	4,584,371
Reserves	101,004	665,687
	4,993,738	5,489,566
Non-current Liabilities		
Notes	1,106,374	1,095,843
Deferred tax liabilities	253	253
	1,106,627	1,096,096
	6,100,365	6,585,662

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 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
Loss and other comprehensive expense for the year	–	–	–	–	(108,905)	(108,905)
Dividends	–	–	–	(455,778)	–	(455,778)
Share issued in lieu of cash dividend	2,454	66,401	–	–	–	68,855
At 31 March 2022	241,962	4,650,772	35,964	173,052	(108,012)	4,993,738

50. 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 2022 %	2021 %	Principal activities
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	100,000,001 share of A$1	100	100	Property development
Indirect subsidiaries					
19 Bank Street Pty Ltd	Australia	10,000 shares of A$121.78	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
All Greatness Limited	BVI/HK	1 share of US$1	100	100	Property development
Amphion Investment Limited	HK	2 shares of HK$1	100	100	Investment holding
Angel Meadows (FEC) Limited	UK	100 shares of £1	100	100	Property development
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
Ballarat Central Car Park Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation
Boundary Farm Car Park Ltd	BVI	2 shares of US$1	88.85	88.85	Car park operation
Bournemouth Estates Limited	HK	2 shares of HK$10	100	100	Property development
Bravo Trade Holdings Limited	BVI/HK	1 share of US$1	100	100	Property development
Bryce International Limited	BVI/HK	100 shares of US$1	100	100	Investment holding
Capital Fortune Investment Limited	HK	2 shares of HK$1	100	100	Investment holding
Care Park Finance Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation
Care Park Holdings Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Investment holding
Care Park Leasing Pty Ltd	Australia	1,000 shares of A$121.78	77.75	77.75	Car park operation
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
Care Property Pty Ltd	Australia	100 shares of A$1	77.75	77.75	Car park operation
Carterking Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Cathay Motion Picture Studios Limited	HK	30,000 shares of HK$100	100	100	Property investment
Charter Joy Limited	HK	2 shares of HK$1	100	100	Hotel operation
Charter National International Limited	HK	2 shares of HK$1	100	100	Property development
Ching Chu (Shanghai) Real Estate Development Company Limited (i)	PRC	Registered and paid up capital of US$8,800,000	100	100	Hotel management

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

50. 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 2022 %	2021 %	Principal activities
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
Everkent Development Limited	HK	2 shares of HK$1	100	100	Hotel operation
Expert Vision Trading Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Far East Consortium (Australia) Pty Ltd.	Australia	2 shares of A$1	100	100	Property development
Far East Consortium (B.V.I.) Limited	BVI/HK	50,000 shares of US$1	100	100	Investment holding
Far East Consortium (Netherlands Antilles) N.V.	Curacao	99,000 shares of US$1	100	100	Investment holding
Far East Consortium China Investments Limited	HK	6,000 shares of HK$100	100	100	Investment holding
Far East Consortium Holdings (Australia) Pty 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 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 Vault Limited	HK	1 share of HK$1	100	100	Vault Service

50. 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 2022 %	2021 %	Principal activities
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	Administrative services
FEC Financing (Australia) Pty Ltd	Australia	1 share of A$1	100	100	Corporate treasury management
FEC May22 Pty Ltd.	Australia	1 share of A$1	100	100	Property development
FEC Northern Gateway Development Limited	UK	1 share of £1	100	100	Property development
FEC QWB Integrated Resort Holdings Limited	BVI/HK	1 share of US$1	100	100	Investment holding
FEC Strategic Investments (Netherlands) B.V.	Amsterdam	120,000 shares of DeFi Land ("DFL") 1	100	100	Investment holding
FEC Suites Pte. Ltd.	Singapore	1 share of S$1	100	100	Property development
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
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
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

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50. 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 2022 %	2021 %	Principal activities
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
Perth Hub One Pty Ltd	Australia	1 share of A$1	100	100	Property development
Perth Hub Seven Pty Ltd	Australia	1 share of A$1	100	100	Property development
Perth Hub Six Pty Ltd	Australia	1 share of A$1	100	100	Property development
Perth Hub Three 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
Richfull International Investment Limited	HK	1 share of HK$1	100	100	Bar 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
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
Singford Holdings Limited	BVI/HK	1 share of US$1	100	100	Treasury management
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
Target Term Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Car park operation
Tantix Limited	HK	1 share of HK$1	100	100	Property development
Teampearl Company Limited	HK	5,001 A shares of HK$1 4,999 B shares of HK$1	100	100	Property development
The Hotel of Lan Kwai Fong Limited	HK	10,000 shares of HK$1	100	100	Hotel operation
Topping Faithful Limited	HK	1 share of HK$1	100	100	Sales agency service
Tracia Limited	Isle of Man/ UK	1 share of £1	100	100	Investment holding

50. 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 2022 %	2021 %	Principal activities
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
Well Distinct Limited	BVI/HK	1 share of US$1	100	100	Investment holding
Wing Mau Tea House Limited	HK	100,000 shares of HK$1	100	–	Property development
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.

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50. 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 2022 and 2021.

	Profit allocated to non-controlling interests/owners of perpetual capital notes		Accumulated non-controlling interests/owners of perpetual capital notes	
	2022	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000
Owners of perpetual capital notes (Note)	**206,877**	199,713	**2,901,589**	2,883,903
Subsidiaries with individually immaterial non-controlling interests	**3,278**	62,833	**376,611**	373,330

Note:

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$2,901,589,000 (2021: HK$2,883,903,000) as at 31 March 2022.

51. CONTINGENT LIABILITIES

During the year ended 31 March 2021, 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. Up to the date on which these consolidated financial statements are authorised for issue, 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.

52. EVENTS AFTER THE REPORTING PERIOD

1) On 14 March 2022, Next Talent Developments Limited (the "Buyer"), an indirect wholly-owned subsidiary of the Company, Big Brilliance Limited (the "Seller"), a direct wholly-owned subsidiary of R&F Properties (HK) Company Limited ("R&F Prop HK") and an indirect wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd ("Guangzhou R&F"), and R&F Prop HK and Mr. LI Sze Lim, substantial shareholder of Guangzhou R&F, as the warrantors entered into the sales and purchase agreement ("SPA").

   Under the SPA, the Buyer will acquire the entire issued share capital of R&F Properties VS (UK) Co., Ltd ("Target Company"), an indirect wholly-owned subsidiary of Guangzhou R&F and take the assignment of amounts due to the Seller and certain subsidiaries of Guangzhou R&F from the Target Company and its two subsidiaries ("Intercompany Loan") at the consideration of approximately GBP95,703,000 (equivalent to approximately HK$977,123,000), subject to adjustment to consideration ("Adjustment") as defined in the Company's announcement published on 15 March 2022.

   Subject to the completion of the transaction ("Completion"), the Seller will have the option to, at any time after the completion and on or before the end of six months after Completion, repurchase the entire issued share capital of the Target Company and the Intercompany Loan from the Buyer at a consideration of approximately GBP106,610,000 (equivalent to approximately HK$1,088,492,000) plus all the costs, liabilities and expenses ("Option Consideration") as defined in the Company's announcement published on 15 March 2022.

   The Seller may exercise the option by notice to the Buyer given at any time on or before the day falling 30 days prior to the date which is 6 months after Completion. Such notice once given shall be irrevocable. The option will automatically lapse and cease to be exercisable by the Seller if the option has not been duly exercised on or before the end of six months after Completion, or any Adjustment is not made by the Seller and received by the Buyer within two business days of demand by the Buyer, or there has occurred a material breach of any provision under the SPA. The transaction had completed on 4 April 2022. Up to the date on which these consolidated financial statements are authorised for issue, the Company is in process of finalising the accounting impact of the transaction.

2) The Board of Directors has recommended a bonus issue of shares on the basis of one bonus share for every ten existing ordinary shares held by the Shareholders whose names appear on the Company's Register of Members on 14 September 2022 (the "Proposed Bonus Issue").

   The Proposed Bonus Issue will be subject to (i) Shareholders' approval of the Proposed Bonus Issue at the forthcoming annual general meeting; and (ii) the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted thereunder. A circular containing details of the Proposed Bonus Issue will be despatched to the Shareholders on or around 28 July 2022 and new share certificates will be posted on or around 22 September 2022. No adjustment has been made to the Group's basic and diluted earnings per shares as set out in note 12 to the consolidated financial statements as the Proposed Bonus Issue has not yet approved as at the date on which these consolidated financial statements are authorised for issue.

List of Principal Properties

PROPERTY DEVELOPMENT/INVESTMENT PROPERTY

Codes of "Types of Property":

O — Office	S — Shops	H — Hospitality and Gaming	F — Ancillary Facilities
R — Residential	CP — Car Park	A — Agricultural	

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. 5 car parking bays Area 16 California Garden Jinqiu Road Baoshan District	98.2%
4. 273 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%

List of Principal Properties

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
159	CP	Completed	Existing
11,188	CP	Completed	Existing
1,156	R	Completed	Existing
416	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 Times 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.	276 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 (m^2)	Types of property	Stage of completion	Expected completion (financial year)
1,191	R	Completed	Existing
53,301	R	Under construction	2027
73,013	R	Planning stage	N/A
21,343	R	Planning stage	N/A
47,080	R	Planning stage	N/A
7,910	R & S	Completed	Existing
2,413	CP	Completed	Existing
1,230	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	Planning	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
516	S	Completed	Existing
5,660	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%
17. Lots in D.D. 130 San Hing Tsuen Lam Tei, Tuen Mun	100%
18. Lot No. 2195 in D.D. 244 Ho Chung, Sai Kung	33.3%
19. Kai Tak Area 4B site New Kowloon Inland Lot No. 6591	50%
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%

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	Completed	Existing
578	S	Completed	Existing
17,651	S & O	Planning stage	2024
19,650	R	Planning	N/A
5,410	R	Planning	N/A
47,029	R	Under construction	2026
290	S	Completed	Existing
8,233	R	Completed	Existing
155,083	R & S	Under construction	2023 and onwards
22,018	R & S	Under construction	2025

List of Principal Properties

Name of property and location		Group's interest
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%
7.	Monument 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%

List of Principal Properties

Total (not attributable) approximate floor area (m²)	Types of property	Stage of completion	Expected completion (financial year)
138,201	R & S R & S O	Under construction Under construction Planning stage	2024 2025 N/A
165,399	R	Under construction Under construction Planning stage	2023 2024 N/A
55,894	R & S	Planning Stage	2026
809	S	Completed	Existing
2,717	S	Completed	Existing
45	S	Completed	Existing
422,896[i]	A	Planning stage	N/A
2,595	R	Completed	Existing
83,809	R	Under construction	2024

Note:

(i) This represents site area.

List of Principal Properties

Name of property and location		Group's interest
Singapore		
1.	Hyll on Holland Holland Road District 10, Singapore	80%
2.	Cuscaden Road District 9, Singapore	10%
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%

Total (not attributable) approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
22,473	R	Under construction	2024
15,835	R	Under construction	2025
44,728	R & S	Under construction	2025
13,982	R & O	Under construction	2023
41,458	R & S	Under construction	2023
5,731	R	Under construction	2023
43,828	R & S	Under construction	2025
142,328	Planning	Planning stage	N/A
111,655	Planning	Planning stage	N/A
26,773	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. Dorsett Kai Tak Shing Kai Road, Kai Tak New Kowloon Inland Lot No. 6007	100%

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
5,344	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
15,861	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%

List of Principal Properties

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
46,553	H	Completed	Existing
21,565	H	Completed	Existing
4,745	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.	Dao by Dorsett West London 56 Shepherd's Bush Green London	100%
3.	Dorsett Canary Wharf, London 63-69 Manilla Street & 50 Marsh Wall London	100%
4.	Dao by Dorsett Hornsey 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)
8,899	H	Completed	Existing
8,203	H	Completed	Existing
5,349	H	Completed	Existing
16,226	H&S	Completed	Existing
25,054	H	Completed	Existing
14,651	H	Completed	Existing
4,330	H	Under construction[i]	2023[i]
10,107	H	Under construction	2025
2,746	H	Under construction	2023

Note:

(i) Dao by Dorsett West London was completed and opened in June 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%

Approximate floor area (m^2)	Types of property	Stage of completion	Expected completion (financial year)
36,817	H	Under construction	2023
31,350	H	Completed	Existing
126,710	H&S	Under construction	2023/2024
31,483	H	Completed	Existing
19,516	H	Planning stage	2024
16,490	H	Planning stage	2025
12,056	H	Completed	Existing
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 (m²)	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.	Hub Arcade 15–23 Langhorne Street Dandenong, Victoria Australia	77.75%
4.	Northbank Place 507–581 Flinders Street Melbourne, Victoria Australia	77.75%
5.	Quadrant Plaza 94 York Street Launceston, Tasmania Australia	77.75%
6.	Dell Lane Launceston, Tasmania Australia	77.75%
7.	344 Queen Street Brisbane, Queensland Australia	77.75%
8.	360 St Kilda Road Melbourne, Victoria Australia	77.75%
9.	Toorak Place 521 Toorak Road Toorak, Victoria Australia	77.75%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
350 car parking bays	CP	Completed	Existing
634 car parking bays	CP	Completed	Existing
189 car parking bays	CP	Completed	Existing
200 car parking bays	CP	Completed	Existing
369 car parking bays	CP	Completed	Existing
4 car parking bays	CP	Completed	Existing
51 car parking bays	CP	Completed	Existing
180 car parking bays	CP	Completed	Existing
48 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
10. Watergate 767 Bourke Street Docklands, Victoria Australia	77.75%
11. 9 Yarra Street South Yarra, Victoria Australia	77.75%
12. Festival Car Park 53 Charlotte Street Brisbane, Australia	19.44%
13. Eden 677 Victoria Street Abbotsford, Victoria Australia	77.75%
14. Monkey Bar 20 Endeavour Street Chatswood, New South Wales, Australia	77.75%
15. Bianca 120 Bay Street, Port Melbourne, Victoria Australia	77.75%
16. Tip Top Edward Street, East Brunswick Melbourne, Australia	77.75%
17. 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%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
111 car parking bays	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing
383 car parking bays	CP	Completed	Existing
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
2,066 car parking bays	CP	Completed	Existing
170 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location		Group's interest
New Zealand		
1.	Knox Street 41 Hood Street Hamilton	77.75%
2.	70 Tory Street Wellington	77.75%
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%

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
443 car parking bays	CP	Completed	Existing
474 car parking bays	CP	Completed	Existing
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

Glossary

"2022 AGM"	the forthcoming annual general meeting of the Company to be held on Tuesday, 30 August 2022 at 11:00 a.m. at Theatre R1 & R2, 10/F., United Centre, 95 Queensway, Admiralty, 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.
"AUM"	assets under management.
"BC Group" or "BC Invest"	BC Investment Group Holdings Limited (formerly known as BC Group Holdings Limited), a company incorporated in the Cayman Islands with limited liability 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.
"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 Act"	Companies Act of the Cayman Islands, as consolidated and revised from time to time.
"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: 035).
"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 with limited liability and a listed subsidiary of the Company until it was privatised (previous stock code: 2266) and became an indirect wholly-owned Subsidiary in October 2015.
"Dorsett Group"	Dorsett and its subsidiaries.

Glossary

"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.
"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.
"Mortgageport"	Mortgageport Management Pty. Ltd..
"MYR"	Malaysian Ringgit, the lawful currency of Malaysia.
"Notes"	the notes issued under the US$2,000,000,000 medium term note programme of FEC Finance Limited unconditionally and irrevocably guaranteed by the Company.
"OCC"	overall occupancy rate.
"PALASINO"	Palasino Malta Limited.
"Perpetual Capital Notes"	the senior perpetual capital notes issued under the US$2,000,000,000 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.
"QWB Project"	Queen's Wharf Project in Brisbane.

Glossary

"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" or "S$"	Singapore Dollars, the lawful currency of Singapore.
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company.
"Shareholder(s)"	holder(s) of Share(s).
"sq. ft."	square feet.
"sq. m."	square meter.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Subsidiary(ies)"	the subsidiary(ies) of the Company.
"The Star"	The Star Entertainment Group Limited.
"TWC"	Trans World Corporation.
"TWC Hotel Group"	hotels under TWC.
"UK"	the United Kingdom.
"URA"	Urban Renewal Authority.
"USD" or "US$"	United States Dollars, the lawful currency of the United States of America.
"Year" or "FY2022"	the financial year of the Company from 1 April 2021 to 31 March 2022.
"%"	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 (which will be relocated to 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong with effect from 15 August 2022).

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FEC 遠東發展

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

Website: www.fecil.com.hk

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