



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

Navigating on Solid Foundation

ANNUAL REPORT 2024







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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, BBS, JP
Jennifer Wendy CHIU

Independent Non-Executive Directors

Kwong Siu LAM

Wai Hon Ambrose LAM

Lai Him Abraham SHEK

AUDIT COMMITTEE

Wai Hon Ambrose LAM (Chairman)

Kwong Siu LAM

Lai Him Abraham SHEK

NOMINATION COMMITTEE

David CHIU (Chairman)

Kwong Siu LAM

Wai Hon Ambrose LAM

Lai Him Abraham SHEK

REMUNERATION COMMITTEE

Wai Hon Ambrose LAM (Chairman)

David CHIU

Lai Him Abraham SHEK

EXECUTIVE COMMITTEE

David CHIU

Cheong Thard HOONG

Dennis CHIU

Craig Grenfell WILLIAMS

Wing Kwan Winnie CHIU

Jennifer Wendy CHIU

Wai Hung Boswell CHEUNG

ESG STEERING COMMITTEE

Wing Kwan Winnie CHIU (Chairman)

Cheong Thard HOONG

Wai Hung Boswell CHEUNG

JOINT MANAGING DIRECTORS

Wing Kwan Winnie CHIU

Jennifer Wendy CHIU

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

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.

Cathay United Bank Company,

Limited, Hong Kong Branch

China CITIC Bank 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

First Commercial Bank Limited,

Hong Kong Branch

Fubon Bank (Hong Kong) Limited

Hang Seng Bank Limited

Hua Xia Bank Co., Limited

Hong Kong Branch

Industrial and Commercial Bank of

China (Asia) Limited

Nanyang Commercial Bank, Limited

O-Bank Co., Ltd.

OCBC Bank (Hong Kong) Limited

Oversea-Chinese Banking

Corporation Limited

Ping An Bank Co., Ltd.,

Hong Kong Branch

Shanghai Pudong Development Bank

Co., Ltd.

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

RHB Bank Berhad

The Hongkong and Shanghai

Banking Corporation Limited

Australia

Australia and New Zealand Banking

Group Limited

Barclays Bank PLC

DBS Bank Limited, Australia Branch

The Hongkong and Shanghai

Banking Corporation Limited,

Sydney Branch

United Overseas Bank Limited,

Sydney Branch

Mainland China

China Minsheng Banking Corp., Ltd.,

Shanghai Branch

Dah Sing Bank (China) Limited

Industrial and Commercial Bank of

China Limited

Nanyang Commercial Bank

(China) Limited

Shanghai Pudong Development Bank

Co., Ltd.

Corporate Information

United Kingdom

Oversea-Chinese Banking
Corporation Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai
Banking Corporation Limited

PLACE OF INCORPORATION

Cayman Islands

REGISTERED OFFICE

JTC (Cayman) Limited
P.O. Box 30745,
94 Solaris Avenue,
2nd Floor, Camana Bay,
Grand Cayman KY1-1203,
Cayman Islands

PRINCIPAL OFFICE

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

SHARE REGISTRAR

Tricor Standard Limited
17/F., Far East Finance Centre,
16 Harcourt Road,
Hong Kong

LISTING INFORMATION

Ordinary Shares (Code: 035)
7.375% USD Senior Guaranteed
Perpetual Capital Notes issued
by FEC Finance Limited
(Code: 5781)
The Stock Exchange of Hong Kong
Limited

WEBSITE

<http://www.fecil.com.hk>



Major Events of Financial Year 2024



The Group started the handover of West Side Place (Towers 3 and 4) in Melbourne, Australia

The Group opened the Dorsett Melbourne which consists of 316 guest rooms and is also located within the West Side Place development in Melbourne, Australia



20
APR
23

BC Invest, a diversified financial services group, successfully issued AUD507 million Australian dollar-denominated Coventry 2023-1 Bond Trust, a RMBS bond

The Group fully repaid its 4.5% USD Medium Term Notes 2023 (USD131,800,000)

20
MAY
23

20
JUN
23

The Group has collaborated with THEi to cultivate medicinal herbs at Chinese Medicinal Research farm donated by us – “D20 Roots”, educating the community on the principles and practices of Chinese medicine



The Group won five awards in “FinanceAsia’s 2023 Asia’s Best Companies” Poll including “Best CEO in Hong Kong”, “Best Real Estate Company in Hong Kong” and “Best Small-cap Company in Hong Kong”

20
JUL
23



The Group won three awards in the “HKIRA 9th Investor Relations Awards 2023”

The Group obtained its second sustainability-linked loan facility for 3 years raising HK\$300 million in Hong Kong

20
AUG
23

BC Invest successfully issued AUD456 million Australian dollar-denominated Crimson 2023-1P Bond Trust, a RMBS bond

The Group has been selected as preferred bidder by Greater Manchester Combined Authority and Trafford Metropolitan Borough Council to act as development partner



20
SEP
23



The Group secured planning approval for 4,800 new homes as part of next phase of Victoria North, Manchester



The Group completed the disposal of remaining units of Dorsett Bukit Bintang in Malaysia for a consideration of MYR120 million

Major Events of Financial Year 2024

BC Invest successfully issued AUD507 million Australian dollar-denominated Coventry 2023-2 Bond Trust, a RMBS bond

The Group won three awards in the "1st CRECCHKI Real Estate ESG Awards 2023"



The Group won "ESG Excellence Award" at the "Hong Kong Corporate Governance & ESG Excellence Awards 2023"



The Group entered into an agreement to dispose of a car park in the UK for a consideration of approximately GBP17.24 million

The Group started the handover of Aspen at Consort Place in London, the UK



The Group successfully launched a residential project – Red Bank Riverside – Falcon in Manchester, the UK



OCT 23

The Group completed the sale of its 25% stake on Sheraton Grand Mirage Resort on the Gold Coast, Australia for AUD192 million



The Group won "HKQAA Hong Kong Green and Sustainable Finance Awards 2023"



NOV 23

The Group fully repaid its 5.1% USD Medium Term Notes 2024 (USD364,300,000)

DEC 23

JAN 24

MAR 24

Palasino successfully spun off and separately listed on the Main Board of the Stock Exchange



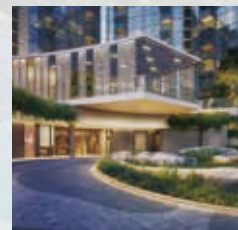
The Group completed the disposal of office component of its Kai Tak Development in Hong Kong for a consideration of HK\$3.38 billion



MAY 24

BC Invest successfully issued AUD530 million Australian dollar-denominated Ruby 2024-1 Bond Trust, a RMBS bond

The Group started the handover of Hyll on Holland in Singapore

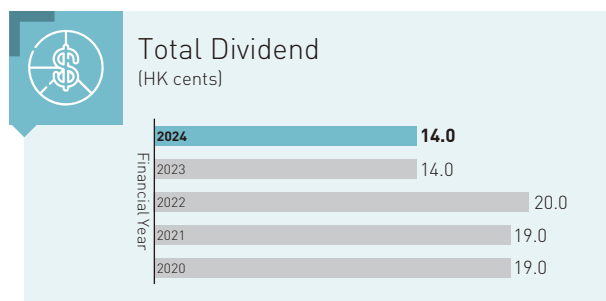
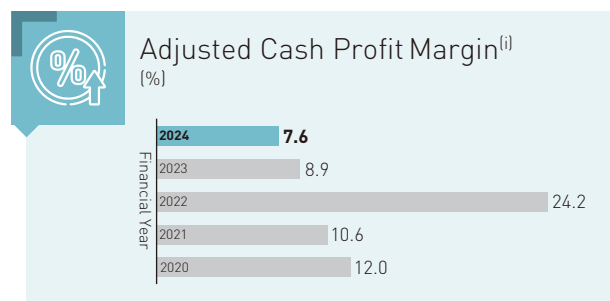
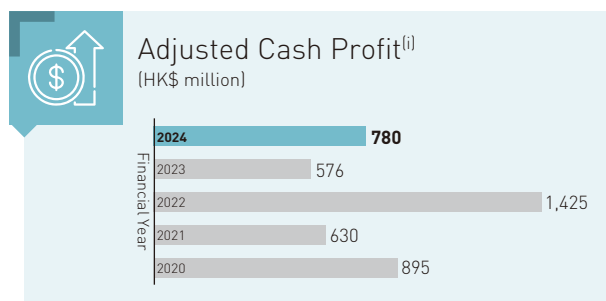
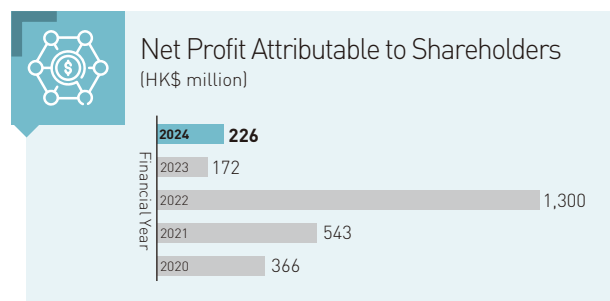
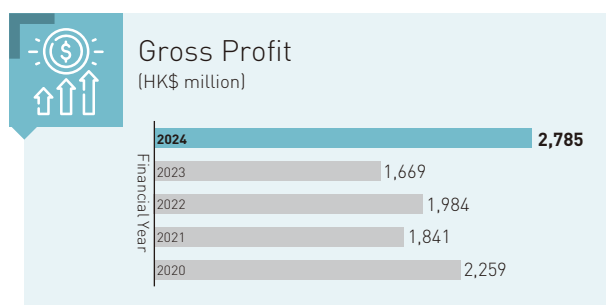
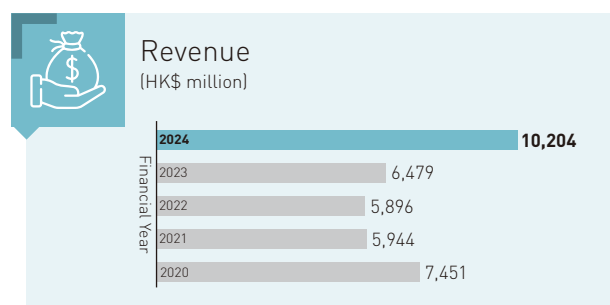


JUN 24

Statement of Profit or Loss Highlights

HK\$ million, unless otherwise stated

	For the financial year ended 31 March					CAGR
	2020	2021	2022	2023	2024	
Revenue	7,451	5,944	5,896	6,479 ⁽ⁱⁱ⁾	10,204	8.2%
Gross profit	2,259	1,841	1,984	1,669	2,785	5.4%
Net profit attributable to Shareholders	366	543	1,300	172	226	-11.4%
Adjusted cash profit ⁽ⁱ⁾	895	630	1,425	576	780	-3.4%
Adjusted cash profit margin ⁽ⁱ⁾ [%]	12.0	10.6	24.2	8.9	7.6	N/A
Total dividend (HK cents)	19.0	19.0	20.0	14.0	14.0	-7.4%



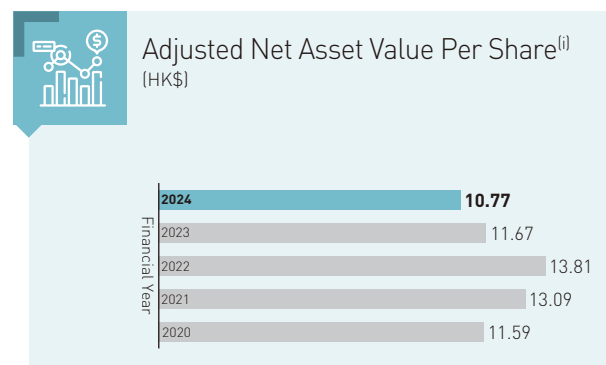
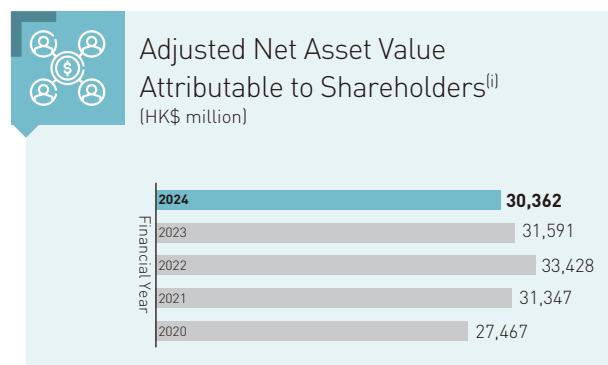
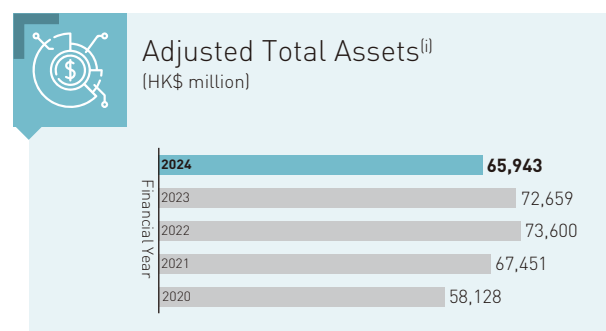
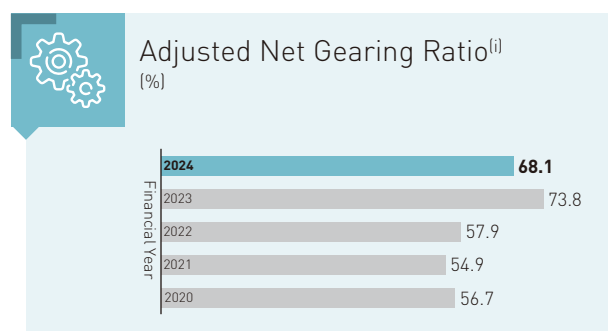
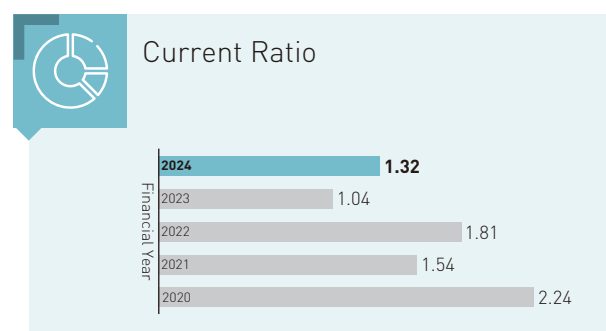
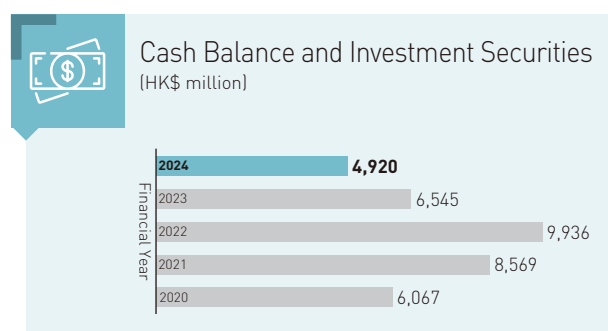
Notes:

- (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.
- (ii) Revenue has been restated as gross revenue, outlining figures before gaming tax.

Statement of Financial Position Highlights

HK\$ million, unless otherwise stated

	2020	As at 31 March			2024	CAGR
		2021	2022	2023		
Cash balance and investment securities	6,067	8,569	9,936	6,545	4,920	-5.1%
Current ratio	2.24	1.54	1.81	1.04	1.32	N/A
Adjusted net gearing ratio ⁽ⁱ⁾ (%)	56.7	54.9	57.9	73.8%	68.1	N/A
Adjusted total assets ⁽ⁱ⁾	58,128	67,451	73,600	72,659	65,943	3.2%
Adjusted net asset value attributable to Shareholders ⁽ⁱ⁾	27,467	31,347	33,428	31,591	30,362	2.5%
Adjusted net asset value per share ⁽ⁱ⁾ (HK\$)	11.59	13.09	13.81	11.67	10.77	-1.8%



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 of this report.



DEEPLY ROOTED FAR AHEAD



Chairman and Chief Executive Officer's Statement

I am pleased to announce that, amidst a series of challenges, our FY2024 revenue has reached record heights of HK\$10.2 billion and our profitability has exceeded last year. Earnings per share in FY2024 increased by 28.1% to HK8.2 cents and our solid performance has allowed the full year dividend to be maintained at HK14 cents per share, providing a substantial yield for our shareholders. Our dividend policy (set out in the Corporate Governance Report) relates principally to our adjusted cash profit of approximately HK\$780 million as we believe this is representative of the Group's underlying profitability. In a volatile market characterised by high interest rates and the final phase of COVID-19, it was not easy to achieve growth in these circumstances and our team has demonstrated remarkable skill and determination.



Revenue from property development, our core business, reached approximately HK\$6.8 billion in FY2024. As at 31 March 2024, our cumulative attributable presales and unbooked contracted sales amounted to approximately HK\$11.5 billion, providing a solid foundation for sustainable growth and cash flow for the Company. In the near future, we have several landmark projects reaching the harvesting stage, including Hyll on Holland in Singapore, Aspen at Consort Place and Victoria Riverside in the UK, as well as Perth Hub and Queen's Wharf Brisbane (Tower 4) in Australia. With the completion and settlement of these projects, we expect to further reduce our leverage. We are also poised to launch our JV project in Kai Tak – The Pavilia Forest soon and further developments will enhance the vibrancy and depth of our portfolio. Looking forward, our active residential property development projects under various stages of completion across the region amounting to approximately HK\$65.2 billion. We expect to continuously develop our pipeline and portfolio under different market conditions, adapting to evolving markets as needed. This strategic approach allows us to navigate uncertainties while maintaining a strong foothold in the industry. With a keen eye on sustained growth, we are not rushing into land replenishment, leveraging our existing resources effectively.

Hotels, our second major business, excelled with HK\$2.0 billion in revenue in FY2024, bringing us recurring income. We currently own 32 hotels and are developing 8 hotels in the pipeline, adding 2,000 hotel rooms within two years. Notable achievements are the recent openings of the Ritz-Carlton Melbourne and Dorsett Melbourne. The launch of our flagship Dorsett Kai Tak hotel in Hong Kong, as well as Dorsett Alpha Square Canary Wharf and Dorsett North London in London, will contribute further growth to our hotel performance over the next few years.

The spin-off and separate listing of Palasino Holdings Limited (stock code: 2536) on the Main Board of the Hong Kong Stock Exchange on 26 March 2024 has proved a great success. After an initial price at IPO of HK\$2.60, with over 7,000 applications, the market price has more than doubled to around HK\$6, with a market capitalisation of almost HK\$5 billion. We continue to own a 72.07% stake and look forward to further exciting developments for this company.

Chairman and Chief Executive Officer's Statement

Sustainability remains a paramount focus for us, and we have dedicated significant efforts to this crucial initiative. The recent obtaining of our second sustainability-linked loan facility and another green facility underscores our ongoing dedication to sustainable practices and responsible business conduct which embed sustainability at the core of our operations. We are also conducting a task force on climate-related financial disclosures assessment to showcase our commitment to transparently assessing and reporting climate-related risks and opportunities.

Recognising the impact of interest rates on the real estate segment, we are firmly committed to effective control of our borrowings. We have recently executed strategic deleveraging transactions, such as the completion of the office component within the Kai Tak commercial development in Hong Kong, the sale of our 25% stake in the Sheraton Grand Mirage Resort on the Gold Coast in Australia and the block deal for the remaining units at Dorsett Bukit Bintang in Malaysia. We will continue to divest non-core assets, optimise our portfolio and bolster our balance sheet as we position ourselves to reinvest in higher return projects. We are confident that our levels of leverage will continue to decline to a relatively conservative range.

The diligent efforts we have invested in expanding and diversifying our development pipeline across various regions have successfully borne fruit. We invested in diversification across various regions early on enabling us to adapt to different business cycles affecting both our property development and hotel businesses. This serves as a crucial tool in navigating the challenges of the volatile market landscape.

Amidst the shifting terrains of the property development and hotel industries, our unwavering commitment to excellence, sustainability, and responsible business practices serves as our guiding light. Positioned strategically for the future, our cohesive team, marked by resilience and competitiveness, forms the bedrock of our ability to not only endure but thrive in this demanding market climate.

Grateful acknowledgement is extended to our 4,000 colleagues worldwide for their steadfast dedication, a driving force behind our collective achievements. Furthermore, we express our appreciation to our shareholders and our banking and financial institution partners for their enduring support during these tumultuous times. Your continued trust and collaboration remain paramount for our sustained success and growth.

David CHIU

Chairman and Chief Executive Officer

27 June 2024



REACHING NEW HORIZONS



Victoria Riverside



Joint Managing Directors' Report

We extend our heartfelt gratitude to our dedicated team for their unwavering support and confidence during our inaugural year as Joint Managing Directors. It was a challenging year, with substantial market volatility, rising interest rates and escalating financial costs driven by increased loan obligation as construction of many of our projects are approaching completion. Despite these challenges, our team's commitment has been pivotal in driving our business towards success and achieving new revenue milestones. We have also been focusing on optimising our portfolio strategically through sales of non-core asset.

Our team's resilience has led to remarkable achievements. In this report, we highlight key milestones and provide a comprehensive update on our business progress during the financial year ended 31 March 2024.

Key Achievements and Business Progress Update

Hotel Operations and Management

- Our hotel operations and management business saw significant growth across Hong Kong, Mainland China, the UK, Singapore, Australia and Malaysia. The relaxation of pandemic-related measures, coupled with the easing of travel restrictions and the introduction of government initiatives to stimulate the tourism industry, have fuelled a robust recovery in the performance of our hotel assets in every market we operate in.



- Revenue from our hotel operations and management business increased by 31.2% year-on-year to approximately HK\$2,031 million as compared with FY2023, while the adjusted gross profit rose by 16.9% to approximately HK\$918 million. However, despite the impressive revenue growth, global inflationary pressures plus the initial ramp-up phase of our new hotels driven the adjusted gross profit margin down modestly from 50.8% in FY2023 to 45.2% in FY2024.
- The 257-room Ritz-Carlton Melbourne opened in March 2023, our second Ritz-Carlton hotel after the successful opening and operation of Ritz-Carlton Perth in Australia in November 2019. Dorsett Melbourne with 316 guest rooms opened in April 2023, which is our second Dorsett-branded hotel in Australia, after the successful opening and profitable operation of Dorsett Gold Coast hotel in December 2021.

Winnie CHIU

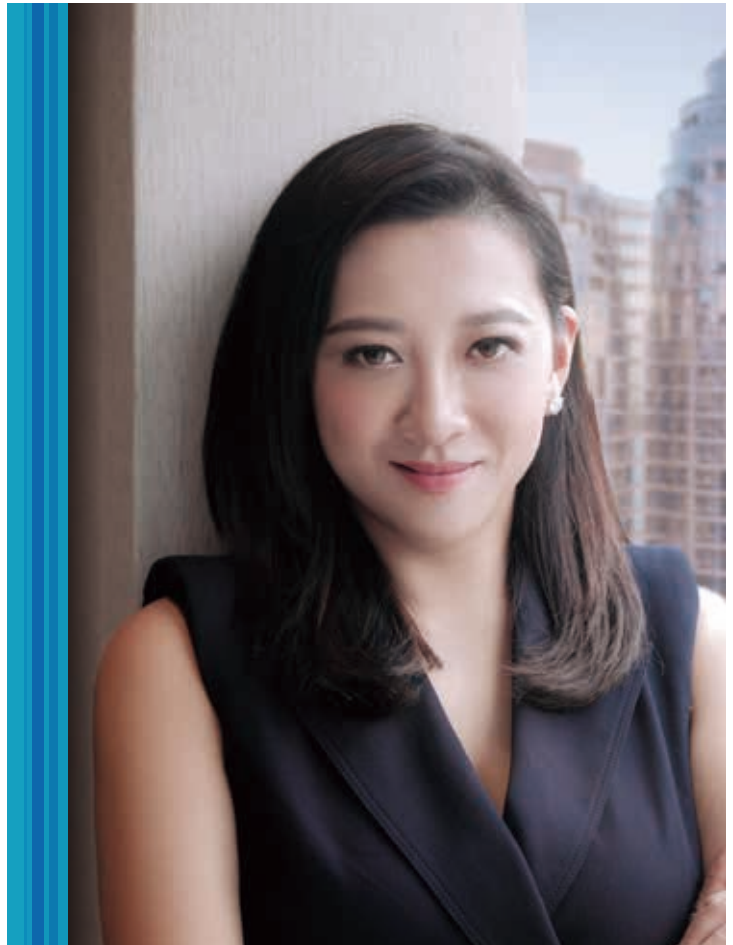
*Joint Managing Director and
Executive Director*

Joint Managing Directors' Report

- We are expected to inaugurate Dorsett Kai Tak in Hong Kong, our 10th owned hotel in Hong Kong, and Dao by Dorsett North London, and Dorsett Alpha Square Canary Wharf in London in FY2025, which will add a further 672 rooms to our portfolio.
- With the global travel industry rebounding, it is expected that these new hotel properties will greatly boost the growth and profitability of the Group's recurring income businesses. Given the rising demand for travel and hospitality services, the Group is well-positioned to leverage these opportunities by expanding its hotel management platform to manage for third party owners and further fortify its presence in key markets.

Property Development

- In FY2024, we recorded a substantial revenue of approximately HK\$6.8 billion from property development, marking a significant increase of 91.6% as compared with FY2023. Gross profit margin increased from 19.0% in FY2023 to 25.5% in FY2024. As at 31 March 2024, the expected attributable GDV of the Group's active residential property development projects under various stages of completion across the regions was approximately HK\$65.2 billion; and our cumulative presales and unbooked contracted sales have reached approximately HK\$11.5 billion, setting a solid foundation for cash flow and revenue in the forthcoming years.
- The handover process for West Side Place (Towers 3 and 4) in Melbourne commenced in early April 2023 and is progressing commendably. Hyll on Holland in Singapore reported robust sales, with revenue being progressively recognised throughout FY2024. Additionally, we saw valuable contributions from Mount Arcadia in Hong Kong and Hornsey Town Hall in London. Moreover, we are steadfast in effectively executing our sales strategy and diligently managing our existing inventory.
- We successfully completed the disposal of the office component of the Kai Tak development in March 2024, for a total consideration of HK\$3.38 billion.



Wendy CHIU

*Joint Managing Director and
Executive Director*

Joint Managing Directors' Report

- We launched Red Bank Riverside – Falcon as part of the Victoria North development in Manchester, UK in March 2024 with a total expected GDV of HK\$635 million. As at 26 June 2024, approximately 50% has been presold. We expect to launch The Pavilia Forest in Kai Tak, Hong Kong which consists of 1,305 units soon, and luxury apartment 640 Bourke Street in Melbourne, Australia in FY2025.
- Several ongoing projects with a total expected attributable GDV of approximately HK\$9.3 billion are reaching the completion stage, particularly Hyll on Holland in Singapore, Queen's Wharf Residences (Tower 4) in Brisbane, Perth Hub in Perth, Aspen at Consort Place in London, and Victoria Riverside in Manchester. A visible cash flow is set to contribute to debt reduction.
- Aspen at Consort Place in London has initiated the handover process in May 2024. Concurrently, Hyll on Holland in Singapore has initiated the handover process in June 2024.
- We have maintained a cautious approach to replenishing our residential pipeline. We have been selected as the preferred bidder for a GBP300 million mixed-use project in Trafford, Greater Manchester. In addition, we have secured planning approval for 4,800 new residences in collaboration with the MCC for the upcoming phase of the Victoria North development.

Car Park Operations

- In alignment with our strategic objectives, we have selectively phased out underperforming car parks from our portfolio and have successfully divested a car park in New Zealand. Also, we have actively sought and secured new management contracts to strengthen our position in the market. As at 31 March 2024, we have a portfolio of 416 owned or managed car parks with approximately 124,000 bays. The total revenue from car park operations and facilities management saw a slight decrease of 3.0% to approximately HK\$732 million as compared with FY2023 due to the unfavourable exchange rates. The fundamental business saw a steady improvement in revenue.

Gaming Operations

- Our gaming operations under Palasino Group has achieved a significant milestone by being spun-off and separately listed on the Main Board of the Stock Exchange on 26 March 2024. This event marks a pivotal moment in our corporate history.
- The total gaming revenue recorded a slight increase of 3.1% to HK\$402 million compared to FY2023, indicating a path of growth and adaptability.
- The Palasino Group reinstated its online gaming license in Malta in November 2023 and is preparing for a soft launch of services in Malta during FY2025. Additionally, it has established a new wholly-owned subsidiary dedicated to the business-to-business online gaming sector.

Mortgage Financing Business

- BC Invest successfully issued three RMBS offerings in FY2024, collectively raising over AUD 1.5 billion, underlining our proficiency in structured finance operations.
- As at 31 March 2024, BC Invest has effectively managed a total AUM of approximately AUD 5.4 billion. This demonstrates our strong stewardship and our commitment to maintaining prudent investment management practices.

Joint Managing Directors' Report

Balance Sheet and Management

- We are taking proactive measures to reduce our debt levels and finance costs. We have completed the disposal of the office component of the Kai Tak development in Hong Kong in March 2024 for a consideration of HK\$3.38 billion, and divested non-core assets such as the 25% stake in Sheraton Grand Mirage Resort on the Gold Coast, Australia, the remaining units of Dorsett Bukit Bintang in Malaysia and a car park in New Zealand, with proceeds in aggregate of approximately HK\$1.2 billion.
- Several landmark projects are reaching completion and are expected to be handed over in FY2025. These include Hyll on Holland in Singapore, Aspen at Consort Place in London, Victoria Riverside in Manchester, Perth Hub in Perth, and Queen's Wharf Residences (Tower 4) in Brisbane.
- We consider to dispose of long-lease residential project in Baoshan, Shanghai. This includes one parcel for a raw land sale and another parcel that is currently under development. Currently, we are in close negotiation with a potential buyer.

Results Highlights

The Group recorded a 57.5% increase in revenue to approximately HK\$10.2 billion compared to FY2023. Adjusted gross profit⁽ⁱ⁾, a non-GAAP financial measure, rose to HK\$3.2 billion as compared with HK\$2.0 billion in FY2023. The net profit attributable to shareholders increased by 31.3% year-on-year to approximately HK\$226 million, while the adjusted cash profit⁽ⁱ⁾, a non-GAAP financial measure, increased by 35.5% to approximately HK\$780 million.

Although we achieved a record level of revenue for the year, our profitability for FY2024 was influenced by several factors. A significant impact was due to higher finance costs, a consequence of rising interest rates, and increased selling and marketing expenses as we intensified marketing efforts across various projects and raised sales commission expenses. Additionally, unfavourable exchange rate movements also contributed to a reduction in the Group's net asset value.

The Board recommended a final dividend of HK10 cents per share. Together with an interim dividend of HK4.0 cents per share, the total dividend for the year will amount to HK14 cents per share.

The adjusted net asset value per share⁽ⁱ⁾, a non-GAAP financial measure, decreased by 7.7% to HK\$10.77, primarily due to unfavourable currency movements.

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

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.

Joint Managing Directors' Report

Capital Structure

Throughout the year, we maintained a prudent and cautious approach to our capital structure. We redeemed an aggregate outstanding principal amount of USD1,682.3 million consisting of 4.5% notes due in 2023 and 5.1% notes due in 2024. Additionally, we settled several bank borrowings following the completion and handover of West Side Place (Towers 3 and 4) in Melbourne and the disposal of the office component of the Kai Tak development in Hong Kong.

As at 31 March 2024, our cash and liquidity position amounted to approximately HK\$4.9 billion (as at 31 March 2023: HK\$6.5 billion). Moreover, our undrawn banking facilities stood at approximately HK\$5.1 billion, and we continue to hold 4 unencumbered hotels valued at approximately HK\$536 million, along with approximately HK\$6.1 billion in various unsold inventory. These assets could be monetised or used as collateral to raise additional funds. Furthermore, we persistently review our portfolio of non-core assets and remain open to the possibility of monetising certain assets should the terms be considered favorable.

The adjusted net gearing ratio⁽ⁱ⁾, a non-GAAP financial measure, stood at 68.1% as at 31 March 2024. Including the equity of Palasino Group attributable to our Group, in which we hold a 73.21% stake as at 31 March 2024, with an unrealised value of our stake in Palasino of approximately HK\$2.7 billion, the Group's proforma adjusted net gearing ratio⁽ⁱ⁾, also a non-GAAP financial measure, was calculated to be 63.0%.

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.

Post Year-End

In April 2024, the Group's stake in Palasino Group decreased from 73.21% to 72.07% following the partial exercise of the over-allotment option from the initial public offering.

In May 2024, the Group entered into an agreement to dispose of a car park in the UK with consideration of approximately GBP 17.24 million. For details, please refer to the Group's announcement dated 14 May 2024.

Aspen at Consort Place in London has initiated the handover process in May 2024 while Hyll on Holland in Singapore has initiated the handover process in June 2024.

In June 2024, BC Invest issued its tenth RMBS offering, raising AUD530 million which was supported by a range of international and Australian institutions and credit funds. This RMBS is backed by first mortgage loans to Australian resident and non-resident prime borrowers, secured by Australian residential properties.



The view from Aspen at Consort Place, London

Joint Managing Directors' Report

Corporate Governance and Environmental, Social and Governance

We acknowledge the critical importance of proactive engagement in sustainable practices and the transformation of climate change initiatives into viable business opportunities. To bolster its commitment to climate-related financial disclosures, the Group has enlisted the services of a professional entity, proficient in the TCFD framework, and aspires to generate enduring impacts while encouraging others to embark on the path to a more sustainable and robust future.

We have continued to dedicate significant efforts and resources towards advancing our ESG priorities and objectives. Maintaining a strong focus on sustainable and responsible business practices remains a key strategic imperative for our organisation. During the financial year, we have received multiple awards recognising our exceptional performance in the realm of ESG initiatives.

Furthermore, we maintain that exemplary corporate governance is indispensable for fostering sustainable development. We engage in proactive investor communication and uphold a high degree of transparency with our stakeholders. Our dedication to investor relations, corporate governance, and corporate social responsibility has been acknowledged with several international distinctions over the course of the year including:

- "Elite Award on Community Caring Awards of Organisation Sub-category" from the "Hong Kong Institute of Human Resource Management (HKIHRM) Excellence Awards 2023/24";
- Three awards from the "Best HR Awards by CTgoodjobs", including "Gold Prize on Best Change Leadership Strategy", "Gold Prize on Best ESG Award" and "Gold Prize on Best Corporate Social Responsibility Award";
- "Award of Excellence ESG" from the "The Hong Kong Corporate Governance and ESG Excellence Awards";
- Five awards from the "FinanceAsia's Best Companies Poll 2023", including "Best CEO in Hong Kong", "Best Real Estate Company in Hong Kong" and "Best Small Cap Company in Hong Kong";
- Three awards from the "HKIRA 2023 9th Investor Relations Awards", including "Best IR Company", "Best Investor Meeting" and "Best Annual Report";
- Three awards from the "iNova Awards 2023", including "Gold award on Investor/Shareholder Relations", "Silver award on ESG Reports" and "Bronze award on Corporate Websites: Communication";
- Three awards from the "The 1st CRECCHKI Real Estate ESG Awards GBA 2023", including "Outstanding Performance – Green Design", "Outstanding Performance – Green Finance" and "Outstanding Performance – Green Finance – Chairman's Pick of Excellence";
- Titanium Award from the "The Asset ESG Corporate Awards 2023";
- Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Industry) – Visionary Sustainability-linked Loan Performance Metrics from the "HKQAA Hong Kong Green and Sustainable Finance Awards 2023"; and
- Three awards from the "13th Asian Excellence Award 2023", including "Asia's Best CEO: Tan Sri Dato' David Chiu, Chairman and Chief Executive Officer"; "Asia's Best CFO: Mr. Boswell Cheung, Chief Financial Officer and Company Secretary"; and "Best Investor Relations Company".

Joint Managing Directors' Report

Prospects

In the current global economic climate, the Group has maintained a prudent and cautious approach while steadfastly committing to the planning, development, and construction of our residential and hotel projects, as well as the strategic refinement of our portfolio.

Over the years, we have strategically expanded our asset portfolio across various regions to diversify our presence, which has yielded fruitful outcomes and satisfactory revenue streams. The persistent demand for the residential properties we develop on a global scale is a testament to the ongoing population growth and our robust regional teams' deep understanding of legal frameworks and jurisdictions, positioning us favourably to capitalise on this expansion.

As at 31 March 2024, the Group's cumulative attributable presales and unbooked contracted sales amounted to HK\$11.5 billion, with projects progressing as planned. In the forthcoming months, we anticipate the completion and initiation of several landmark projects, which are expected to contribute significantly to our revenue and cash flows.

The initial phase of Queen's Wharf Brisbane is slated to commence operations in second half of FY2025, with The Star's gaming operations under this project scheduled to begin concurrently, which is anticipated to yield a positive impact on the Group's financials.

Looking forward to FY2025, we aim to launch several projects, including The Pavilia Forest in Kai Tak, Hong Kong, and 640 Bourke Street in Melbourne, Australia. These projects will enhance our portfolio significantly. Moreover, we are actively collaborating with local authorities on the next phase of the Victoria North Masterplan and the GBP300 million mixed-use development project in Trafford, Greater Manchester.

In the first half of FY2024, both the Ritz-Carlton Melbourne and Dorsett Melbourne in Melbourne, Australia were in their ramp-up phases, with substantial improved performance in the second half of the FY2024 and we expect a full contribution to the Group's earnings in FY2025. As at 31 March 2024, we have 8 hotels under construction, and within the next 24 months, we anticipate the addition of 2,000 hotel rooms to our portfolio. Our flagship 373-room hotel, Dorsett Kai Tak, Hong Kong in Hong Kong, is poised to open in the coming months. Furthermore, Dorsett Alpha Square Canary Wharf and Dao by Dorsett North London in London, the UK are scheduled to open their doors in FY2025.

Our car park and facilities management business has demonstrated remarkable resilience amidst the challenges of the past year. We remain committed to our strategy of divesting or phasing out underperforming or matured assets while securing management contracts to transition towards an asset-light model and reduced leverage.

The successful spin-off of our gaming operations under Palasino Group is expected to embark on a new trajectory of growth in the future. The Palasino Group is poised to attract a broader customer base. It has entered into an MOU with a strategic partner to explore additional operating prospects in May 2024 and reinstated its online gaming license in Malta with the impending soft launch of our online services in FY2025. The forthcoming opening of Queen's Wharf Brisbane in late 2024 is expected to be another robust source of cash flow.

Despite macroeconomic challenges, we hold an optimistic outlook for FY2025, which we anticipate will be another fruitful year. This optimism is anchored in our ongoing investment in strategic initiatives and the gradual resurgence of the global economy.

Winnie CHIU

*Joint Managing Director and
Executive Director*

Wendy CHIU

*Joint Managing Director and
Executive Director*

27 June 2024

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 70, 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 40 years' experience in property development and extensive experience in hotel development. In his business career, he established a number of highly successful business operations 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. In August 2023, Tan Sri Dato' David CHIU has been appointed as the chairman and a non-executive director of Palasino Holdings Limited (stock code: 2536). Tan Sri Dato' David CHIU was the vice-chairman and a non-executive director of i-CABLE Communications Limited (stock code: 1097) until May 2023.

In regard to Tan Sri Dato' David CHIU's devotion to community services in Mainland China and Hong Kong, he was appointed as the member of the 12th and 13th, and standing committee member of the 14th Chinese People's Political Consultative Conferences and the vice chairman of All-China Federation of Industry and Commerce (from 2017 to 2022). 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 9th 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 director 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 and Joint Managing Director of the Company) and Ms. Jennifer Wendy CHIU (Executive Director and Joint Managing 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)

Mr. HOONG, aged 55, 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 certain Subsidiaries. Besides, he is a non-independent and non-executive director of Land & General Berhad, a company listed on the Bursa Malaysia. Mr. HOONG was a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, until March 2017 and a non-executive director of i-CABLE Communications Limited (stock code: 1097) until May 2023. In August 2023, Mr. HOONG was appointed as a non-executive director of Palasino Holdings Limited (stock code: 2536).

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.

Profile of Directors and Senior Management

MR. DENNIS CHIU, B.A.

(Executive Director)

Mr. CHIU, aged 65, 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 the immediate past chairman (chairman from 2018 to 2021) of The Federation of Hong Kong Business Associations Worldwide of 47 Hong Kong Business Associations in 36 countries and regions with over 11,000 individual associates; and the chairman of Hong Kong Singapore Business Association ("HSBA"). He was the president of HSBA from 2014 to 2018. In addition, he is a patron and adviser of Ayer Rajah-Gek Poh, West Coast Group Representation Constituency Singapore; and governor of Harrow International School Bangkok since 2004. He was also involved in other charitable organisations, including Yan Chai Hospital and Ju Ching Chu English College Limited, previously. In 2022, he has been awarded The Public Service Medal (PBM) for his contribution to the community.

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 and Joint Managing Director of the Company) and Ms. Jennifer Wendy CHIU (Executive Director and Joint Managing Director of the Company).

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

(Executive Director)

Mr. WILLIAMS, aged 72, 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, BBS, JP

(Executive Director and Joint Managing Director)

Ms. Winnie CHIU, aged 44, was appointed as an Executive Director of the Company in June 2019 and Joint Managing Director of the Company in January 2024. She obtained a Bachelor of Science degree in Business Management from King's College London, University of London in 2003. She was awarded Bronze Bauhinia Star in July 2024 and was appointed Justice of the Peace of the HKSAR in July 2016. She became an Honorary Fellow of The Hong Kong Academy for Performing Arts and the Vocational Training Council respectively in 2017.

Ms. Winnie CHIU first joined the Group in 2005 as Director of Property Development, a position she held until 2008. She was appointed President and Executive Director of Dorsett Hospitality International in November 2011 and June 2010, respectively, to oversee its overall business operations, strategic growth, and development. She was appointed Chairperson of Dorsett Hospitality International in January 2024. She is currently also the Chairman of AGORA Hospitality Group Co., Ltd. (9704.T), listed on the Tokyo Stock Exchange, and an Independent Director of Prenetics Global Limited (PRE), listed on Nasdaq.

Ms. Winnie CHIU's extensive community and professional involvement includes being a member of the electoral college for the election of Hong Kong deputies to the 12th National People's Congress in 2012; a member of the 2017 and 2021 Chief Executive Election Committees (representing Hotel, First Sector); an advisor to The Federation of Hong Kong Hotel Owners since 2012; an Honorary Vice President of the GHM (Guangdong Hong Kong Macao) Hotel General Managers Society since 2013; a committee member of the Betting and Lotteries Commission from 2017 to 2019; a Business Facilitation Advisory Committee member from 2018 to 2020; and the Primary Company Representative of the Hong Kong General Chamber of Commerce.

Profile of Directors and Senior Management

Ms. Winnie CHIU has been Vice Chairman of the Greater Bay Area Homeland Youth Community Foundation since 2019; a Council Member of The University of Hong Kong, and a member of the Election Complaint Committee and Information Technology Committee since 2022; a founding member of the Committee of Overseers of Wu Yee Sun College, The Chinese University of Hong Kong, since 2014; a Council Member of the Vocational Training Council and Board Member of VTC Enterprises since 2023; a member of the International Advisory Council in China of the Singapore Management University since 2024; and an Observer of the University of Manchester's Global Advisory Board since 2024.

Ms. Winnie CHIU was Chairman of the Council, Hong Kong Art School from 2016 to 2023; Joint-President, Society of The Academy for Performing Arts from 2014 to 2023; Vice Chairperson, The Friends of the Hong Kong Arts Centre from 2015 to 2024; a Board Member of the Hong Kong Philharmonic Orchestra from 2010 to 2019 and the Chair of the Hong Kong Philharmonic 50th Anniversary Gala in 2024; a Board Member of the Hong Kong Arts Centre from 2013 to 2023; a Board Member of the Hong Kong Arts Festival Society from 2016 to 2019; and a Director of the Asian Youth Orchestra from 2011 to 2024.

Ms. Winnie CHIU has been a member of the Mega Arts and Cultural Events Committee since 2023; a member of the Advisory Committee on Built Heritage Conservation since 2023; a Council Member of The Better Hong Kong Foundation since 2013; an advisor to Our Hong Kong Foundation since 2015; an Advisory Board Member of the Hong Kong Academy for Wealth Legacy since 2023; a member of the Hospital Governing Committee of Hong Kong Children's Hospital since 2024; a Board Member and Vice Patron of The Community Chest from 2018 to 2024 and since 2024, respectively; a member of Y.Elites Association Limited; a member of the Hong Kong United Youth Association; and a Board Member of the Hong Kong Committee for UNICEF from 2016 to 2018.

Ms. Winnie CHIU is a strong supporter of the Greater Bay Area's new economy ecosystem; she has been a Management Team Member of Beyond Ventures since September 2021 and an Advisory Committee Member of Alibaba Entrepreneurs Fund (Greater Bay Area) since July 2021.

Previously, Ms. Winnie CHIU worked at Credit Suisse and Mayland.

Ms. Winnie CHIU is the daughter of Tan Sri Dato' David CHIU (Executive Director, Chairman and Chief Executive Officer of the Company), sister of Ms. Jennifer Wendy CHIU (Executive Director and Joint Managing Director of the Company), and niece of Mr Dennis CHIU (Executive Director of the Company). She is also a director of various Subsidiaries.

MS. JENNIFER WENDY CHIU

(Executive Director and Joint Managing Director)

Ms. Wendy CHIU, aged 41, was appointed as an Executive Director and a Joint Managing Director of the Company in January 2024. She joined the Group in September 2005, establishing the Group's inaugural interior design department and subsequently taking the helm as Project Director of all major property developments in June 2016. Currently, Ms. Wendy CHIU is the Managing Director, Global Project of the Company, where she oversees all pipeline property developments within the Group's global portfolio while managing the Company's construction companies in the United Kingdom and Australia. She is also a director of various Subsidiaries.

During her tenure with the Group, Ms. Wendy CHIU has led the successful delivery of numerous residentials, hotels and large scale mixed-use developments across Mainland China, Hong Kong, the United Kingdom, Australia, Malaysia and Singapore. Ms. Wendy CHIU has also delivered a number of widely-recognised hotels including Ritz-Carlton Melbourne, Ritz-Carlton Perth and numerous Dorsett hotels. She brings 18 years of extensive experience, including greenfield, brownfield, conversion and renovation, alteration and addition, adding substantial value to the Group. She is actively involved in all stages of each development project – from inception and feasibility studies through to project design, statutory submissions, construction and final completion, licensing and handover.

Profile of Directors and Senior Management

Ms. Wendy CHIU graduated from the University of Southern California, she holds a bachelor's degree in Business Management with a focus in entrepreneurship.

Ms. Wendy CHIU is the daughter of Tan Sri Dato' David CHIU (Executive Director, Chairman and Chief Executive Officer of the Company), sister of Ms. Wing Kwan Winnie CHIU (Executive Director and Joint Managing Director of the Company) and the niece of Mr. Dennis CHIU (Executive Director of the Company).

MR. KWONG SIU LAM

(Independent Non-executive Director)

Mr. LAM, aged 90, 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 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. WAI HON AMBROSE LAM

(Independent Non-executive Director)

Mr. Ambrose LAM, aged 70, was appointed as an Independent Non-executive Director of the Company in August 2022. He is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Arts (Honours) degree in Economics & Accounting from University of Newcastle Upon Tyne in England.

Mr. Ambrose LAM has over 40 years of experience in professional accounting, merchant banking and financial services and has served in senior management roles in a number of major international banking and financial institutions.

Mr. Ambrose LAM is currently an executive director of Quam Plus International Financial Limited (formerly known as "China Tonghai International Financial Limited", stock code: 952); a non-executive director of Sunac China Holdings Limited (stock code: 1918); and an independent non-executive director of Pacific Online Limited (stock code: 543) and Playmates Toys Limited (stock code: 869). During the previous three years, Mr. Ambrose LAM served as an independent non-executive director of Genting Hong Kong Limited (stock code: 678) and resigned on 18 January 2022.

Profile of Directors and Senior Management

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

(Independent Non-executive Director)

Mr. SHEK, aged 79, 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 from January 2017 to December 2022. 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 the Honorary Member of Court of The Hong Kong University of Science and Technology, the Court and the Council Member of The University of Hong Kong, the Court Member of City University of Hong Kong, the Court Member of Hong Kong Metropolitan University, a member of the executive committee of Hong Kong Sheng Kung Hui Welfare Council Limited and St. Simon's social services, the first director (non-remunerated) of Construction Charity Fund Integrated Service Centre Limited and an executive committee member (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) Chuang's Consortium International Limited (stock code: 367); (c) NWS Holdings Limited (stock code: 659); (d) Chuang's China Investments Limited (stock code: 298); (e) ITC Properties Group Limited (stock code: 199); (f) China Resources Building Materials Technology Limited (formerly known as "China Resources Cement Holdings Limited", stock code: 1313); (g) Lai Fung Holdings Limited (stock code: 1125); (h) Cosmopolitan International Holdings Limited (stock code: 120); (i) Everbright Grand China Assets Limited (stock code: 3699); (j) CSI Properties Limited (stock code: 497); (k) Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (stock code: 1881); (l) Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (stock code: 2778); (m) Shin Hwa World Limited (formerly known as "Landing International Development Limited", stock code: 582); (n) Hao Tian International Construction Investment Group Limited (stock code: 1341); and (o) Alliance International Education Leasing Holdings Limited (formerly known as "International Alliance Financial Leasing Co., Ltd.", stock code: 1563).

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/were listed on the Stock Exchange: SJM Holdings Limited (stock code: 880, until May 2021), Lifestyle International Holdings Limited (stock code: 1212, which the company has been privatised with its listing status voluntary withdrawn in December 2022) and Country Garden Holdings Company Limited (stock code: 2007, until March 2024). He has been the independent non-executive director, was appointed as vice chairman and re-designated to executive director in March 2021, and was re-designated from vice chairman to chairman of the board of Goldin Financial Holdings Limited (stock code: 530) (In Liquidation) which the company has been cancelled listing on 31 October 2023.

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 over 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.



EMBRACE THE UNKNOWN CHANGE FOR CHANCES



Five-Year Financial Summary

	For the year ended 31 March				2024 HK\$'000
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	
RESULTS					
Revenue	7,450,604	5,943,694	5,895,636	6,478,958 ⁽ⁱⁱ⁾	10,203,679
Profit before taxation	837,321	1,265,827	1,853,727	729,748	585,437
Income tax expense	(286,340)	(460,087)	(343,191)	(349,536)	(134,736)
Profit for the year	550,981	805,740	1,510,536	380,212	450,701
Basic earnings per share (HK cents)	14.1 ⁽ⁱ⁾	20.8 ⁽ⁱ⁾	49.2 ⁽ⁱ⁾	6.4	8.2
ASSETS AND LIABILITIES					
	As at 31 March				2024 HK\$'000
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	
Total assets	41,779,991	49,900,788	54,804,316	53,422,780	47,261,297
Total liabilities	(27,466,257)	(32,846,525)	(36,894,384)	(37,774,568)	(32,389,953)
Non-controlling interests	14,313,734	17,054,263	17,909,932	15,648,212	14,871,344
Owners' funds	14,023,067	16,680,933	17,533,321	15,258,728	14,583,163

Notes:

- (i) The historical basic earnings per share of the Group was adjusted and restated for the bonus issue in September 2022.
(ii) Revenue has been restated as gross revenue, outlining figures before gaming tax.



Victoria Riverside, Manchester

Management Discussion and Analysis



The Pavilia Forest, Hong Kong

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2024 was approximately HK\$10.2 billion, an increase of 57.5% as compared with FY2023, with improvement in both property development business and recurring income businesses. Revenue from the Group's gaming business has been restated as gross revenue, outlining figures before gaming tax. Adjusted gross profit⁽ⁱ⁾, a non-GAAP financial measure, increased 61.4% to approximately HK\$3.2 billion as compared with HK\$2.0 billion for FY2023. 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
FY2024						
Revenue	6,834,270	2,031,147	731,589	402,403	204,270	10,203,679
Gross profit	1,742,386	581,610	127,917	172,288	160,556	2,784,757
Depreciation	-	336,701 ^(iv)	24,123 ^(iv)	6,292	-	367,116
Adjusted gross profit ⁽ⁱ⁾	1,742,386	918,311	152,040	178,580	160,556	3,151,873
Adjusted gross profit margin ⁽ⁱ⁾	25.5%	45.2%	20.8%	44.4%	78.6%	30.9%
FY2023						
Revenue	3,566,135	1,547,965 ⁽ⁱⁱⁱ⁾	754,298	390,404 ^{(iii)(iv)}	220,156	6,478,958 ⁽ⁱⁱⁱ⁾
Gross profit	677,475	510,295 ⁽ⁱⁱⁱ⁾	144,137	163,200 ⁽ⁱⁱⁱ⁾	173,396	1,668,503
Depreciation	-	275,552 ^{(iii)(iv)}	1,303 ^(iv)	7,406 ⁽ⁱⁱⁱ⁾	-	284,261
Adjusted gross profit ⁽ⁱ⁾	677,475	785,847 ⁽ⁱⁱⁱ⁾	145,440	170,606 ⁽ⁱⁱⁱ⁾	173,396	1,952,764
Adjusted gross profit margin ⁽ⁱ⁾	19.0%	50.8% ⁽ⁱⁱⁱ⁾	19.3%	43.7% ⁽ⁱⁱⁱ⁾	78.8%	30.1%

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) Restated gaming revenue as gross gaming revenue which added back the gaming tax amounted HK\$133 million for FY2023.
- (iii) Reclassified the revenue and relevant results of Hotel Savannah from gaming operations to hotel operations and management for FY2023.
- (iv) Excludes depreciation of leased properties under HKFRS 16.

Management Discussion and Analysis

Revenue from sales of properties amounted to approximately HK\$6,834 million in FY2024, an increase of 91.6% as compared with FY2023. Major contributors to the revenues were West Side Place (Towers 3 and 4) in Melbourne, Hornsey Town Hall in London, New Cross Central and MeadowSide (Plots 2 and 3 – The Gate and The Stile) in Manchester, and sale of other inventories in Mainland China, Hong Kong and Australia as well as revenue recognition over time of Hyll on Holland in Singapore and Dorsett Place Waterfront Subang in Malaysia. A portion of revenue from the sale of Consort Place social/affordable housing and Collyhurst social/affordable housing in the UK with low margin was also recognised during the year.

In FY2024, the Group recorded a gross profit of approximately HK\$1,742 million from the sales of properties, reflecting a 25.5% gross profit margin. This represents an increase as compared with FY2023, primarily attributed to property sales in Australia with higher profit margin was recorded for FY2024 as compared with FY2023.

Revenue from hotel operations and management continued to grow strongly in FY2024, increased by 31.2% to approximately HK\$2,031 million as compared with FY2023. Adjusted gross profit⁽ⁱ⁾, a non-GAAP financial measure, for the Group's hotel operations and management increased 16.9% to approximately HK\$918 million and adjusted gross profit margin⁽ⁱ⁾, a non-GAAP financial measure, decreased to 45.2% in FY2024 from 50.8% in FY2023 as a result of the launch of our new hotels in Australia, which were in a ramp-up phase in first half of FY2024 and improved in second half of FY2024.

Car park operations and facilities management revenue decreased slightly by 3.0% year-on-year to approximately HK\$732 million in FY2024. This decline can be attributed to the unfavourable movement in foreign currency exchange rates. Despite this, the core business witnessed a steady improvement in revenue. Adjusted gross profit⁽ⁱ⁾, a non-GAAP financial measure, of approximately HK\$152 million was achieved for FY2024 and the adjusted gross profit margin⁽ⁱ⁾, a non-GAAP financial measure, slightly increased to 20.8% in FY2024 from 19.3% in FY2023.



Palasino successfully listed on the Main Board of the Stock Exchange

The Group's gaming business under Palasino has been successfully listed on the Main Board of the Stock Exchange on 26 March 2024. As at 31 March 2024, the Group held a controlling stake of 73.21% and currently holds a controlling stake of 72.07% in Palasino after the partially exercise of the over-allotment option in April 2024. Revenue from the Group's gaming business for FY2024 and FY2023 has been restated as gross revenue, outlining figures before gaming tax and reclassified the revenue and relevant results of Hotel Savannah from gaming operations business to hotel operations and management business, at HK\$402 million and HK\$390 million, respectively, indicating a year-on-year increase of 3.1%. The increase was primarily driven by the increase in gaming appetite and spending of our patrons. Adjusted gross profit⁽ⁱ⁾, a non-GAAP financial measure, of approximately HK\$179 million was recorded for FY2024 and adjusted gross profit margin⁽ⁱ⁾, a non-GAAP financial measure, was at 44.4%.

The Group's overall performance in FY2024 was impacted by several factors, including (i) the decline in foreign exchange rates against the Hong Kong dollar; (ii) the rise of finance costs; (iii) the increase in selling and marketing expenses due to recognition of sales commission upon the completion of West Side Place (Towers 3 and 4) in Melbourne and more aggressive marketing initiatives on various projects; and (iv) the compensation income of HK\$475 million in relation to a settlement agreement in FY2023 which was a one-off event. Despite this, both property development business and recurring income businesses have reported a growth in revenue and satisfactory performance during FY2024.



West Side Place, Melbourne

Management Discussion and Analysis

Profit attributable to shareholders of the Company recorded at HK\$226 million for FY2024, an increase of 31.3% as compared with HK\$172 million for FY2023. Adjusted cash profit⁽ⁱ⁾, a non-GAAP financial measure, was approximately HK\$780 million for FY2024, an increase of 35.5% from HK\$576 million recorded for FY2023.

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.

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 2024.

Consolidated statement of financial position	As at 31 March 2024 HK\$'million	As at 31 March 2023 HK\$'million
Bank loans, notes and bonds		
Due within 1 year ⁽ⁱ⁾	12,674	21,389
Due 1–2 years	3,420	3,728
Due 2–5 years	10,563	6,177
Due more than 5 years	1,105	980
Total bank loans, notes and bonds	27,762	32,274
Investment securities	1,742	2,114
Bank and cash balances ⁽ⁱⁱⁱ⁾	3,178	4,431
Liquidity position	4,920	6,545
Net debts⁽ⁱⁱⁱ⁾	22,842	25,729
Carrying amount of the total equity ^(iv)	14,871	15,648
Add: hotel revaluation surplus ^(v)	18,682	19,236
Adjusted total equity^(vi)	33,553	34,884
Adjusted net gearing ratio^(vii) (net debts to adjusted total equity^(vii))	68.1%	73.8%
Net debt to adjusted total assets^(vi)	34.6%	35.4%
Proforma adjusted net gearing ratio^{(vii)(vii)} (net debts to adjusted total equity)^(vi)	63.0%	N/A

Notes:

- (i) Includes an amount of approximately HK\$1,914 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 2024 and 31 March 2023, except Dorsett Melbourne carried out its valuation in November 2023.
- (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.
- (vii) Accounts for the equity value of Palasino Group attributable to the Group, the unrealised value of the Group's stake in Palasino, of which the Group owned 73.21% as at 31 March 2024 in addition to the adjusted net debts previously detailed in (vi).

Management Discussion and Analysis

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 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 approximately 53%.

The liquidity position of the Group as at 31 March 2024 was approximately HK\$4.9 billion. The Group's adjusted total equity⁽ⁱⁱ⁾, a non-GAAP financial measure, as at 31 March 2024 was approximately HK\$33,553 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK\$18,682 million, which is based on independent valuations assessed as at 31 March 2024, except Dorsett Melbourne which carried out its valuation in November 2023, and includes the 2019 Perpetual Capital Notes. The adjusted net gearing ratio⁽ⁱⁱ⁾, a non-GAAP financial measure, of the Group stood at a healthy level of 68.1% as at 31 March 2024 as compared with 73.8% as at 31 March 2023.

The adjusted net gearing ratio⁽ⁱⁱ⁾, a non-GAAP financial measure, has recorded a decrease and is primarily attributed to a reduction in debt levels driven by various initiatives taken, including (i) repayment of approximately HK\$1,019 million of its 4.5% USD Medium Term Notes 2023 in May 2023; (ii) repayment of approximately HK\$2,821 million of its 5.1% USD Medium Term Notes 2024 in January 2024; (iii) the completion of the disposal of the office component of the Kai Tak development in Hong Kong in March 2024, for a consideration of HK\$3.38 billion, resulting in the reduction of debt level following receipt of the sale proceeds at completion along with the add-on costs; (iv) the completion of West Side Place (Towers 3 and 4) in Melbourne with revenue amounted approximately HK\$3.5 billion being utilised to repay the construction loan; (v) completion on several projects in Hong Kong and the UK further contributed to debt reduction; and (vi) divested the non-core assets such as Sheraton Grand Mirage Resort on the Gold Coast, Australia, (the Group owns 25% stake), the remaining units of Dorsett Bukit Bintang in Malaysia and a car park in New Zealand, with proceeds in aggregate of approximately HK\$1.2 billion.



Sheraton Grand Mirage Resort, Gold Coast

Palasino's successful listing on the Main Board of the Stock Exchange, the market value of approximately HK\$4.2 billion as at 31 March 2024 in which the Group held a controlling stake of 73.21% as at 31 March 2024 (before the exercise of over-allotment option), has further enhanced the Group's gearing. Taking into account the equity of Palasino Group attributable to the Group, the unrealised value of the Group's stake in Palasino of approximately HK\$2.7 billion, the Group's proforma adjusted net gearing ratio⁽ⁱⁱ⁾, a non-GAAP financial measure, was 63.0%.

The Group is expected to enhance its financial position by executing various debt reduction initiatives which focus on reducing its finance costs as follows:

- Completion of several landmark projects with a total expected attributable GDV of approximately HK\$9.3 billion, particularly Hyll on Holland in Singapore, Queen's Wharf Residences (Tower 4) in Brisbane, Perth Hub in Perth, Aspen at Consort Place in London, and Victoria Riverside in Manchester. Aspen at Consort Place in London and Hyll on Holland in Singapore has initiated the handover process in May and June 2024, respectively. A visible cash flow is set to contribute to debt reduction;
- Continue to monetise its existing inventory, particularly West Side Place (Towers 3 and 4) in Melbourne, along with active selling campaigns across Australia, the UK, and Hong Kong. Contracted sales will be completed for Manor Parc and Mount Arcadia in Hong Kong, amounting to approximately HK\$1.3 billion in aggregate in FY2025;

Management Discussion and Analysis

- Actively selling its non-core assets including smaller hotels and mature car park assets. The Group signed an agreement to dispose a car park in the UK for a consideration of approximately GBP17.24 million in May 2024. In addition, the Group is considering to dispose of long-lease residential blocks in Baoshan, Shanghai, with one parcel for raw land sale and the other to be developed into approximately 1,200 units within two years;
- Upcoming launch of several development projects, namely The Pavilia Forest in Hong Kong and 640 Bourke Street in Melbourne, which have a total expected attributable GDV of approximately HK\$10.4 billion in aggregate; and
- Capital raising initiatives for BC Invest are being evaluated, considering the need for new capital due to the business's growth trajectory. Discussions are ongoing, with an appointed adviser guiding the process.

	As at 31 March 2024 HK\$ million	As at 31 March 2023 HK\$ million
The Company's notes	476	4,463
Unsecured bank loans	6,449	5,849
Secured bank loans		
– Property development and investment	8,298	10,894
– Hotel operations and management	12,083	10,189
– Car park operations and facilities management	374	417
– Gaming operations	61	70
– Others	21	392
Total bank loans, notes and bonds	27,762	32,274

As at 31 March 2024, total bank loans, notes and bonds amounting to approximately HK\$27,762 million, recorded a HK\$4,512 million or 14.0% decrease as compared with 31 March 2023.

Bank loans, notes and bonds, denominated in:	As at 31 March 2024	As at 31 March 2023
HKD	60.7%	60.8%
AUD	15.1%	13.7%
SGD	4.5%	5.7%
GBP	11.6%	3.2%
USD	–	13.8%
RMB	7.3%	2.1%
Others	0.8%	0.7%
	100%	100%

Most of the countries or cities the Group has operations in have entered into their interest rate hike period. As at 31 March 2024, the primary currency of indebtedness for the Group's bank loans, notes, and bonds was the Hong Kong dollar, representing about 60.7%. Other significant currency debts included the Australian dollar, Singapore dollar, Great British pound, and Renminbi, accounting for approximately 15.1%, 4.5%, 11.6%, and 7.3%, respectively. Indebtedness in US dollars, primarily in notes and bonds, has been fully repaid during the year. With property development projects in the UK reaching completion, there was an uptick in construction loans denominated in Great British pounds. To optimise funding costs, the Group engaged in swapping several bank borrowings to Renminbi for lower financing expenses. In FY2024, the average interest rate for bank loans increased to 6.09% from 3.87% in FY2023. As at 31 March 2024, 97.3% (as at 31 March 2023: 85.4%) of the Group's bank loans, notes, and bonds were tied to floating rates, while the rest were at fixed rates.

Management Discussion and Analysis

As at 31 March 2024, the Group's bank loans, notes and bonds which were due within 1 year was approximately HK\$12,674 million. Of this amount, (i) approximately HK\$4,408 million were secured corporate, hospitality and car park loans, expected for rollover or refinancing to longer maturities; (ii) approximately HK\$1,102 million in secured development loans, with approximately HK\$289 million settled post year end and approximately HK\$584 million to be repaid from the presales proceeds upon settlement, alongside approximately HK\$229 million that has been or is expected to be refinanced for a longer maturity; (iii) approximately HK\$4,381 million were unsecured corporate loans, with approximately HK\$1,140 million repaid post year end and approximately HK\$3,241 million are being rolled over; (iv) HK\$869 million will be repaid in accordance with the repayment schedule; and (v) HK\$1,914 million were in relation to long-term bank loans with a repayable on demand clause and therefore being classified as current liabilities.

As at 31 March 2024, the Group's undrawn banking facilities stood at approximately HK\$5.1 billion. Of this amount, approximately HK\$1.7 billion is allotted to development/construction facilities while the balance of approximately HK\$3.4 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 good financial position to fund not only its existing business and operations but also its sustainable growth going forward.

In addition, a total of 4 hotel assets were unencumbered as at 31 March 2024, the capital value of which amounted to approximately HK\$536 million based on independent valuation assessed as at 31 March 2024. The Group has other assets unencumbered such as unsold completed residential inventory amounting to HK\$6.1 billion. This can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

As a matter of policy, with the exception of certain construction financings, the Group tends to not hedge the interest rate on its outstanding debt. Notes and bonds tend to have fixed rates whilst bank loans tend to have fixed margins over and above the relevant banking benchmark rates. The Group remains committed to a proactive strategy of recycling capital and monetising assets to ensure that the indebtedness ratios remain relatively stable and interest expenses do not become an excessive drag on the operating results.

Management Discussion and Analysis

3. Foreign exchange management

In FY2024, the contribution from the Group's non-Hong Kong operations was influenced by the movement of foreign currencies against the Hong Kong dollar. The table below sets forth the exchange rates of the Hong Kong dollar against the local currency of countries where the Group has significant operations:

Rate	As at 31 March 2024	As at 31 March 2023	Change
HK\$/AUD	5.08	5.26	(3.4)%
HK\$/RMB	1.08	1.14	(5.3)%
HK\$/MYR	1.65	1.77	(6.8)%
HK\$/GBP	9.84	9.70	1.4%
HK\$/CZK	0.33	0.36	(8.3)%
HK\$/SGD	5.79	5.91	(2.0)%
Average rate for	FY2024	FY2023	Change
HK\$/AUD	5.17	5.56	(7.0)%
HK\$/RMB	1.11	1.19	(6.7)%
HK\$/MYR	1.71	1.82	(6.0)%
HK\$/GBP	9.77	9.98	(2.1)%
HK\$/CZK	0.35	0.36	(2.8)%
HK\$/SGD	5.85	5.85	–

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 FY2024 is analysed below:

Increase to the Group's profit attributable to shareholders for FY2024 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the year:

	HK\$ million
AUD	39.4
RMB	5.2
MYR	2.1
GBP	(0.5)
CZK	(0.2)
SGD	(0.1)
Total impact	45.9

The movement in foreign currencies also had an impact on the balance sheet position of the Group. As net assets value 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 would have been approximately HK\$451 million higher as at 31 March 2024 assuming exchange rates remained constant during FY2024.

Management Discussion and Analysis

4. Net asset value per share

	As at 31 March 2024 HK\$ million	As at 31 March 2023 HK\$ million
Equity attributable to shareholders of the Company	11,680	12,355
Add: Hotel revaluation surplus	18,682	19,236
Adjusted net asset value attributable to shareholders⁽ⁱ⁾	30,362	31,591
Number of shares issued (million)	2,818	2,706
Adjusted net asset value per share⁽ⁱ⁾	HK\$10.77	HK\$11.67

After adjusting for the revaluation surplus on hotel assets of approximately HK\$18,682 million based on independent valuation assessed as at 31 March 2024, except Dorsett Melbourne which carried out its valuation in November 2023, adjusted net asset value attributable to shareholders⁽ⁱ⁾, a non-GAAP financial measure, was approximately HK\$30,362 million. Adjusted net asset value per share⁽ⁱ⁾, a non-GAAP financial measure, for the Company as at 31 March 2024 was approximately HK\$10.77.

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.



The view from Perth Hub, Perth

Management Discussion and Analysis

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 FY2024, the Group's capital expenditures amounted to approximately HK\$1,413 million, primarily attributable to (i) Dorsett Kai Tak, Hong Kong in Hong Kong; (ii) Dorsett Alpha Square Canary Wharf in London, the UK; (iii) Dao by Dorsett North London in London, the UK; (iv) Dorsett Perth in Perth, Australia; and (v) Ritz-Carlton Melbourne and Dorsett Melbourne in Melbourne, Australia. The capital expenditures were funded through a combination of borrowings and internal resources.

6. Capital commitments

The Group continued to carefully monitor its capital commitments in order to optimise its investments and outgoings. The table below provides a summary of the Group's capital commitments:

	As at 31 March 2024 HK\$ million	As at 31 March 2023 HK\$ million
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of		
– hotel properties	500	1,224
– investment properties	236	320
Commitment to provide credit facility to a JV	273	75
Capital injection to investment funds	69	99
	1,078	1,718

As at 31 March 2024, the Group's capital commitments amounted to approximately HK\$1,078 million, primarily attributable to the following hotel developments: (i) hotels under the Queen's Wharf Brisbane development in Brisbane, Australia; (ii) The Star Residences – Epsilon on the Gold Coast, Australia; (iii) Dorsett Alpha Square Canary Wharf in London, the UK and (iv) Dao by Dorsett North London in London, the UK. The capital commitment will be financed through a combination of borrowings and internal resources. All of these hotel developments are in the final stage of construction. It is expected that their capital expenditure are substantially reduced in the next financial year.



West Side Place, Melbourne

Management Discussion and Analysis

BUSINESS REVIEW

1. Property division

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

Property development

The Group has a diversified portfolio of residential property developments in Australia, Mainland China, Hong Kong, Singapore, Malaysia and the UK, which are largely focused on the mass residential market. Our strong regional diversification reduces volatility and allows us to take advantage of different property cycles. 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 and the partnership with MCC. In August 2023, the Group has been selected as preferred bidder by Greater Manchester Combined Authority and Trafford Metropolitan Borough Council to act as development partner to deliver a GBP300 million mixed-use development on the site of the former Greater Manchester Police Headquarters in Trafford, Greater Manchester. Additionally, in August 2023, the Group has been granted permission for two planning applications covering the next phase of its Victoria North JV with MCC. 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 and unbooked contracted sales amounted to approximately HK\$11.5 billion as at 31 March 2024. Most presales proceeds are not reflected in the Group's consolidated statement of profit or loss until the relevant projects are completed. The following table sets out a breakdown of the Group's total cumulative attributable presales value and the cumulative unbooked contracted sales of residential properties as at 31 March 2024.

Developments	Location	Attributable presales HK\$ million	Actual/expected financial year of completion
Projects under presales			
Queen's Wharf Residences (Tower 4) ⁽ⁱⁱⁱ⁾	Brisbane	1,494	FY2025
Queen's Wharf Residences (Tower 5) ⁽ⁱⁱⁱ⁾	Brisbane	2,199	FY2028
Perth Hub	Perth	710	FY2025
The Star Residences – Epsilon (Tower 2) ⁽ⁱⁱⁱ⁾	Gold Coast	537	FY2026
Aspen at Consort Place	London	1,903	FY2025
Consort Place – Social/Affordable Housing ⁽ⁱ⁾	London	78	FY2025
Victoria Riverside – Crown View	Manchester	921	FY2026
Victoria Riverside – City View	Manchester	258	FY2025
Victoria Riverside – Park View	Manchester	568	FY2025
Victoria Riverside – Bromley Street	Manchester	77	FY2025
Collyhurst Village	Manchester	186	FY2025 – FY2027
Red Bank Riverside – Falcon	Manchester	110	FY2028
Hyll on Holland ^{(ii)(iv)}	Singapore	526	FY2025
Cuscaden Reserve ^{(ii)(v)}	Singapore	38	FY2025
Dorsett Place Waterfront Subang ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	Subang Jaya	272	FY2025 – FY2026
Sub-total		9,877	

Management Discussion and Analysis

Developments	Location	Attributable contracted sales HK\$ million
Contracted sales of completed projects		
West Side Place (Towers 1 and 2)	Melbourne	76
West Side Place (Tower 3)	Melbourne	123
West Side Place (Tower 4)	Melbourne	160
Hornsey Town Hall	London	7
MeadowSide – The Gate and The Stile	Manchester	14
New Cross Central	Manchester	4
Royal Riverside	Guangzhou	5
Manor Parc ^(vi)	Hong Kong	535
Mount Arcadia ^(vi)	Hong Kong	724
Sub-total		1,648
Total		11,525

Notes:

- (i) Excludes contracted presales already recognised as revenue up to 31 March 2024.
- (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.
- (vi) The settlement of the contracted sales is expected in FY2025.

As at 31 March 2024, the expected attributable GDV of the Group's active residential property development projects under various stages of completion across the regions was approximately HK\$65.2 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				
640 Bourke Street	556,000	4,087	FY2025	Planning
Perth				
Perth Hub	230,000	803	Launched	FY2025

Management Discussion and Analysis

Developments	Attributable saleable floor area ⁽ⁱ⁾ Sq. ft.	Expected attributable GDV ⁽ⁱⁱⁱ⁾ HK\$ million	Status/ expected launch	Expected financial year of completion
Brisbane				
Queen's Wharf Brisbane ⁽ⁱⁱⁱ⁾				
– Tower 4	253,000	1,494	Launched	FY2025
– Tower 5	353,000	2,331	Launched	FY2028
– Tower 6	169,000	1,218	Planning	FY2028
Gold Coast				
The Star Residences ^(iv)				
– Tower 2 – Epsilon	109,000	537	Launched	FY2026
– Towers 3 to 5	374,000	1,840	Planning	Planning
Hong Kong				
The Pavilia Forest ^(v)	230,000	6,353	FY2025	FY2026
Lam Tei, Tuen Mun	383,000	6,320	Planning	Planning
Ho Chung, Sai Kung ^(vi)	19,000	472	Planning	FY2027
Sai Ying Pun ^(vii)	75,000	1,871	FY2026	FY2028
London				
Aspen at Consort Place	380,000	4,224	Launched	FY2025
Consort Place – Social/Affordable Housing	101,000	78	Launched	FY2025
Hornsey Town Hall Affordable Housing	6,000	19	Planning	Planning
Ensign House	290,000	3,283	Planning	Planning
Ensign House – Affordable Housing	112,000	451	Planning	Planning
Manchester				
MeadowSide (Plot 4)	244,000	1,202	Planning	Planning
Victoria North ^(viii)				
– Victoria Riverside – Crown View	223,000	992	Launched	FY2026
– Victoria Riverside – City View	85,000	258	Launched	FY2025
– Victoria Riverside – Park View	149,000	568	Launched	FY2025
– Victoria Riverside – Bromley Street	39,000	167	Launched	FY2025
– Collyhurst Village	153,000	419	Launched	FY2025 – FY2027
– Collyhurst Village Social/Affordable Housing	104,000	342	Launched	FY2025 – FY2027
– Red Bank Riverside – Falcon	131,000	653	Launched	FY2028
– Red Bank Riverside – NT02-NT04	1,077,000	5,299	Planning	FY2027 – FY2030
– Network Rail	1,532,000	7,537	Planning	Planning
– Others	967,000	4,759	Planning	Planning
Singapore				
Hyll on Holland ^(ix)	34,000	526	Launched	FY2025
Cuscaden Reserve ^(x)	12,000	276	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang ^(xi)	392,000	766	Launched	FY2025 – FY2026
Total developments pipeline as at 31 March 2024	8,782,000	59,145		

Management Discussion and Analysis

Developments	Attributable saleable floor area ⁽ⁱ⁾ Sq. ft.	Expected attributable GDV ⁽ⁱⁱⁱ⁾ HK\$ million	Status/ expected launch	Expected financial year of completion
Completed developments available for sale				
Melbourne				
West Side Place				
– Towers 1 and 2	207,000	966		
– Tower 3	159,000	710		
– Tower 4	260,000	1,182		
Perth				
The Towers at Elizabeth Quay	86,000	610		
London				
Hornsey Town Hall	14,000	117		
Manchester				
MeadowSide – The Gate and The Stile	17,000	99		
New Cross Central	5,000	21		
Shanghai				
King's Manor	10,000	69		
The Royal Crest II	2,000	14		
District 17A	5,000	27		
Guangzhou				
Royal Riverside	13,000	53		
Hong Kong				
Marin Point	45,000	527		
Manor Parc	46,000	648		
Mount Arcadia	50,000	1,029		
Total completed developments available for sale as at 31 March 2024	919,000	6,072		
Total pipeline and completed developments available for sale as at 31 March 2024	9,701,000	65,217		

Notes:

- (i) The figures represent approximate saleable floor area which may vary subject to finalisation of development plans.
- (ii) The amounts represent expected GDV attributable to the Group, which may change subject to market conditions.
- (iii) Total saleable floor area of this development is approximately 1,550,000 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 460,000 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 total saleable floor area and GDV figures are estimated figures and subject to approval from URA.
- (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 242,000 sq. ft.. The Group has 80% interest in the development.
- (x) Total saleable floor area of this development is approximately 170,000 sq. ft.. The Group has 10% interest in the development.
- (xi) Total saleable floor area of this development is approximately 1,054,000 sq. ft.. The Group has 50% interest in the development.

Management Discussion and Analysis

Australia

Melbourne

West Side Place is a mixed-use residential development located in the 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\$9.9 billion.

The development consists of two hotels, including a luxury Ritz-Carlton hotel of 257 rooms in Tower 1 which opened on 23 March 2023 and a Dorsett brand hotel of 316 rooms in Tower 3 which opened on 18 April 2023. 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 approximately HK\$4.9 billion. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$966 million, and sales and settlements have continued post FY2024.



West Side Place, Melbourne

Tower 3 and Tower 4 have been completed and commenced handover process in early April 2023. Tower 3 is comprised of 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK\$2.3 billion. As at 31 March 2024, the expected GDV of completed stocks available for sale was HK\$710 million. Of this amount, approximately HK\$123 million have been secured as contracted sales. Tower 4 is comprised of 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of approximately HK\$2.7 billion. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$1.2 billion. Of this amount, approximately HK\$160 million have been secured as contracted sales. A significant cash flow was recorded from this development during the FY2024, and sales and settlements have continued post FY2024.

640 Bourke Street, located in Melbourne adjacent to the West Side Place and Upper West Side, is a mixed-use development comprising luxury residential apartments and retail spaces. The project will reach 70 levels, feature high-end 1-, 2-, and 3- bedroom apartments. Once completed, it will provide 608 residential units, 430 sq. m. of retail space and 294 car park bays, with a total saleable floor area of approximately 556,000 sq. ft., and a total expected GDV of HK\$4.1 billion. Together with West Side Place and Upper West Side, 640 Bourke Street will form a continuous stretch of mixed-use developments across three consecutive city blocks, significantly contributing to the revitalisation of the western edge of the CBD.

Management Discussion and Analysis

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in total saleable floor area of residential apartments and a luxury Ritz-Carlton hotel of 205 rooms. As at 31 March 2024, the expected GDV of the completed stocks available for sale was approximately HK\$610 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 projects and features 314 residential apartments, with total expected GDV of approximately HK\$803 million and approximately 260 hotel rooms to be operated by Dorsett. As at 31 March 2024, the Group has presold HK\$710 million worth of units. The project is expected to be completed in FY2025.

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

Brisbane

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

- (i) an integrated resort component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are made progressively, commencing from signing of the QWB Project documents and up to completion of the QWB Project which is expected to be completed in FY2025; and
- (ii) a residential component owned 50% by the Group and 50% by CTF.



Perth Hub, Perth



Construction at Queen's Wharf Brisbane, Brisbane

Management Discussion and Analysis

Together with the Group's portion of the land premium for the residential component of the QWB Project, the Group's total capital commitment is approximately AUD360 million, which the Group has funded a significant portion from its internal resources. The QWB Project encompasses a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane and envisages three residential towers, three world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development gross floor area of the QWB Project is expected to be approximately 387,000 sq. m., of which approximately 144,000 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 total expected GDV of approximately HK\$3.0 billion (attributable GDV of HK\$1.5 billion). All residential units were presold as at 31 March 2024 and completion of the development is expected in FY2025.

The Group launched the Queen's Wharf Residences (Tower 5) in FY2022. Tower 5 is across the street from Tower 4 and will house 866 residential apartments with a total saleable floor area of approximately 707,000 sq. ft. and with a total expected GDV of approximately HK\$4.7 billion. After its launch in March 2022, the project received a strong response. As at 31 March 2024, the Group has presold HK\$4.4 billion (attributable GDV of HK\$2.2 billion) worth of units. Completion of the development is expected to be in FY2028.

Tower 6 is considered to be another residential tower and features 315 residential apartments, with a total saleable floor area of approximately 337,000 sq. ft. and a total expected GDV of HK\$2.4 billion.

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 on the Gold Coast, in which the Group has a 33.3% interest.

The first tower of the development features a 313-room Dorsett hotel which opened in December 2021 and 422 residential apartments with a total saleable floor area of approximately 300,000 sq. ft. and a total expected GDV of approximately HK\$1.4 billion. All units of the first tower were completed and settled in FY2023.

Epsilon, the second tower of the development, will feature a 202-room five-star hotel and approximately 440 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a total expected GDV of approximately HK\$1.6 billion (attributable GDV of HK\$537 million). All residential units were presold as at 31 March 2024 and completion of the development is expected in FY2026.

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

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai, over the years. The development is comprised of a diversified portfolio of residences, including low-rise and high-rise apartments as well as townhouses. The development consists of two phases, namely King's Manor and Royal Crest II. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$110 million. These units are expected to continue to make a contribution to the Group's revenue and profit.

Situated on the riverside, Royal Riverside in Guangzhou is a 5-tower residential development. The entire development has been completed. As at 31 March 2024, the expected GDV of completed stocks available for sale was HK\$53 million. These units are expected to continue to make a contribution to the Group's revenue and profit.



Queen's Wharf Residences – Tower 4, Brisbane



California Garden, Shanghai

Management Discussion and Analysis

Hong Kong

The Group built its development pipeline in Hong Kong over the years through the acquisition of redevelopment sites, participating in government tenders and participating in URA tenders.

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. The development has been completed. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$527 million. 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 total expected GDV of HK\$716 million. The development has been completed. As at 31 March 2024, the expected GDV of completed stocks available for sale was HK\$648 million. Of this amount, approximately HK\$535 million has been secured as contracted sales and is expected to be settled in FY2025. The remaining units will be sold on a completed basis.

Mount Arcadia is a residential development site situated on Tai Po Road featuring 62 apartments and 4 houses and has a total saleable floor area of approximately 84,000 sq. ft.. The total expected GDV of the 62 apartments is approximately HK\$1.4 billion. Construction of the project has been completed. As at 31 March 2024, the expected GDV of completed stocks available for sale for apartments was approximately HK\$1.0 billion. Of this amount, approximately HK\$724 million secured as contracted sales and expected to be settled in FY2025. The remaining apartments will be sold on a completed basis.



Mount Arcadia, Hong Kong

In November 2021, the Group formed a JV which is held as to 50% by the Group to acquire another Kai Tak site for residential development – The Pavilia Forest. It will feature 1,305 residential apartments, with a total saleable floor area of approximately 460,000 sq. ft. and a total expected GDV of approximately HK\$12.7 billion. Subject to the market conditions, the development is expected to launch for presales in FY2025 and is slated to complete in FY2026.



The Pavilia Forest, Hong Kong

The Group acquired a site in Lam Tei, Tuen Mun in June 2021. The project is currently under planning phase, and overall strategies and timeline are under review. The development with a total expected GDV estimated at HK\$6.3 billion and total saleable floor area of approximately 383,000 sq. ft., is subject to planning approval.

Management Discussion and Analysis

The Group formed a JV, in which the Group holds a 33.3% stake, to acquire another residential site in Ho Chung, Sai Kung, in September 2021. This residential development will feature 26 high-end houses with total saleable floor area of approximately 58,000 sq. ft. and a total expected GDV of approximately HK\$1.4 billion (attributable GDV of HK\$472 million). Construction of this development has begun and is slated to complete in FY2027.

In September 2022, the Group acquired the development right, through a tender conducted by URA, for a land that covers a site area of about 1,077.3 sq. m. at Sai Ying Pun, Hong Kong. The Group intends to develop the land into a mixed residential and commercial development with expected saleable floor area of approximately 75,000 sq. ft. and 2,800 sq. ft. respectively. The development obtained its building plan approval and started foundation works.

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 Group signed a contract to sell the remaining stock of 130 units for approximately MYR120 million in May 2023 and completed the transaction in September 2023.

Dorsett Place Waterfront Subang, adjacent to the esteemed 5-star hotel Dorsett Grand Subang, is a development which the Group holds a 50% interest. The development consists of three blocks and will offer 1,989 fully-serviced suites. The revenue of this project have been recognised according to the progress of development. As at 31 March 2024, total presold value of HK\$545 million (attributable GDV of HK\$272 million) was recorded and the completion of the development is expected in FY2025-FY2026.



Dorsett Bukit Bintang, Kuala Lumpur

United Kingdom

London

Aspen at Consort Place is a mixed-use development site located at Marsh Wall, Canary Wharf in London. It comprises 502 residential units, 139 affordable housing units, a 231-room hotel, and commercial spaces, spanning a total saleable floor area of approximately 481,000 sq. ft.. As at 31 March 2024, the total presold value of residential units amounted to approximately HK\$1.9 billion, whereas the affordable housing units were presold for approximately GBP43 million in FY2022. The handover process is set to commence for the lower floor residential units in first half of FY2025, progressing to higher floors, with phased completion expected.



Aspen at Consort Place, London

Management Discussion and Analysis

In North London, Hornsey Town Hall is a mixed-use redevelopment project entailing the transformation of an existing town hall into a hotel/serviced apartment tower with communal areas, alongside a residential segment. It comprises 135 residential units spanning a total saleable floor area of approximately 108,000 sq. ft., along with 11 social/affordable units. This development also encompasses a commercial and office component, occupying approximately 84,000 sq. ft.. Construction of the development is completed and handover process was initiated in FY2023. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$117 million. Of this amount, approximately HK\$7 million have been secured as contracted sales. The handover process is slated to continue in FY2025.



Hornsey Town Hall, London

The Group has persisted in expanding its business presence and bolstering its development portfolio in the UK. In February 2020, an agreement was reached for the acquisition of Ensign House in Canary Wharf, London, positioned adjacent to Aspen at Consort Place. Ensign House is intended to evolve into a residential tower comprising around 390 residential units, featuring a total saleable floor area of approximately 290,000 sq. ft., with a total expected GDV of approximately HK\$3.3 billion. The project has successfully secured planning approval.

Manchester

Victoria North is a mega-scale regeneration development project in Manchester and one of the largest regeneration projects in the UK. The project is a JV between the Group and MCC spanning an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria Station and covering the neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. This project has the potential to deliver approximately 20,000 new homes over the next decade, providing an optimal mix of high-quality housing and social infrastructure, 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 Victoria North strategic regeneration framework was approved by the MCC in February 2019 providing an illustrative masterplan in order to outline how development proposals within Victoria North will come forward.

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 investing over GBP30 million in assets, which will be developed into individual projects as the overall masterplan evolves. This includes the acquisition of 20 acres of land from Network Rail in July 2019.

The Victoria North project is expected to provide the Group with a significant and stable, long-term pipeline within the UK. As at 31 March 2024, the Group has already secured planning consent for several land plots within the Victoria North district, 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.

The Group completed New Cross Central, the first development under Victoria North within the New Cross neighbourhood in February 2023, comprising of 80 residential units with a total saleable area of approximately 62,000 sq. ft. and a total expected GDV of approximately HK\$256 million. Construction of the development is completed, with handovers initiated in FY2023. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$21 million. Of this amount, approximately HK\$4 million has been secured as contracted sales. Handover of the remaining homes is expected to continue in FY2025.



New Cross Central, Manchester

Management Discussion and Analysis

Victoria Riverside is situated within the Red Bank neighbourhood of Victoria North and is 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. Currently on site and being delivered, it will be a predominantly residential development, incorporating a high-quality public realm with commercial and leisure use at ground floor and will become a set of new landmark buildings for the area. The development features three towers comprising approximately 596 units and 38 townhouses, with total saleable floor area of approximately 495,000 sq. ft. and a total expected GDV of approximately HK\$1.9 billion.



Victoria Riverside, Manchester

Crown View features 275 residential units with a total saleable floor area of approximately 223,000 sq. ft. and a total expected GDV of approximately HK\$992 million. It was launched in late September 2022 and total presold value of HK\$921 million was recorded as at 31 March 2024. City View 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 for a consideration of approximately GBP26 million. Park View features 193 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a total expected GDV of approximately HK\$568 million. All units have been presold as at 31 March 2024. The project is expected to be completed in FY2025. Bromley Street consists of 38 townhouses with a total saleable floor area of approximately 39,000 sq. ft. and a total expected GDV of approximately HK\$167 million. It was launched in March 2023 and total presold value of HK\$77 million was recorded as at 31 March 2024.

Collyhurst Village is another of the initial phases of the Victoria North masterplan. This development consists of 144 private residential units with approximately 153,000 sq. ft. in total saleable floor area and a total expected GDV of HK\$419 million. It also includes 130 affordable housing units with approximately 104,000 sq. ft. in total saleable floor area and a total expected GDV of HK\$342 million. The development was launched in FY2023 and is expected to be completed over a series of phased handovers between FY2025 to FY2027.

In August 2023, the Group secured planning permission for two significant planning applications covering the next phase of its Victoria North JV with MCC. The approval unlocks the Group's ambitions to deliver approximately 4,800 new homes in the emerging Red Bank neighbourhood. Red Bank is one of the first of seven neighbourhoods being regenerated as part of the GBP5 billion Victoria North project.

The vision for the Red Bank centres around a "Wild Urbanism" concept which promotes the benefits of high-density living within the nature of the River Irk Valley to create a unique city neighbourhood. Over 12 acres of new and improved river parkland, green space and public realm will be created to support an inclusive, sustainable urban neighbourhood. The buildings will be delivered to a high sustainability standard, with the proposals outlining plans for the installation of solar panels, heat pumps and green and brown roofs.

Management Discussion and Analysis

The Group has acquired over 30 acres of land in Red Bank and, alongside the two secured planning consents, consolidates the Group's development pipeline in the neighbourhood for the next 10 years. The first, an outline planning approval, is for the delivery of up to 3,250 homes and more than 160,000 sq. ft. of non-residential floor space to be earmarked for commercial uses, a health centre, primary school, residential amenities and community spaces. The outline approval has a total expected GDV of approximately HK\$9.8 billion.

The second approval is for a full planning application for the Group's next phase of delivery on Red Bank Riverside adjacent to the 634-home Victoria Riverside scheme. This will see the delivery of 7 buildings varying in height between 6 and 34 storeys and comprising 1,551 homes covering approximately 1,208,000 sq. ft. and with an expected GDV of approximately HK\$6.0 billion, as well as a new high street that will include approximately 20,000 sq. ft. of commercial and retail space. Red Bank Riverside is expected to commence ground works in FY2025, with phased completions of the plots from FY2027 through to FY2030. Falcon, one of the residential towers within the Red Bank Riverside, has been launched in March 2024 which features 189 residential units with total saleable floor area of approximately 131,000 sq. ft. and a total expected GDV of HK\$653 million.



Red Bank Riverside - Falcon, Manchester

Elsewhere within the Manchester regional business, the Group has continued to see completions at MeadowSide which is the Group's first major residential development in Manchester.

The project is located adjacent to NOMA which is one of the major Grade A commercial office and employment areas of the city and sits on the doorstep of the Group's Victoria North development. The development features 4 Plots (Plots 2, 3, 4 and 5) comprising approximately 756 apartments with approximately 560,000 sq. ft. of total saleable floor area and residential amenities, arranged around the historic Angel Meadow Park near Victoria Station, one of the major transportation hubs of the city.

Plot 2 – The Gate and Plot 3 – The Stile have a total saleable floor area of approximately 217,000 sq. ft. and a total expected GDV of approximately HK\$927 million. Handover was initiated smoothly in March 2022. As at 31 March 2024, the expected GDV of completed stocks available for sale was approximately HK\$99 million. Of this amount, approximately HK\$14 million has been secured as contracted sales.



MeadowSide, Manchester

Plot 5 – Mount Yard has a total saleable area of approximately 99,000 sq. ft. and a total expected GDV of approximately HK\$403 million. All units of the development were completed and settled.

Plot 4 has been granted planning permission to build a 40-storey residential building. The Group is currently assessing and exploring opportunities to increase gross floor area and enhance GDV given the location's ever evolving nature.

In August 2023, following a twelve-month selection process, the Group was delighted to be selected by public sector partners, the Greater Manchester Combined Authority and Trafford Metropolitan Borough Council, as their development partner for the former Greater Manchester Police Headquarters site on Chester Road in Old Trafford.

Management Discussion and Analysis

Situated in a high-profile location, the nine-acre site is close to the home of Manchester United football club and other regional sports stadiums including Old Trafford Cricket Ground. With an estimated GDV of approximately GBP322 million, the site has the potential to deliver approximately 750 new homes including affordable housing units, a 250-room hotel, a multi storey car park and around 30,000 sq. ft. of ground floor commercial space, along with new public open space to support the new community and match day spikes in visitor footfall to the area. The project therefore has the potential to enhance a range of complementary Group business units.

The site is close to key existing public transport nodes including the Trafford Bar Metrolink stop and is less than ten minutes from Manchester City Centre and the employment and media hub of Salford Quays, which are both less than ten minutes away by tram. The Group is currently in the process of completing the relevant formalities which should conclude in early 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 in the development with an attributable saleable floor area of approximately 194,000 sq. ft.. The sales of this project have been recognised according to the progress of development. As at 31 March 2024, all 319 residential units were sold out with the attributable unbooked presale amounting to approximately HK\$526 million. In June 2024, the development has initiated the handover process.



Hyll on Holland, Singapore

Cuscaden Reserve is a residential development site in the prime area of District 9 in Singapore. The Group has a 10% interest in the project. It is expected to provide approximately 17,000 sq. ft. in attributable saleable floor area and completion of the development is expected in FY2025.

Property investment

The Group's property investments comprise investments in retail and office buildings primarily situated in Hong Kong, Mainland China, Singapore, the UK and Australia. In FY2024, a fair value gain on investment properties of approximately HK\$455 million was recorded. As at 31 March 2024, the valuation of investment properties was approximately HK\$6.1 billion (as at 31 March 2023: approximately HK\$8.1 billion).

The Group acquired a piece of land in Kai Tak, Hong Kong 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 Dorsett hotel with 373-room, namely Dorsett Kai Tak, Hong Kong, as well as some retail space. The office portion of the development was disposed for HK\$3.38 billion and the transaction was completed in March 2024. As a result of receipt of the sale proceeds at completion along with the add-on costs as stipulated in the sales and purchase agreement of the disposal, debt level has reduced.

Previously, the Group acquired two sites in Baoshan, Shanghai slated for the development of residential blocks for leasing purposes. Construction work has been initiated on one of the sites in December 2021, boasting a lettable floor area of approximately 573,000 sq. ft., set to offer approximately 1,200 units. Completion of this development is anticipated to be in FY2025. The other site is awaiting construction commencement and is expected to offer approximately 2,600 accommodation units. The Group is considering to divest the residential blocks as part of its non-core assets disposal strategy.



Office component of the Kai Tak development, Hong Kong

Management Discussion and Analysis



Dorsett Kai Tak, Hong Kong

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”, the newly launched upper upscale “Dao by Dorsett”, the upscale “d.Collection” which features boutique hotels with unique identities, as well as the mid-scale “Silka” brand for streamlined, cost-efficient stays.

As at 31 March 2024, the Group owned a total of 32 hotels, including the wholly-owned Dorsett Group, Palasino Group and the Ritz-Carlton hotels in Perth and Melbourne, as well as the partially-owned Dorsett Gold Coast on the Gold Coast in Australia and Dao by Dorsett AMTD in Singapore, making for a total of approximately 8,400 rooms. These hotels are located in Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As at 31 March 2024, the Group also managed 3 other hotels in Malaysia with a combined total of 879 rooms.

On 23 March 2023, the Group opened Ritz-Carlton Melbourne, a 257-room luxury hotel, which represents the second Ritz-Carlton developed and opened by the Group in Australia. The Group then opened the Dorsett Melbourne with 316 rooms on 18 April 2023, marks the second Dorsett branded hotel in Australia. The hotels are both located within the West Side Place development, a mixed-use development in the CBD of Melbourne. As at 31 March 2024, the Group had 8 hotels under its development pipeline, which will offer approximately 2,000 upcoming rooms.



Ritz-Carlton Melbourne

As part of the Group’s commitments to reduce debt level and gearing ratio and divest some of its non-core assets, the Group, through its 25% owned JV completed the sale of Sheraton Grand Mirage Resort on the Gold Coast, Australia for AUD192 million.

Management Discussion and Analysis

The operating performance of the Group's owned hotels for FY2024 is summarised by region as follows. The results of hotels by region are expressed in the respective local currency and Hong Kong dollars.

	Occupancy rate		Average room rate			Revenue per available room			Revenue	
	FY2024	FY2023	FY2024 (LC)	FY2023 (LC)	% Change	FY2024 (LC)	FY2023 (LC)	% Change	FY2024 (LC'million)	FY2023 (LC'million)
Hong Kong (HK\$)	88.1%	64.7%	730	916	(20.3%)	643	593	8.4%	715	654
Malaysia (MYR)	56.6%	50.3%	225	231	(2.6%)	127	116	9.5%	97	74
Mainland China (RMB)	62.8%	44.7%	360	265	35.8%	226	118	91.5%	189	122
Singapore (SGD) ⁽ⁱ⁾	83.8%	78.9%	209	200	4.5%	175	158	10.8%	22	19
United Kingdom (GBP)	78.8%	71.8%	129	122	5.7%	102	87	17.2%	16	15
Australia (AUD) ⁽ⁱⁱ⁾	61.0%	73.7%	369	399	(7.5%)	225	294	(23.5%)	99	39
			(HK\$)	(HK\$)		(HK\$)	(HK\$)		(HK\$'million)	(HK\$'million)
Dorsett Group Total ⁽ⁱⁱⁱ⁾	73.5%	58.8%	783	820	(4.5%)	576	483	19.3%	1,869	1,411
Palasino Group Total ^(iv)	51.7%	49.0%	710	659	7.7%	372	324	14.8%	162	137

Notes:

- (i) Excludes Dao by Dorsett AMTD Singapore which is equity accounted.
- (ii) Excludes Sheraton Grand Mirage Resort and Dorsett Gold Coast which are equity accounted.
- (iii) Excludes hotels under Palasino Group but includes Ritz-Carlton Perth and Ritz-Carlton Melbourne.
- (iv) Restated the statistic to include Hotel Savannah for FY2023.

With the gradual lifting of COVID-19 related restrictions across the globe, the world has officially bid farewell to the era of COVID-19, ushering in a new chapter of optimism and resurgence for the global hospitality industry. However, even though the Group's hotel operations and management business across various regions has collectively exhibited positive growth trends, the financial results for hotel segment have not yet fully recovered to pre-COVID levels. Despite the strong rebound in business performance across the rest of the Group's global portfolio of hotels, the majority of its earnings continue to be derived from the hotel operations in Hong Kong, where the tourism industry has not yet fully recovered to pre-COVID levels. This reliance on the Hong Kong market, combined with the broader macroeconomic challenges of general inflation and rising financing costs, is reflected in our financial results for FY2024.

In FY2024, Dorsett Group's total revenue from hotel operations and management amounted to HK\$1,869 million, representing an increase of 32.5% as compared with HK\$1,411 million in FY2023. The overall OCC demonstrated a robust recovery, rose to 73.5% in FY2024 as compared with 58.8% in FY2023. The RevPAR increased by 19.3% to HK\$576 from HK\$483 in FY2023 despite a slight decrease in ARR to HK\$783 in FY2024.

The strong improvement in its operational statistics and financial results reflects the successful implementation of strategic initiatives aimed at optimising its service offerings, enhancing guest experiences, driving enhanced revenue management across our diversified hotel network and controlling costs. Looking ahead, the Group remain committed to building upon this positive momentum to further strengthen its competitive edge and deliver sustained and profitable growth.

Management Discussion and Analysis

Hong Kong

Throughout FY2024, the performance from the Group's hotels in Hong Kong have gradually stabilised and improved. This positive trend can be attributed to the full reopening of borders with Mainland China and the removal of all anti-pandemic measures at the beginning of the calendar year 2023.

In FY2024, revenues from Hong Kong hotel operations increased by 9.3% to HK\$715 million, which is especially noteworthy given the unique revenue structure of FY2023, when hotels served primarily as quarantine facilities under government schemes. It contributed approximately 35.2% of the Group's total hotel revenue. OCC in Hong Kong increased 23.4 percentage points to 88.1% while ARR decreased by 20.3% to HK\$730 as compared with FY2023, resulting in an increase of 8.4% in RevPAR to HK\$643.

Upon further examination of the tourism data, the total number of visitors to Hong Kong in FY2024 reached 40.8 million, with 32.1 million arrivals from Mainland China, reflecting a substantial 715% and 761% increase as compared with FY2023, respectively. With such notable growth, we anticipate that the continued recovery and expansion of tourism will bolster the performance of hotels in Hong Kong.

Dorsett Kai Tak, Hong Kong, the Group's flagship hotel in Hong Kong with 373 rooms, is expected to open and operate by Dorsett Group in the latter of 2024. Nestled in a parkland setting with dazzling views of the world-famous Victoria Harbour and Hong Kong's iconic Lion Rock, it will sit adjacent to Hong Kong's latest and largest world-class sports venue, the Kai Tak Sports Park, and offer a warm and sophisticated hospitality experience which echoes the marina lifestyle.

With the opening of this new hotel, as well as the ongoing recovery of Mainland China's tourism industry and the immense possibilities for deeper integration, we remain confident in the hospitality industry within Hong Kong's domestic market.



Construction at Dorsett Kai Tak, Hong Kong

Malaysia

As Malaysia continues to chart a path towards a post-pandemic recovery, the easing of COVID-19 restrictions has unleashed a pent-up demand for travel, both domestically and internationally, propelling the hospitality sector to new heights of success since the pandemic period. Total revenue from the Group's hotels in Malaysia recorded of MYR97 million, representing a 31.1% increase in FY2024 as compared with FY2023. OCC increased from 50.3% to 56.6%, while the ARR has experienced a slight dip from MYR231 to MYR225. RevPAR has nevertheless seen a commendable increase of 9.5% to MYR127 when compared to FY2023.

With the implementation of the visa-free policy between Malaysia and China, as well as the gradual recovery of international flights, we expect our hotels in Malaysia to experience even stronger growth in the coming year.

Management Discussion and Analysis

Mainland China

With the relaxation of travel restrictions and the resumption of international travel, the Group's hotels in Mainland China experienced a strong rebound in FY2024 after three years of suppressed performance due to the COVID-19 pandemic. In FY2024, the number of domestic tourist trips reached 5.09 billion, a year-on-year increase of 75%. Furthermore, following the reopening of borders at the beginning of calendar year 2023, Mainland China welcomed a total of 82 million inbound tourists over the course of the full calendar year 2023. Driven by the recovery of the tourism and conference markets, the total hotel revenue in Mainland China reached RMB189 million in FY2024, with a year-on-year growth of 54.9%. In terms of operating statistics, the OCC of hotels in Mainland China reached 62.8%, showing an increase in 18.1 percentage points as compared with FY2023. ARR increased 35.8% to RMB360 in FY2024, and resulted in a 91.5% rise in RevPAR to RMB226 in FY2024 as compared with FY2023.

Overall, the hotel industry in Mainland China has shown resilience and adaptability in the face of the COVID-19 pandemic. In the calendar year of 2023 and 2024, the Chinese government expanded its unilateral visa-free policies to include but not limited to eleven European countries such as France, Germany, Italy, the Netherlands, Spain, Switzerland and Ireland. At the same time, the Chinese government also signed mutual visa-free agreements with several Southeast Asian countries, including Malaysia, Singapore and Thailand. With the supportive measures from the Chinese government, including the relaxation of travel restrictions and the broadening of visa-free policies, hotel business in Mainland China are gradually rebounding and positioning themselves for long-term growth.

Singapore



Dorsett Singapore



Dao by Dorsett AMTD Singapore

In FY2024, Dorsett Singapore, our 285-room hotel in downtown Singapore, has recorded an increase in OCC to 83.8% from 78.9% as compared with FY2023. ARR has also experienced an uplift rising to SGD209 in FY2024 from SGD200 in FY2023 and resulted in a boost in the RevPAR to SGD175 in FY2024 from SGD158 in FY2023. As a result, the total revenue from Singapore hotel operations rose 15.8% to SGD22 million in FY2024 as compared with FY2023.

Management Discussion and Analysis

UK

With the opening of Dao by Dorsett West London in July 2022, we are currently offering two distinct types of accommodations in the UK, a stylish hotel and a serviced aparthotel. In FY2024, hotels in the UK saw good performance as compared with FY2023 or even the year pre-COVID-19. Total revenue from the UK operations grew to GBP16 million from GBP15 million in FY2023, OCC has climbed to 78.8% from 71.8% and ARR increased to GBP129 from GBP122. As a result, the RevPAR has increased by 17.2% to GBP102.

The new serviced aparthotel has allowed us to expand our footprint and diversify our offerings within the vibrant British hospitality landscape. Looking forward, we will be opening our third Dao by Dorsett branded serviced aparthotel, Dao by Dorsett North London in the fourth quarter of calendar year 2024 and another Dorsett branded hotel, Dorsett Alpha Square Canary Wharf in the first quarter of calendar year 2025 in London. By introducing these two new hotels, we believe we are able to cater to a wider range of guest preferences.

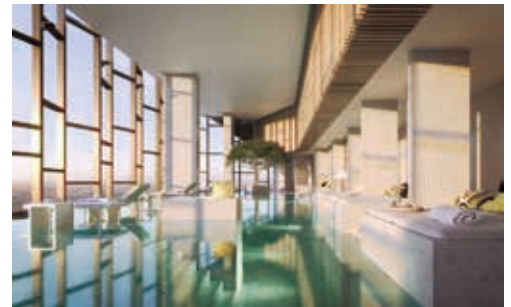


Dao by Dorsett West London

Australia

With the new opening of Ritz-Carlton Melbourne in March 2023 and Dorsett Melbourne in April 2023, and the disposal of Sheraton Grand Mirage Resort in November 2023, the Group owned 4 hotels in Australia as at 31 March 2024, the wholly-owned Ritz-Carlton Perth, Ritz-Carlton Melbourne, and Dorsett Melbourne, as well as the partially owned Dorsett Gold Coast.

Throughout FY2024, Ritz-Carlton Perth maintained a stable performance, but the introduction of the two new hotel additions into our portfolio resulted in a dilution of our overall OCC and ARR, as both of the new hotels are still in a ramp-up period. This led to OCC decreasing to 61.0% and ARR decreasing to AUD369. As a result, the RevPAR has decreased by 23.5% to AUD225. Nevertheless, the total revenue generated by the hotels in Australia has witnessed impressive growth, increased by 153.8% to AUD99 million from AUD39 million in FY2023.



Ritz-Carlton Melbourne

Several new hotels will be opening in Australia in the near future, which presents an exciting opportunity. These additions will not only elevate the hospitality landscape but also enrich the travel experiences for both local residents and international visitors exploring the diverse and vibrant regions of this dynamic country.

Continental Europe – Palasino Group

In March 2023, Palasino Group, which holds our hotels in Continental Europe has been successfully spun-off and listed on the Stock Exchange. Hotels under Palasino Group in Continental Europe have benefited from the lifting of government travel restrictions and have been able to welcome international guests starting in FY2023. At the same time, we are seeking to mitigate the impact of inflation, rising energy costs, and a shortage of labour in the hospitality industry in Continental Europe, all of which are important factors we have to take into account.

Results from Hotel Savannah has been reclassified to hotel business from gaming business. As a result, overall OCC increased 2.7 percentage points to 51.7% and ARR increased 7.7% to HK\$710, resulting in a 14.8% growth in RevPAR to HK\$372. Total revenue for hotels under Palasino Group increased to HK\$162 million in FY2024 as compared with HK\$137 million in FY2023.



Hotel Donauwelle, Austria

Management Discussion and Analysis

3. Car park operations and facilities management

The Group's car park operations and facilities management business, including car park operations that operate under the "Care Park" brand, with a portfolio of car park bays owned or managed amounting to approximately 124,000 car park bays as at 31 March 2024. Among the 416 car parks, 23 were self-owned car parks with 8,173 car park bays. The remaining car park bays in Australia, New Zealand, the UK, Hungary and Malaysia remain under management contracts with third-party car park owners.

In FY2024, the Group's revenue from car park operations and facilities management amounted to HK\$732 million, marking a 3.0% decrease as compared with FY2023. This decline was primarily driven by the unfavourable movement in foreign currency exchange rates. Despite this, the core business witnessed a steady improvement in revenue. With our continued commitment to improving operational efficiency and implementing cost-saving measures, we expect steady growth in car park revenues. Additionally, we will continue our monetisation strategy to monetise mature car parks, enabling us to reallocate capital into opportunities with superior internal rates of return.



Car park at Australia

4. Gaming operations and management

Palasino Group

The Group operates its portfolio of one integrated land-based casino and two full-service land-based casinos in the Czech Republic under Palasino Group which features slot machines and gaming tables. In March 2024, Palasino Group, which holds the Group's gaming operations and management business has been successfully spun-off and listed on the Stock Exchange.

Revenue from the gaming operations and management was primarily generated from slot machines whilst the remaining revenue were generated from table games. The Group's gaming operations in the Czech Republic have shown continuous growth, with a loyal customer base and consistent attendance. Performance of gaming operations has continued its growth trajectory, delivering satisfactory returns. Revenue from the Group's gaming business for FY2024 and FY2023 has been restated as gross revenue, outlining figures before gaming tax and the revenue and results from Hotel Savannah has been reclassified from gaming business to hotel businesses, with revenue at HK\$402 million and HK\$390 million for FY2024 and FY2023 respectively, indicating a year-on-year increase of 3.1%. This is primarily driven by the increase in revenue from the slot machine operations.

Palasino Group reactivated its online gaming licence in Malta in November 2023 and plans to conduct a soft launch of its service in FY2025 in Malta. Looking ahead, the Group remains optimistic about its gaming business and ability to capitalise on growth opportunities in the region.



Palasino Wulowitz, Czech Republic



Palasino's Listing Ceremony

Management Discussion and Analysis

The following tables set forth certain operating data of Palasino Group's casinos for the year ended 31 March 2024:

	As at 31 March 2024	As at 31 March 2023
Number of slot machines	568	560
Number of tables	62	59
	FY2024	FY2023
Slots revenue (HK\$ million)	322	300
Table game revenue (HK\$ million)	81	90
Average slot win per machine per day (HK\$) ⁽ⁱ⁾	1,631	1,657
Table hold percentage ⁽ⁱⁱ⁾	22.8%	21.3%

Notes:

- (i) Average slot win per machine per day is defined as divide the total slot machine gross win by the average number of slot machines on opening and closing and subsequently divide by the number of days the machines were operational.
- (ii) Table hold percentage is defined as total gross win in table game divided by the table games drop.

Investments in QWB Project

In March 2018, the Group entered into a strategic alliance agreement with The Star and CTF. Currently, the Group holds an approximately 2.81% equity stake in The Star, one of the two major casino operators in Australia, known for its dominant presence 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; and
- (iii) allowing the Group to increase its exposure to the QWB Project and benefit from The Star's future growth.

The Group owns 25% of the integrated resort under construction in Brisbane. Together with The Star and CTF, the Group is building three world-class hotels, high-end gaming facilities with VIP rooms, food and beverage outlets and more than 6,000 sq. m. of retail and dining space that will be operated by DFS Group, a global leader in retail operation.



Construction at Queen's Wharf Brisbane, Brisbane

The QWB Project is currently under construction, with its first stage expected to be completed and opened in FY2025.

Management Discussion and Analysis

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.

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.

Mortgageport Management Pty. Ltd., under BC Invest, is a leading non-bank lender, catering mostly to domestic borrowers. On 31 March 2023, BC Invest acquired the remaining portion of Mortgageport that it did not already own, resulting in full ownership.

BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio. BC Invest managed a total AUM of approximately AUD5.4 billion as at 31 March 2024. Net interest margin had slightly dropped to 1.19% in FY2024.

Though most of BC Invest's capital is provided by third parties, the Group has committed approximately AUD75 million and approximately GBP21 million as at 31 March 2024, which was classified as investment securities. Including interest income from funding, BC Invest contributed approximately HK\$33.2 million to the Group's profit in FY2024.

On the funding side, BC Invest continued to diversify its funding sources by tapping into the RMBS market. In April 2023, it issued a RMBS that raised AUD507 million which is backed by first mortgage loans to Australian resident borrowers, including self-managed super fund ("SMSF") prime borrowers. This was followed by another RMBS transaction in August 2023 raising AUD456 million. These transactions featured a proportion of Australian domestic and SMSF prime borrowers. These issuances signal a shift towards a largely resident borrower RMBS program mix. In October 2023, BC Invest successfully issued its ninth RMBS and raised AUD507 million. This transaction was backed by first mortgage loans to prime Australian resident borrowers, secured by mortgages over Australian residential properties. In June 2024, BC Invest issued its tenth RMBS offering, raising AUD530 million which was supported by a range of international and Australian institutions and credit funds. This RMBS is backed by first mortgage loans to Australian resident and non-resident prime borrowers, secured by Australian residential properties.

Management Discussion and Analysis

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group recognises the importance of taking action towards a sustainable future and turning climate change initiatives into sustainable business opportunities. To achieve this, the Group is developing a net zero strategy roadmap in line with the latest science around climate change. The Group will ensure the strategy aligns with internationally recognised standards and best practices and develops business as usual emissions projections for the purpose of short and long-term goal setting.

Furthermore, to strengthen its efforts in climate-related financial disclosures, the Group has engaged a professional party with expertise in the TCFD framework. This partnership will help ensure robust reporting and disclosure of climate-related risks and opportunities, enabling the Group to make informed decisions and transparently communicate its actions to stakeholders. Through these collective efforts, the Group strives to create a lasting impact and inspire others to join the journey towards a more sustainable and resilient future.

In July 2023, the Group obtained its second sustainability-linked loan facility for a tenor of 3 years, raising HK\$300 million in Hong Kong. In addition, the Group obtained a green facility in December 2023, raising HK\$600 million development-related green loan for its residential development located in Sai Ying Pun, Hong Kong. The Group anticipates the possibility of more upcoming green facilities in the future.

OUTLOOK

The past year has been a period of remarkable achievements, propelling the Group to new heights. The Group's persistent efforts over the years have culminated in a phase of fruitful returns. The Group anticipates that its core business activities will continue to flourish, projecting substantial revenue growth in the following 12 months.

In property development, projects including the Victoria Riverside in Manchester, Aspen at Consort Place in London, Perth Hub in Perth, and Queen's Wharf Residences in Brisbane, are approaching completion. The forthcoming settlements of these projects within the next 12 months are expected to generate robust revenue streams and strong cash flows, facilitating further deleveraging.

As at 31 March 2024, the Group's cumulative attributable presales and unbooked contracted sales have reached HK\$11.5 billion, ensuring a clear outlook on significant revenue contributions in the short to medium term. The launch of Red Bank Riverside – Falcon in Manchester, the UK under the Victoria North masterplan has been met with a satisfactory response since its introduction in March 2024.

In FY2025, the Group targets to launch several projects, including The Pavilia Forest in Kai Tak, Hong Kong and 640 Bourke Street in Melbourne, Australia. In addition, the Group is actively pursuing the next phase of the Victoria North Masterplan in Manchester, the UK and the GBP300 million mixed-use development project in Trafford, Greater Manchester, in collaboration with local authorities, which will further amplify its portfolio.

Management Discussion and Analysis

The recurring income businesses of the Group are well-positioned to sustain its growth, complemented by the addition of new hotels. As at 31 March 2024, the Group's portfolio will be enriched by the launch of 8 hotels set to open within the next 24 months, which will expand the footprint and reinforce long-term growth. The Dorsett Kai Tak, Hong Kong in Hong Kong, with its 373 rooms, is expected to open in late 2024. It will serve as the Group's flagship hotel and will be adjacent to the Kai Tak Sports Park. In conjunction with a sequence of events planned for the Kai Tak Sports Park, we anticipate that the Dorsett Kai Tak, Hong Kong will derive significant benefits from these developments.

In car park operations, the Group will continue its strategy to divest or phase out under-performing or matured assets while securing management contracts to transition towards an asset-light model and reduce leverage.

The gaming business under the Palasino Group presents numerous growth opportunities. Palasino Group has entered into an MOU with a strategic partner to explore additional operating prospects in May 2024. The online gaming license in Malta has been reinstated and the impending soft launch of the online gaming services in FY2025. This is designed to attract a broader customer base. The forthcoming opening of Queen's Wharf Brisbane in second half of FY2025 is anticipated to be another robust source of cash flow.

BC Invest continues a stable growth trajectory, with plans to introduce new products and target an expanded customer base. As a consistent RMBS issuer, BC Invest enjoys strong support from institutional investors, allowing BC Invest access to the bond market and favourable financing terms, even during market fluctuations. We are presently engaged in strategic dialogues to determine the future growth direction for BC Invest.

To preserve a robust financial standing, the Group is committed to optimising its balance sheet, refining its portfolio, and executing monetisation strategies for non-core assets to repay existing debt and mitigate debt levels amidst market volatility. With several landmark projects nearing completion and handover, visible cash flows are expected, which will contribute to the improvement of the Group's gearing and leverage ratios. Despite economic uncertainties, the Group remains vigilant and prudent in its approach.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had approximately 4,430 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external trainings appropriate for various level of staff roles and functions.



Annual Dinner 2024

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 and adjusted total equity have been presented in this report. The Company's management believes that the non-GAAP financial measures provide investors with a 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) loss 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; and (vi) depreciation and impairment; and adjusted for minority interests. We do not believe 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) loss 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; and (vi) depreciation and impairment; and adjusted for minority interests 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 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 gross 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 gross 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 2024 and 2023, except Dorsett Melbourne carried out its valuation in November 2023 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.

Non-GAAP Financial Measures

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 2024 and 2023, except Dorsett Melbourne carried out its valuation in November 2023 and was not recognised in the Group's consolidated financial statements divided by the number of shares issued as at 31 March 2024 and 2023. 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 2024 and 2023, except Dorsett Melbourne carried out its valuation in November 2023 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 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 2024 and 2023, except Dorsett Melbourne carried out its valuation in November 2023 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 gearing ratio represents the adjusted net debts 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 2024 and 2023, except Dorsett Melbourne carried out its valuation in November 2023 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.

Non-GAAP Financial Measures

The following tables set forth the reconciliations of the Group's non-GAAP financial measures for the years ended 31 March 2024 and 2023 to the nearest measures prepared in accordance with HKFRS:

	FY2024 HK\$'000	FY2023 HK\$'000
Profit for the year attributable to shareholders of the Company	226,100	172,185
Less: Change in fair value of investment properties (after tax)	(3,324)	(37,025)
Add: Change in fair value of financial assets at fair value through profit or loss	(18,289)	(20,493)
Loss on disposal of debt instruments at FVTOCI	75,443	84,753
Change in fair value of derivative financial instruments	(6,027)	(34,078)
Impairment loss under ECL model recognised on trade debtors	7,342	5,718
Depreciation and impairment ⁽ⁱ⁾	499,044	404,595
Adjusted cash profit (Non-GAAP)	780,289	575,655
Adjusted cash profit margin (Non-GAAP)	7.6%	8.9%

	FY2024 HK\$'000	FY2023 HK\$'000
Gross profit	2,784,757	1,668,503
Depreciation ⁽ⁱⁱⁱ⁾	367,116	284,261
Adjusted gross profit (Non-GAAP)	3,151,873	1,952,764
Adjusted gross profit margin (Non-GAAP)	30.9%	30.1%

	As at 31 March 2024 HK\$'million	As at 31 March 2023 HK\$'million
Equity attributable to shareholders of the Company	11,680	12,355
Hotel revaluation surplus ⁽ⁱⁱⁱ⁾	18,682	19,236
Adjusted net asset value attributable to shareholders (Non-GAAP)	30,362	31,591
Number of shares issued (million)	2,818	2,706
Adjusted net asset value per share (Non-GAAP)	HK\$10.77	HK\$11.67

Non-GAAP Financial Measures

	As at 31 March 2024 HK\$'million	As at 31 March 2023 HK\$'million
Total assets	47,261	53,423
Hotel revaluation surplus ⁽ⁱⁱⁱ⁾	18,682	19,236
Adjusted total assets (Non-GAAP)	65,943	72,659
	As at 31 March 2024 HK\$'million	As at 31 March 2023 HK\$'million
Total equity	14,871	15,648
Hotel revaluation surplus ⁽ⁱⁱⁱ⁾	18,682	19,236
Adjusted total equity (Non-GAAP)	33,553	34,884
Net debts	22,842	25,729
Adjusted net gearing ratio (net debts to adjusted total equity) (Non-GAAP)	68.1%	73.8%

Notes:

- (i) Represents the aggregate amount of depreciation expense recognised in cost of sales and administrative expenses for the year but excludes any minority interests.
- (ii) Represents the depreciation expense recognised in cost of sales but excludes the depreciation expenses of leased properties under HKFRS 16.
- (iii) Based on the independent valuations carried out as at 31 March 2024 and 31 March 2023 respectively, except Dorsett Melbourne which carried out its valuation in November 2023.

Awards and Accolades



• iNOVA Awards 2023

- Investor/Shareholder Relations – Gold Winner
- ESG Report – Silver Winner
- Corporate Websites: Communication – Bronze Winner



• FinanceAsia's 2023 Asia's Best Companies Poll

- Best CEO in Hong Kong – Tan Sri Dato' David Chiu, Chairman and Chief Executive Officer
- Best Real Estate Company in Hong Kong
- Best DEI Strategy in Hong Kong
- Best Investor Relations in Hong Kong
- Best Small-cap Company in Hong Kong



• The 1st CRECCHKI Real Estate ESG Awards GBA 2023

- Outstanding Performance – Green Design
- Outstanding Performance – Green Finance
- Outstanding Performance – Green Finance – Chairman's Pick of Excellence



Awards and Accolades

- **Hong Kong Investor Relations Association 9th IR Awards 2023**

- Best IR Company
- Best Investor Meeting
- Best Annual Report



- **13th Asian Excellence Award 2023**

- Asia's Best CEO – Tan Sri Dato' David Chiu, Chairman and Chief Executive Officer
- Asia's Best CFO – Mr. Boswell Cheung, Chief Financial Officer and Company Secretary
- Best Investor Relations Company



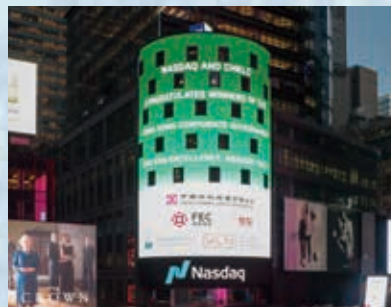
- **HKQAA Hong Kong Green and Sustainable Finance Awards 2023**

- Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Industry) – Visionary Sustainability-linked Loan Performance Metrics



- **Hong Kong Corporate Governance & ESG Excellence Awards 2023**

- ESG Excellence Award



- **The Asset ESG Corporate Awards 2023**

- Titanium Award

- **Mercury Excellence Awards 2023-2024**

- Gold Awards: Annual Reports – Interior Design (Traditional Format)
- Silver Awards: Annual Reports – Overall Presentation (Diverse Business)



Awards and Accolades

**HONG KONG
Dorsett Hospitality
International**

- Most Engaged Chain by Trip.com



- Greater Bay Area Most Outstanding Business Award 2023 by CORPHUB



- Gold Prize for the Best Change Leadership Strategy by CTgoodjobs



- Gold Prize for the Best Corporate Social Responsibility by CTgoodjobs



- Gold Prize for the Best ESG Award by CTgoodjobs



- Elite Community Caring Award by Hong Kong Institute of Human Resource Management (HKIHRM)



**Dorsett Kwun Tong,
Hong Kong**

- Certificate of “Charter on External Lighting” by The Environment and Ecology Bureau



- Traveler’s Choice 2023 by TripAdvisor



- Double 11 Excellent Hotel 2023 by Fliggy



Awards and Accolades

- 10 years+ Caring Company Logo under “Caring Company Scheme” by the Hong Kong Council of Social Service



- Certificate of Appreciation of Hong Kong’s Earth Hour 2024 by WWF



Dorsett Mongkok, Hong Kong

- Gold Circle Award 2023 by Agoda



- Recognised as Hong Kong Green Organisation (2023-2025) by Environmental Campaign Committee (ECC)



- Travelers’ Choice 2023 by TripAdvisor



Dorsett Tsuen Wan, Hong Kong

- Travelers’ Choice 2023 by TripAdvisor



Awards and Accolades

- Remarkable Growth 2023 by Trip.com



- Gold Circle Award 2023 by Agoda



- “Popular Family-Friendly Hotel of the Year” by Meituan



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



- Corporate Volunteer Long Service Award by Hong Kong Family Welfare Society



- Certificate of Appreciation under Breastfeeding Friendly Premises (Gold Label) by UNICEF



- Certificate of Appreciation under Breastfeeding Friendly Workplace by UNICEF



Awards and Accolades

- Hong Kong Green Organisations by The Environmental Campaign Committee



- Certificate of Appreciation under Carbon Neutrality (Waste Reduction) Charter by Environmental Protection Department



- Food Wise Eateries by Environmental Protection Department



- Green Restaurant by Green Council



- Gift Wise Charter (Silver) 2023 by Food Grace



Dorsett Wanchai, Hong Kong

- Gold Circle Award 2023 by Agoda



- HKCT Business Awards 2023 by Hong Kong Commercial Times



- Travelers' Choice 2023 by TripAdvisor



Awards and Accolades

Silka Tsuen Wan, Hong Kong

- Energywi\$e Certificate by The Environmental Campaign Committee



- Hong Kong Green Organization Certification by The Environmental Campaign Committee



- 5 Years+ Caring Company Logo under "Caring Company Scheme" by the Hong Kong Council of Social Service (2017-2024)



- Wastewi\$e Certificate by The Environmental Campaign Committee



- Platinum Award of Charter on External Lighting by The Environment and Ecology Bureau



- Travelers' Choice 2023 by TripAdvisor



Awards and Accolades

- “City Hotel of the Year 2023” by the GHM (Guangdong, Hong Kong, Macao)



Silka Far East, Hong Kong

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



- Diamond Award of Charter on External Lighting by The Environment and Ecology Bureau



Silka Seaview, Hong Kong

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



- 2024 Peach Blossom Trees Recycling Programme Certificate of Appreciation by Environment Protection Department



- Diamond Award of Charter on External Lighting by The Environment and Ecology Bureau



Awards and Accolades

MAINLAND CHINA
Dorsett Chengdu

- 2023 The Most Popular Hotel in China by Trip.com



- 2023 Charity Enterprises by Xiyuhe Street Luomashi Community



- Community Charity Alliance of Xiyuhe Street Luomashi Community by Xiyuhe Street Luomashi Community



- Rural Revitalization Cooperation Unit by Fuping County Rural Revitalization Bureau



- Love Enterprise by Xiyuhe Street Luomashi Community



Dorsett Shanghai

- Gold Circle Award 2023 by Agoda



- Excellent Business Travel Hotel Of The Year 2023 by Meituan



Awards and Accolades

- Outstanding Employer by China Hotel Tourism Annual Award 2023



- 2023 HIGH-QUALITY SERVICE HOTEL by TongCheng Travel



Dorsett Hartamas

- Gold Circle Award 2023 by Agoda



- Valuable Partner Award 2023 by WebBeds



- Customer Review Awards 2023 8.5/10 by Agoda



MALAYSIA
Dorsett Grand Subang

- Gold Circle Award 2023 by Agoda



Dorsett Kuala Lumpur

- ASEAN MICE Venue Standard Category at the ASEAN Tourism Standard Awards 2024



Dorsett Wuhan

- 2023 INFLUENTIAL HOTEL OF THE YEAR by Meituan



Awards and Accolades

Dorsett Putrajaya

- ASEAN MICE Venue Standard Category at the ASEAN Tourism Standard Awards 2024

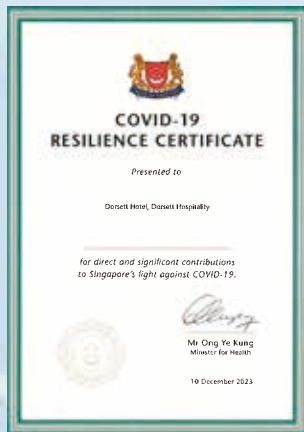


SINGAPORE Dorsett Singapore

- Commendation (COVID-19) Award by President of Singapore



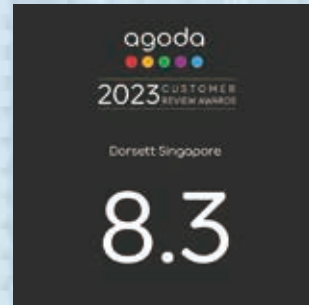
- COVID-19 Resilience Certificate by Ministry of National Development & Ministry of Health



- Hotel Security Excellence Award 2023 by Singapore Hotel Association, Singapore Police Force & National Crime Prevention Council



- Customer Review Awards 2023 8.3/10 by Agoda



- Excellent Service Award (EXSA) 2023 (6 Silver, 2 Gold) by Singapore Hotel Association



Awards and Accolades

- **National Kindness Award 2023 (Service Gold) by Singapore Hotel Association, Singapore Kindness Movement Council**



- **Gold Circle Award 2023 by Agoda**



UNITED KINGDOM
Dao by Dorsett West London

- **Best New Partner Winner – Property Partner Awards 2023 by SilverDoor Apartments**



AUSTRALIA
Dorsett Melbourne

- **Best Hotel Bar – Jin Bar, by Spice's Hot 100 hotels and venues for 2024**



UNITED KINGDOM



UNITED KINGDOM

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



CONTINENTAL EUROPE

- Hotel operations
- Car park operations and facilities management
- Gaming and entertainment



SINGAPORE

- Property development
- Property investment
- Hotel operations



CHINA

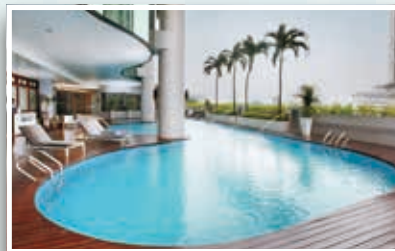


SINGAPORE MALAYSIA



MALAYSIA

- Property development
- Hotel operations
- Car park operations and facilities management



Perth

Diversified and Balanced Portfolio of Businesses

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

○ MAINLAND CHINA

- Property development
- Property investment
- Hotel operations



○ HONG KONG

- Property development
- Property investment
- Hotel operations



○ AUSTRALIA & NEW ZEALAND

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



AUSTRALIA

- Brisbane
- Gold Coast

○ Sydney

Melbourne

NEW ZEALAND

Major Projects

Hong Kong, China

MOUNT
ARCADIA
— 畢架·金峰 —



Project Name: Mount Arcadia

Development Address: 8388 Tai Po Road, Shatin Heights

District: Shatin, Hong Kong

Property Website: www.mountarcadia.com.hk

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

Number of Residential Units: 66

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.

Major Projects

Hong Kong, China

**Project Name:** Kai Tak Development**Development Address:**

43 Shing Kai Road, Kai Tak, Hong Kong

District: Kai Tak, Hong Kong

Approximate Gross Floor Area (sq. ft.): 171,000

Number of Hotel Rooms: 373

Expected Completion: FY2025

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 373-room flagship Dorsett hotel.

Major Projects

Hong Kong, China

THE PAVILIA FOREST
柏蔚森



Project Name: The Pavilia Forest

Development Address:

2 Shing King Street, Kai Tak, Hong Kong

District: Kai Tak, Hong Kong

Approximate Saleable Floor Area (sq. ft.): 460,000

Number of Residential Units: 1,305

Expected Launch Time: FY2025

Expected Completion: FY2026/FY2027

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.

Major Projects

Gold Coast, Australia

EPSILON
THE STAR RESIDENCES
GOLD COAST

**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.): 327,000

Number of Residential Units: 437

Number of Hotel Rooms: 201 (The Star Residences)

Expected Completion: Tower 2 – Epsilon: FY2026

Building Floors (Include Retail Area): Tower 2 – Epsilon: 65

Geographical Environment

- Located at The Star Gold Coast on Broadbeach Island and adjacent to Pacific Fair Shopping Centre 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.

Major Projects

Perth, Australia



Project Name: Perth Hub

Development Address:

600 Wellington Street, Perth WA 6000

District: Central Business District, Perth

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

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

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

Number of Residential Units: 314

Number of Hotel Rooms: 264

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 cafes.

Major Projects

Melbourne, Australia

The Residence at
WEST SIDE PLACE
 by East Group

**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.):** 84,000**Number of Residential Units:** 2,896**Number of Hotel Rooms:** 257 (Ritz-Carlton hotel)
316 (Dorsett hotel)**Completion:** FY2024**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 Lonsdale 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:

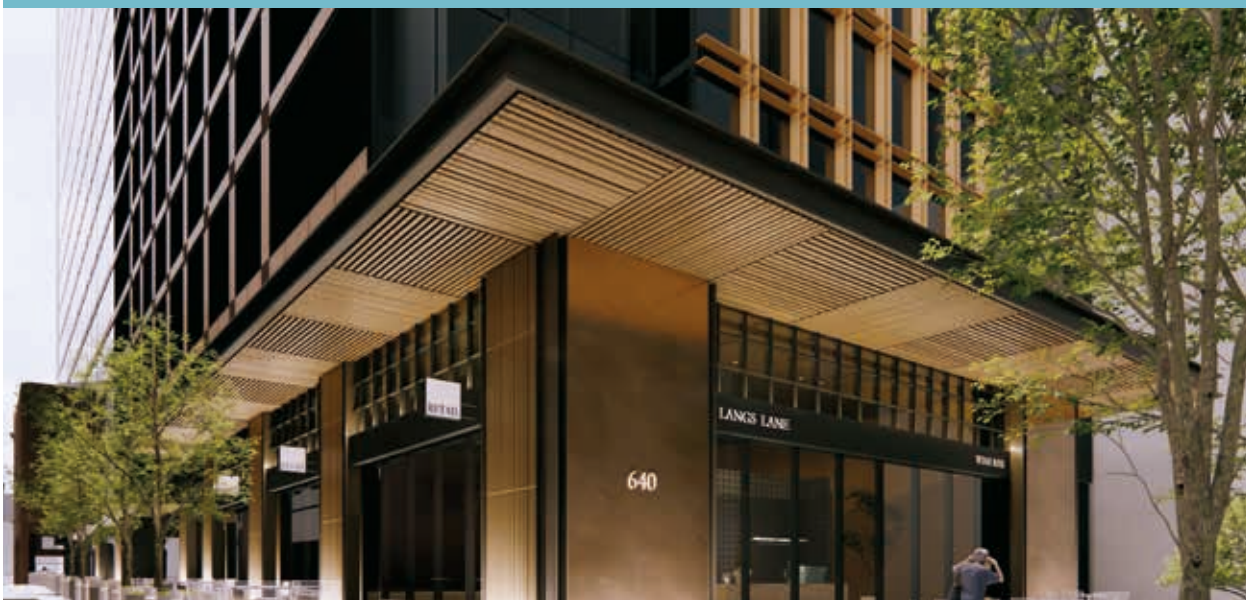
- Featuring four high-rise towers with approximately 3,000 apartments as well as a Ritz-Carlton hotel at the top levels of Tower 1, West Side Place embodies a new height of luxury inner city living. Proudly positioned at the corner of Lonsdale and Spencer Streets, the highest tower at West Side Place 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: 640 Bourke Street

Development Address: 640 Bourke Street

District: Central Business District, Melbourne

Approximate Saleable Floor Area (sq. ft.): 556,000

Number of Residential Units: 608

Launch/Expected Launch Time: FY2025

Expected Completion: Planning

Building Floors (including retail area): 70

Geographical Environment:

- 640 Bourke is the next stage of the Group's regeneration of Melbourne's western CBD. The tenth tower in the precinct will also expand the Group's wider vision for a network of activated laneways and a new urban community;
- The site has main frontages with the prestigious Bourke Street and Little Bourke Street; and
- The property is located within the Melbourne CBD grid.

Planning and Design:

- The tower cuts a unique silhouette on the skyline, following an engineered response to Melbourne's wind climate. The facade builds upon the rich tapestry of Melbourne city towers, equally referencing a modernist agenda against a colour palette derived from the heritage; and
- Langs Lane will be opened up to Bourke Street and doubled in width. The improved laneway is to be focused on the pedestrian experience of Melbourne. A public plaza will also be introduced fronting Little Bourke Street, to provide a shared outdoor urban space for residents and retail customers to enjoy.

Project Highlights:

- 640 Bourke is disruptive. It is a precision response to both historic industrial context and the future of Melbourne's CBD. The tower will consist of 608 residential apartments, 4 levels of residents' amenity space, ground level laneway retail, a new public plaza at the junction of Little Bourke Street and Langs Lane; and
- Integral to the ground level laneway experience is the retention and reuse of the historical Eliza Tinsley Building on Bourke Street.

Major Projects

Brisbane, Australia

**Project Name:** Queen's Wharf Brisbane**Development Address:** Queen's Wharf**District:** Central Business District, Brisbane**Property Website:** www.destinationbrisbaneconsortium.com.au**Approximate Saleable Floor Area (sq. ft.):** 1,550,000**Number of Residential Units:** 1,848**Number of Hotel Rooms:** 3 hotels with 862 rooms**Launch/Expected Launch Time:** Tower 4: FY2020
Tower 5: FY2022
Tower 6: Planning**Expected Completion:** Tower 4: FY2025
Tower 5: FY2028
Tower 6: Planning**Building Floors (including retail area):**

Tower 4: 64

Tower 5: 71

Tower 6: 29

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 1,900 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: www.hyllonholland.sg

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

Number of Residential Units: 319

Expected Completion: FY2025

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 an 80% stake in this project.

Major Projects

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.):** 114,000**Number of Residential Units:** 146**Number of Hotel Rooms:** 68**Completion:** FY2023/FY2024**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;
- 68-room hotel;
- Three new residential buildings encompassing a range of studio, 1, 2 & 3 bedroom homes;
- Landscaped public square with new courtyards and gardens;
- Arts centre and event space for world class performances;
- Co-working, office and flexible workspaces;
- Restaurants, cafes and a rooftop bar; and
- 24-hour concierge and security.

Major Projects

London, the United Kingdom

ASPEN
CANARY WHARF



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.): 380,000

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

Number of Residential Units: 502

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, cafe 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.

Major Projects

Manchester, the United Kingdom

Victoria
Riverside

Project Name: Victoria Riverside

Development Address: Gould Street and Dantzic Street

District: Red Bank, Manchester

Property Website: www.victoriariverside.co.uk

Approximate Saleable Floor Area (sq. ft.): 495,000

Number of Residential Units: 634

Expected Completion: FY2025

Building floors:

Tower A: 36

Tower B: 17

Tower C: 25

Podium: 24

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.

Major Projects

Manchester, the United Kingdom

FALCON
RED BANK
RIVERSIDE


Project Name: Red Bank Riverside – Falcon

Development Address: Dantzic Street

District: Red Bank, Manchester

Property Website: www.redbankriverside.co.uk/falcon

Approximate Saleable Floor Area (sq. ft.): 131,000

Number of Residential Units: 189

Completion: FY2028

Building Floors: 20

Geographical Environment:

- A short walk from Victoria Station, Red Bank has been designed for a healthier city life, bringing nature into the heart of Manchester via the new City River Park. Red Bank offers you the benefits of a well-connected, inner city neighbourhood with a thriving sense of community. On-your-doorstep convenience and big city amenities complement a bustling high street and inviting public spaces.

Project Highlights:

- Falcon offers brand-new homes in a stunning 20- storey apartment building;
- Relax and entertain in bright, open-plan living spaces. Step next door to your Clubhouse. Or explore the bustling waterside neighbourhood, with nature all around you;
- The property will include 1-bedroom, 2-bedroom and 3-bedroom apartments;
- Each apartment incorporates floor-to-ceiling feature windows that allow stunning views of the river, neighbouring parks and sweeping Manchester City scape;
- Residents can enjoy exclusive access to a dedicated resident's club house featuring gym, co-working space and resident's lounge;
- 10-minutes walk to Manchester's bustling city centre; and
- Next phase of the North of England's biggest renewal project, Victoria North.

Directors' Report

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2024.

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 2024 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 "Joint Managing Directors' 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 "Joint Managing Directors' 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 independent "Environmental, Social and Governance Report", which is available 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 independent "Environmental, Social and Governance Report", which is available on the websites of the Stock Exchange and the Company for inspection and download.

Directors' Report

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 122.

The Board has recommended the payment of a final dividend for the year ended 31 March 2024 of HK10.0 cents (2023: HK10.0 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 9 September 2024. 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 2024 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 9 September 2024. 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 (if applicable) on or around 17 September 2024. Dividend warrants and/or new share certificates will be posted on or around 24 October 2024.

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 2024 AGM

The 2024 AGM is scheduled to be held on Friday, 23 August 2024. For determining the entitlement to attend and vote at the 2024 AGM, the Register of Members of the Company will be closed from Tuesday, 20 August 2024 to Friday, 23 August 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2024 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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 19 August 2024.

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

The Proposed Final Dividend is subject to the approval of Shareholders at the 2024 AGM. For determining the entitlement of the Proposed Final Dividend, the Register of Members of the Company will also be closed from Thursday, 5 September 2024 to Monday, 9 September 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at the above address for registration not later than 4:30 p.m. on Wednesday, 4 September 2024.

FINANCIAL SUMMARY

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

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to Shareholders at 31 March 2024 amounted to approximately HK\$1,578,751,000 (2023: HK\$309,610,000).

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2024. The increase in fair value of investment properties, which has been credited directly to consolidated statement of profit or loss, amounted to HK\$454,952,000.

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\$778,840,000 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 2024 are set out on pages 234 to 261.

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 and subsequently cancelled 5.1% USD Medium Term Notes 2024 in the aggregate principal amount of USD10,150,000 for an aggregate consideration of USD9,947,285.

The Company also redeemed (i) the outstanding principal amount (USD131,800,000) of the 4.5% USD Medium Term Notes 2023 at principal amount upon maturity on 13 May 2023; and (ii) the outstanding principal amount (USD364,300,000) of the 5.1% USD Medium Term Notes 2024 at principal amount upon maturity on 21 January 2024.

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.

Directors' Report

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
Ms. Jennifer Wendy CHIU (Appointed on 1 January 2024)

Independent Non-executive Directors

Mr. Kwong Siu LAM
Mr. Wai Hon Ambrose LAM
Mr. Lai Him Abraham SHEK

Ms. Jennifer Wendy CHIU, who was appointed as Executive Director and Joint Managing Director during the Year, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 13 December 2023, and she has confirmed she understood her obligation as a director of a listed issuer.

Pursuant to the provisions of the Articles and the Listing Rules, Mr. Cheong Thard HOONG, Ms. Wing Kwan Winnie CHIU, Ms. Jennifer Wendy CHIU and Mr. Kwong Siu LAM shall retire at the 2024 AGM and are eligible to offer themselves for re-election at the 2024 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 2024 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Report

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 26 June 2023, FEC Care Park Holdings (Australia) Pty. Ltd. ("FEC Care Park", an indirect wholly-owned subsidiary of the Company) entered into (i) a deed of settlement with Care Park Pty. Ltd., Care Park Group Pty. Ltd. ("CPG", an indirect non-wholly owned subsidiary of the Company), Care Park Finance Pty. Ltd., Care Park UK Ltd., Care Park Properties Pty. Ltd., Care Park Operation Hungary Kft and Chartbridge Pty. Ltd. (together with FEC Care Park, the "Care Park Parties") and Mr. Robert Belteky, Mrs. Marioara Belteky, Warmlink Pty. Ltd. ("Warmlink", the trustee of the Belteky Investments Trust, whose beneficiaries are Mr. Robert Belteky, Mrs. Marioara Belteky and Ms. Samantha Belteky), Belteky Nominees Pty. Ltd. and Care Park Investment Hungary Kft (the "Belteky Parties"); and (ii) a deed of settlement with the other Care Park Parties (save for Chartbridge Pty. Ltd.), Mr. Paul Feltrin and Ms. Samantha Belteky (collectively, the "Settlement Deeds"), pursuant to which the parties thereunder have agreed to settle the proceedings number VID11/2023 in the Victoria District Registry, Federal Court of Australia relating to, among other things, certain claims between the Care Park Parties and the Belteky Parties (the "Legal Proceedings") on the terms set out in the Settlement Deeds.

Pursuant to the Settlement Deeds, the parties agreed that, amongst others, the parties must procure their respective solicitors to sign on the minutes of proposed consent orders and to seek orders from the court to, amongst others, dismiss the claims under the Legal Proceedings, and Warmlink shall transfer its 14% shareholding in CPG to FEC Care Park and Chartbridge Pty. Ltd. respectively.

Mr. Robert Belteky was a director of CPG in the last 12 months from the date of the Settlement Deeds and is a connected person of the Company under the Listing Rules. Mr. Robert Belteky ceased to be a director of CPG with effect from 26 June 2023. Mrs. Marioara Belteky and Ms. Samantha Belteky, the wife and daughter of Mr. Robert Belteky, are associates of Mr. Robert Belteky and are connected persons of the Company under the Listing Rules. Warmlink, the trustee of the Belteky Investments Trust, is an associate of Mr. Robert Belteky and is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Settlement Deeds (and the transactions contemplated thereunder) constitute connected transactions of the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 26 June 2023.

Save as disclosed above, during FY2024 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.

Directors' Report

SIGNIFICANT RELATED PARTY TRANSACTIONS

Details of significant related party transactions during FY2024 are set out in note 43 to the consolidated financial statements. The related party transactions as set out in note 43(b) (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 THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2024, 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 ^(vi)
David CHIU	Beneficial owner	27,563,478	0.98%
	Interest of spouse	20,789,895 ⁽ⁱⁱ⁾	0.74%
	Interest of controlled corporations	1,484,639,937 ⁽ⁱⁱ⁾	52.69%
Cheong Thard HOONG	Beneficial owner	13,283,692	0.47%
	Joint interest	802 ⁽ⁱⁱⁱ⁾	0.00%
Dennis CHIU	Beneficial owner	6,517	0.00%
	Interest of controlled corporations	4,282,932 ⁽ⁱⁱⁱ⁾	0.15%
	Joint interest	2,564,502 ^(iv)	0.09%
Wing Kwan Winnie CHIU	Beneficial owner	895,129	0.03%
Jennifer Wendy CHIU	Beneficial owner	1,718,965	0.06%
	Interest of spouse	559,189 ^(v)	0.02%

Directors' Report

Notes:

- (i) 1,484,621,213 shares were held by Sumptuous Assets Limited and 18,724 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 20,789,895 shares were held by Mrs. Nancy CHIU NG, spouse of Tan Sri Dato' David CHIU.
- (ii) 802 shares were held by Mr. Cheong Thard HOONG jointly with his spouse, Ms. Pei Chun TENG.
- (iii) 4,282,932 shares were held by Max Chain Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.
- (iv) 2,564,502 shares were held by Mr. Dennis CHIU jointly with his spouse, Ms. Lee Keng LEOW.
- (v) 559,189 shares were held by Mr. Ching Chi HUI, spouse of Ms. Jennifer Wendy CHIU.
- (vi) The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2024.

A.2 Debentures

As at 31 March 2024, Tan Sri Dato' David CHIU was deemed to have an interest in the 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD9,000,000 of which USD5,000,000 was held by Tan Sri Dato' David CHIU and USD4,000,000 was held by his spouse, Mrs. Nancy CHIU NG.

As at 31 March 2024, Ms. Wing Kwan Winnie CHIU has an interest in the 7.375% USD Senior Guaranteed Perpetual Capital Notes issued by FEC Finance Limited, a wholly-owned subsidiary of the Company, in the principal amount of USD1,000,000.

B. Associated corporations

B.1 Long position in the ordinary shares

Name of directors	Name of associated corporation	Capacity	Number of ordinary share(s) interested	Approximate % of the relevant issued share capital
David CHIU	Palasino	Interest of controlled corporations	586,858,662 ⁽ⁱ⁾	73.36% ⁽ⁱⁱ⁾
	Sumptuous Assets Limited	Interest of controlled corporations	1 ⁽ⁱⁱⁱ⁾	100% ^(iv)
Cheong Thard HOONG	Palasino	Beneficial owner	106,579	0.01% ⁽ⁱⁱ⁾
	BC Invest	Beneficial owner	792,383	3.47% ^(v)
Craig Grenfell WILLIAMS	BC Invest	Beneficial owner	254,112	1.11% ^(v)
	Care Park	Beneficiary of a discretionary trust	959 ^(vi)	9.59% ^(vii)

Directors' Report

Notes:

- (i) 1,144,662 shares in Palasino were held by Sumptuous Assets Limited, a company controlled by Tan Sri Dato' David CHIU. 585,714,000 share in Palasino were held by Ample Bonus Limited, a wholly-owned subsidiary of the Company in which Tan Sri Dato' David CHIU owned approximately 54.41% interest in the share capital of the Company and was therefore deemed to have an interest in the shares.
- (ii) The percentage represents the number of ordinary shares interested divided by Palasino's issued shares as at 31 March 2024.
- (iii) 1 share was held by Far East Organization (International) Limited, a company controlled by Tan Sri Dato' David CHIU.
- (iv) The percentage represents the number of ordinary shares interested divided by Sumptuous Assets Limited's issued shares as at 31 March 2024.
- (v) The percentage represents the number of ordinary shares interested divided by BC Invest's issued shares as at 31 March 2024.
- (vi) 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.
- (vii) The percentage represents the number of ordinary shares interested divided by Care Park's issued shares as at 31 March 2024.

B.2 Long position in the underlying shares of BC Invest – physically settled unlisted derivatives

Name of Director	Capacity	Number of underlying shares in respect of the purchase rights granted	Approximate % of BC Invest's issued share capital ⁽ⁱ⁾
Cheong Thard HOONG	Beneficial owner	457,502	2.00%
Wing Kwan Winnie CHIU	Beneficial owner	114,376	0.50%

Note:

- (i) The percentage represents the number of underlying shares interested divided by BC Invest's issued shares as at 31 March 2024.

Save as disclosed above, as at 31 March 2024, 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 first and second share option schemes were expired on 28 August 2012 and 31 August 2022 respectively. In order to continue to provide incentives and rewards to the eligible employees and participants, the Company adopted its third share option scheme pursuant to a resolution passed by the Shareholders on 30 August 2022 for a period of 10 years commencing on the adoption date.

Without prior approval from the Shareholders, the total number of shares to be issued under the FECIL Share Option Schemes 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 12-month period is not permitted to exceed 1% of the shares of the Company then in issue.

The exercise price of options granted is determined by the Directors, and will not be less than the highest of (i) the closing price of the 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 Shares.

An offer of the grant of options may be accepted by the eligible employees and participants within 30 days from the offer date. A consideration of HK\$1 is payable on acceptance of the offer. An option may be exercised in accordance with the terms of the FECIL Share Option Schemes at any time during a period to be determined and notified by the Directors to each eligible employee or participant, which period may commence on the day on which the offer is made but shall end in any event not later than 10 years from the offer date subject to the provisions for early termination thereof.

Unless the Directors otherwise determined and stated in the offer to the eligible employees and participants, there is no minimum period for which an option granted under the FECIL Share Option Schemes must be held before it can be exercised.

As at 31 March 2024, there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed during the Year. The number of share options available for grant under the FECIL Share Option Schemes as at 1 April 2023 and 31 March 2024 were both 241,961,867.

As at the date of this annual report, the total number of Shares available for issue under FECIL Share Option Schemes is 241,961,867, representing approximately 8.59% of the issued share capital of the Company as at the date of this annual report.

Directors' Report

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 THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, 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	1,484,621,213 ⁽ⁱ⁾ (long position)	52.69%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.46%
	Interest of controlled corporations	140,942,693 ⁽ⁱⁱ⁾ (long position)	5.00%
	Interest of spouse	1,624,301 ⁽ⁱⁱ⁾ (long position)	0.06%

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 the 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 2024.

Save as disclosed above, as at 31 March 2024, 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.

Directors' Report

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately HK\$3,875,000.

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 2024, the number of employees of the Group was approximately 4,430.

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 under the section headed "Share Option Schemes" and 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 105 to 116.

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.

Directors' Report

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The Company and Dorsett, both 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.

The term loan facility was repaid in full post FY2024.

AUDITOR

A resolution will be submitted to the 2024 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

27 June 2024

Corporate Governance Report

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2024.

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 2024. 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 2024, 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 nine Directors, six 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 2024, 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.

Corporate Governance Report

The Company has adopted the Board Independence Evaluation Mechanism (the “Mechanism”) to ensure independent views and input are available to the Board, with the following key features: (i) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including Independent Non-executive Directors, for appointment as Directors; (ii) the Nomination Committee will assess annually the independence of all Independent Non-executive Directors; and (iii) the Directors are entitled to seek, at the Company’s expense, independent professional advice reasonably necessary for discharging their duties as Directors. The Board has reviewed the implementation and effectiveness of the Mechanism and considered it to be effective for the year ended 31 March 2024.

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 clauses 106 and 107 of the Articles, Mr. Cheong Thard HOONG (Executive Director) and Mr. Kwong Siu LAM (Independent Non-executive Director) shall retire by rotation at the 2024 AGM; whereas according to clause 112 of the Articles, Ms. Jennifer Wendy CHIU, who was appointed by the Board as Director on 1 January 2024, shall hold office until the 2024 AGM.

In accordance with the second part of clause 115(B) of the Articles, a Director appointed as an Executive Chairman or as Managing Director or Joint Managing Director shall not while holding such office be subject to retirement by rotation or taken into account in determining the rotation retirement of Directors. In order to uphold good corporate governance practices, Ms. Wing Kwan Winnie CHIU, the Joint Managing Director and Executive Director of the Company, voluntarily retires from her office and offers herself for re-election at the 2024 AGM notwithstanding that she is not required to do so by clause 115(B) of the Articles.

All of the above retiring Directors, being eligible, will offer themselves for re-election at the 2024 AGM.

The Board recommended the re-appointment of the above four retiring Directors standing for re-election at the 2024 AGM. The Company’s circular, sent together with this annual report, contains detailed information of the above four retiring Directors, as required by the Listing Rules.

Corporate Governance Report

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 2024, the Company has provided (i) reading materials on regulatory updates and guide on directors' duties and responsibilities to its Directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Ms. Wing Kwan Winnie CHIU, Ms. Jennifer Wendy CHIU, Mr. Kwong Siu LAM, Mr. Wai Hon Ambrose 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. Kwong Siu LAM, Mr. Wai Hon Ambrose 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.

Corporate Governance Report

A.6.2 Directors' Attendance Records

The attendance records of each Director at the Board and Board committee meetings and the general meeting of the Company held during the year ended 31 March 2024 are set out below:

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Tan Sri Dato' David CHIU	4/4	N/A	2/2	2/2	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
Ms. Jennifer Wendy CHIU ⁽ⁱ⁾	1/1	N/A	N/A	N/A	N/A
Mr. Kwong Siu LAM	4/4	3/3	N/A	2/2	1/1
Mr. Wai Hon Ambrose LAM	4/4	3/3	2/2	2/2	1/1
Mr. Lai Him Abraham SHEK	4/4	3/3	2/2	2/2	1/1

Note:

- (i) Ms. Jennifer Wendy CHIU was appointed as an Executive Director on 1 January 2024. Subsequent to her appointment, one Board meeting was held during the year ended 31 March 2024.

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 standards set out in the Model Code during the year ended 31 March 2024.

The Company has also applied the principles of the Model Code for securities transactions by employees who are likely to be in possession of 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.

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 (www.fecil.com.hk). 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 7 members, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Ms. Wing Kwan Winnie CHIU, Ms. Jennifer Wendy 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 currently comprises a total of 3 members, being the 3 Independent Non-executive Directors, namely Mr. Wai Hon Ambrose LAM, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK. The chairman of the Audit Committee is Mr. Wai Hon Ambrose LAM 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.

Corporate Governance Report

During the year ended 31 March 2024, 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 2023, 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 2023 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 2024 are set out in section A.6.2 above.

B.4 Remuneration Committee

The Remuneration Committee currently comprises a total of 3 members, being 1 Executive Director, namely Tan Sri Dato' David CHIU, and 2 Independent Non-executive Directors, namely Mr. Wai Hon Ambrose LAM and Mr. Lai Him Abraham SHEK. The chairman of the Remuneration Committee is Mr. Wai Hon Ambrose LAM. 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/her associates will participate in deciding his/her 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 2024, the Remuneration Committee has reviewed and determined the remuneration packages of the Executive Directors and senior management.

The attendance records of each Committee member at the Remuneration Committee meeting held during the year ended 31 March 2024 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 2024 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 2024 are set out in note 13 to the consolidated financial statements.

Corporate Governance Report

B.5 Nomination Committee

The Nomination Committee currently comprises a total of 4 members, being 1 Executive Director, namely Tan Sri Dato' David CHIU, and 3 Independent Non-executive Directors, namely Mr. Kwong Siu LAM, Mr. Wai Hon Ambrose 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 and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage, 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 has been adopted by the Company, 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 qualifications, skills, knowledge, and regional and industry experience). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed annually to ensure their appropriateness in determining the optimum composition of the Board.

The Company has also established a Director Nomination Policy setting out the approach and procedures adopted for the nomination and selection of Directors. The 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.

As at the date of this annual report, female representative at the Board stands at approximately 22.2%. As at 31 March 2024, the Group had a total of 2,010 female staff, representing approximately 45.3% of the employees of the Group. The Group will continue to take opportunities to increase the proportion of female Board members and workforce over time as and when suitable candidates are identified. For further details on the gender ratio of the Group, please refer to the independent "Environmental, Social and Governance Report", which is available on the websites of the Stock Exchange and the Company. The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and considered it to be effective for the year ended 31 March 2024.

Corporate Governance Report

During the year ended 31 March 2024, 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 2023 annual general meeting of the Company;
- Assessment of the independence of all the Independent Non-executive Directors; and
- Recommendation on the appointment of Ms. Jennifer Wendy CHIU as an Executive Director.

The attendance records of each Committee member at the Nomination Committee meeting held during the year ended 31 March 2024 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 2024.

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:

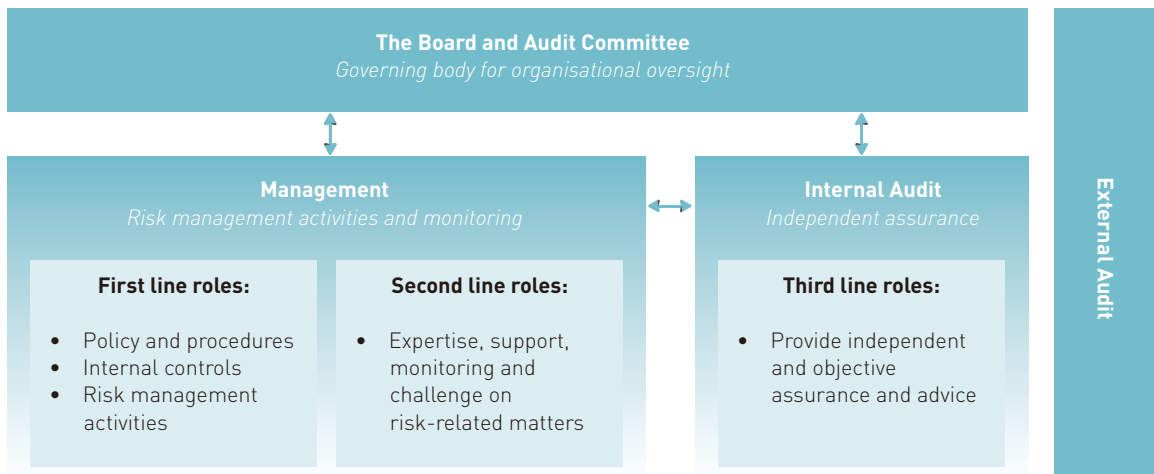
Risk management philosophy and risk appetite

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.

Corporate Governance Report

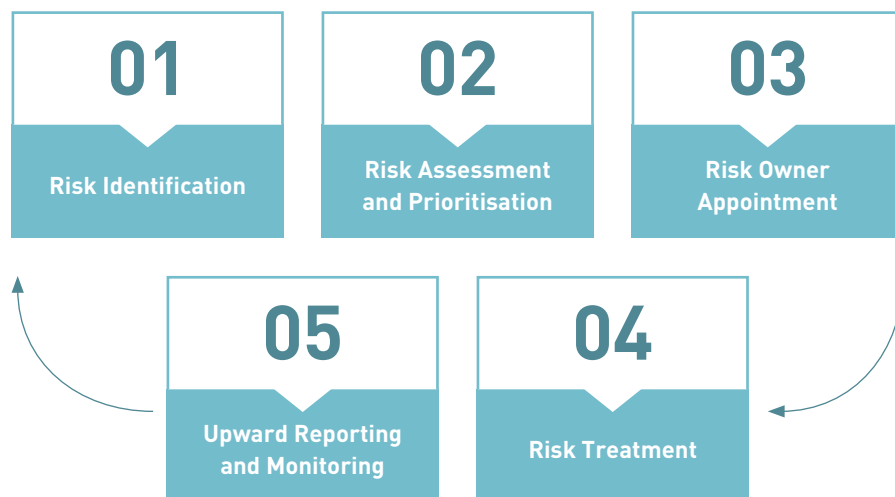
Risk governance structure

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) organisational 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



Corporate Governance Report

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 compiled to track and document the identified risks, risk owners, mitigating actions and control measures, and facilitates continuous update of risk treatments.

The Company has also in place the Anti-Corruption and Whistle-Blowing Policy to safeguard against corruption and bribery. The Company has an internal reporting channel that is open and available for employees of the Group to report any suspected corruption and bribery. Employees can also make reports directly to the Audit Committee, which is responsible for investigating the reported incidents and taking appropriate measures. The Group continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and organise anti-corruption trainings and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

The Group has completed an annual review on the effectiveness of the above policies, the risk management and internal control systems during the year ended 31 March 2024 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 are 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 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 2024, Mr. Wai Hung Boswell CHEUNG, the Company Secretary, has taken no less than 15 hours of relevant professional training.

Corporate Governance Report

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 2024 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 2024 are analysed below:

Type of services provided by the external auditor	Fees paid/payable HK\$'000
Audit and audit related services – audit fee for the year ended 31 March 2024	30,838
Non-audit services	
– professional fee in connection with tax advisory services and agreed upon procedures on preliminary announcement of annual results	350
TOTAL:	31,188

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.

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. 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:

Email address: ir@fecil.com.hk

or

Postal address: 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong
(For the attention of Investor Relations Executive)

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.

During the year ended 31 March 2024, the Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed in this section and under the section headed "Shareholders' Rights" below.

Corporate Governance Report

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) Shareholder(s) holding at the date of deposit of the requisition in aggregate 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 on 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 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 122 to 233, which comprise the consolidated statement of financial position as at 31 March 2024, 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 material accounting policy information and other explanatory information.

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 2024, 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 ("HKSA") 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.

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>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.</p> <p>The investment properties are located in Australia, Hong Kong, the People's Republic of China, the Czech Republic, Singapore and the United Kingdom. The investment properties were carried at HK\$6,100,783,000 as at 31 March 2024 and represents approximately 12.9% of total assets in the consolidated financial statements of the Group as at 31 March 2024. Change in fair value of investment properties held by Sanon Limited and others amounting to HK\$443,275,000 and HK\$11,677,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2024 respectively.</p> <p>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") engaged by the directors of the Company. The valuations of investment properties are dependent on certain key inputs that require significant judgments and estimates by the directors of the Company, including monthly market rent, gross development value, estimated cost to completion, market unit rate and capitalisation rate.</p>	<p>Our procedures in relation to the valuation of investment properties included:</p> <ul style="list-style-type: none"> • 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 monthly market rent, gross development value, estimated cost to completion, market unit rate and capitalisation rate adopted by the management and the Valuers by comparing the key inputs to relevant market data based on our knowledge of the property markets; • 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; and • Involving internal valuation specialists to review the valuations performed by the Valuers in respect of methodologies, assumption and data underpinning valuations of certain investment properties.

Independent Auditor's Report

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.

Independent Auditor's Report

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 HKSA's 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 HKSA's, 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.

Independent Auditor's Report**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

27 June 2024

Consolidated Statement of Profit or Loss

For the year ended 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Revenue	7	10,203,679	6,478,958
Cost of sales and services		(6,743,957)	(4,275,812)
Depreciation and impairment of hotel and car park assets		(533,403)	(401,546)
Gaming tax		(141,562)	(133,097)
Gross profit		2,784,757	1,668,503
Other income		281,691	764,006
Other gains and losses	8	(9,551)	(25,628)
Change in fair value of investment properties	15		
– Held by Sanon (As defined in note 39)		443,275	18,455
– Others		11,677	21,487
Administrative expenses			
– Hotel operations and management		(466,777)	(455,737)
– Others		(620,051)	(518,970)
Pre-operating expenses			
– Hotel operations and management		(18,128)	(35,506)
Professional fees in relation to listing of a subsidiary		(23,537)	–
Selling and marketing expenses		(634,236)	(230,178)
Share of results of associates		(13,038)	(1,497)
Share of results of joint ventures		32,191	135,831
Finance costs	9	(1,182,836)	(611,018)
Profit before tax		585,437	729,748
Income tax expense	10	(134,736)	(349,536)
Profit for the year	11	450,701	380,212
Attributable to:			
Shareholders of the Company		226,100	172,185
Owners of perpetual capital notes		207,488	209,864
Other non-controlling interests		17,113	(1,837)
		224,601	208,027
		450,701	380,212
Earnings per share	12		
Basic (HK cents)		8.2	6.4
Diluted (HK cents)		8.2	6.4

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
Profit for the year	450,701	380,212
Other comprehensive (expense) income for the year		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(641,852)	(1,664,781)
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of foreign operations	(8,485)	–
Fair value change on debt instruments at fair value through other comprehensive income ("FVTOCI")	(14,134)	(122,136)
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	75,443	84,753
Share of other comprehensive expense of an associate	(32,108)	(13,936)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value change on equity instruments at FVTOCI	(314,037)	(453,551)
Other comprehensive expense for the year	(935,173)	(2,169,651)
Total comprehensive expense for the year	(484,472)	(1,789,439)
Total comprehensive expense attributable to:		
Shareholders of the Company	(706,148)	(1,997,464)
Owners of perpetual capital notes	207,488	209,864
Other non-controlling interests	14,188	(1,839)
	221,676	208,025
	(484,472)	(1,789,439)

Consolidated Statement of Financial Position

At 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Non-current Assets			
Investment properties	15	6,100,783	8,113,310
Property, plant and equipment	16	12,248,060	12,312,279
Goodwill	17	68,400	68,400
Interests in associates	18	1,704,157	1,731,289
Interests in joint ventures	19	2,530,500	2,435,355
Investment securities	20	554,408	634,452
Deposits for acquisition of property, plant and equipment		90,451	94,972
Amounts due from joint ventures	44	2,029,315	1,574,905
Amount due from an associate	44	67,838	62,864
Amount due from an investee company	44	119,995	119,995
Loan receivables	21	178,591	222,078
Pledged deposits	22	4,832	4,661
Deferred tax assets	35	177,425	215,793
Other receivables	24(a)	73,365	–
Other assets		26,255	28,346
		25,974,375	27,618,699
Current Assets			
Properties for sale	23		
Completed properties		4,874,765	4,146,644
Properties under development		9,277,662	12,806,635
Other inventories		13,971	13,548
Debtors, deposits and prepayments	24(a)	779,583	706,147
Customers' deposits under escrow	25	335,978	389,175
Contract assets	24(b)	927,500	233,410
Contract costs	26	189,621	295,903
Amounts due from joint ventures	44	247,384	210,870
Amounts due from associates	44	63,604	11,406
Amount due from a shareholder of non-wholly owned subsidiary	33	22,739	253,701
Amount due from a related company	44	39,914	826
Tax recoverable		92,166	61,978
Investment securities	20	1,187,529	1,479,816
Loan receivables	21	5,643	5,889
Derivative financial instruments	27	235	3,643
Restricted bank deposits	22	444,919	–
Pledged deposits	22	50,088	708,739
Cash and cash equivalents	22	2,733,621	4,431,485
		21,286,922	25,759,815
Property held for sale		–	44,266
		21,286,922	25,804,081

Consolidated Statement of Financial Position

At 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Current Liabilities			
Creditors and accruals	28	1,952,999	2,047,897
Contract liabilities	29	779,426	592,871
Lease liabilities	32	49,194	57,693
Amount due to a related company	44	1,059	953
Amounts due to associates	44	6,357	7,848
Amounts due to joint ventures	44	158,391	–
Amounts due to shareholders of non-wholly owned subsidiaries	33	170,980	168,084
Derivative financial instruments	27	–	7,964
Tax payable		359,504	642,132
Notes	34	–	3,987,584
Bank and other borrowings	31	12,673,820	17,401,147
		16,151,730	24,914,173
Net Current Assets		5,135,192	889,908
Total Assets less Current Liabilities		31,109,567	28,508,607
Non-current Liabilities			
Lease liabilities	32	317,143	322,461
Notes	34	475,771	475,061
Bank and other borrowings	31	14,612,250	10,410,161
Deferred tax liabilities	35	828,820	971,752
Other liabilities	30	4,239	680,960
		16,238,223	12,860,395
Net Assets		14,871,344	15,648,212
Capital and Reserves			
Share capital	36	281,760	270,591
Share premium		4,880,059	4,712,161
Reserves		6,518,146	7,372,413
Equity attributable to shareholders of the Company		11,679,965	12,355,165
Owners of perpetual capital notes	37	2,903,198	2,903,563
Other non-controlling interests		288,181	389,484
		3,191,379	3,293,047
Total Equity		14,871,344	15,648,212

The consolidated financial statements on pages 122 to 233 were approved and authorised for issue by the Board of Directors on 27 June 2024 and are signed on its behalf by:

DAVID CHIU
DIRECTOR

WING KWAN WINNIE CHIU
DIRECTOR

JENNIFER WENDY CHIU
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Attributable to owners of the Company										Owners of perpetual capital notes	Other non-controlling interests	Sub-total	Total
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	FVTOCI reserve	Exchange reserve	Hedging reserve	Other reserve	Retained profits	Total				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 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
Profit (loss) for the year	-	-	-	-	-	-	-	-	172,185	172,185	209,864	(1,837)	208,027	380,212
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(1,664,779)	-	-	-	(1,664,779)	-	(2)	(2)	(1,664,781)
Fair value change on debt instruments at FVTOCI	-	-	-	-	(122,136)	-	-	-	-	(122,136)	-	-	-	(122,136)
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	-	-	-	-	84,753	-	-	-	-	84,753	-	-	-	84,753
Fair value change on equity instruments at FVTOCI	-	-	-	-	(453,551)	-	-	-	-	(453,551)	-	-	-	(453,551)
Share of other comprehensive expense of an associate	-	-	-	-	-	-	(13,936)	-	-	(13,936)	-	-	-	(13,936)
Other comprehensive expense for the year	-	-	-	-	(490,934)	(1,664,779)	(13,936)	-	-	(2,169,649)	-	(2)	(2)	(2,169,651)
Total comprehensive (expense) income for the year	-	-	-	-	(490,934)	(1,664,779)	(13,936)	-	172,185	(1,997,464)	209,864	(1,839)	208,025	(1,789,439)
Distribution to owners of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(207,890)	-	(207,890)	(207,890)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(16,525)	(16,525)	(16,525)
Dividends recognised as distribution (note 14)	-	-	-	-	-	-	-	-	(494,684)	(494,684)	-	-	-	(494,684)
Shares issued in lieu of cash dividend	4,433	85,585	-	-	-	-	-	-	-	90,018	-	-	-	90,018
Bonus issue of share (note 36)	24,196	(24,196)	-	-	-	-	-	-	-	-	-	-	-	-
Partial disposal of equity interest in a subsidiary without loss of control	-	-	-	-	-	-	-	125,563	-	125,563	-	31,237	31,237	156,800
At 31 March 2023	270,591	4,712,161	35,964	54,727	(999,049)	(2,118,154)	103,016	727,549	9,568,360	12,355,165	2,903,563	389,484	3,293,047	15,648,212

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	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	Other	Sub-total HK\$'000	Total HK\$'000
											perpetual	non-		
											capital notes HK\$'000	controlling interests HK\$'000		
Profit for the year	-	-	-	-	-	-	-	-	226,100	226,100	207,488	17,113	224,601	450,701
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(638,927)	-	-	-	(638,927)	-	(2,925)	(2,925)	(641,852)
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of foreign operations	-	-	-	-	-	(8,485)	-	-	-	(8,485)	-	-	-	(8,485)
Fair value change on debt instruments at FVTOCI	-	-	-	-	(14,134)	-	-	-	-	(14,134)	-	-	-	(14,134)
Reclassification adjustment on disposal of debt instruments at FVTOCI during the year	-	-	-	-	75,443	-	-	-	-	75,443	-	-	-	75,443
Fair value change on equity instruments at FVTOCI	-	-	-	-	(314,037)	-	-	-	-	(314,037)	-	-	-	(314,037)
Share of other comprehensive expense of an associate	-	-	-	-	-	-	(32,108)	-	-	(32,108)	-	-	-	(32,108)
Other comprehensive expense for the year	-	-	-	-	(252,728)	(647,412)	(32,108)	-	-	(932,248)	-	(2,925)	(2,925)	(935,173)
Total comprehensive (expense) income for the year	-	-	-	-	(252,728)	(647,412)	(32,108)	-	226,100	(706,148)	207,488	14,188	221,676	(484,472)
Distribution to owners of perpetual capital notes	-	-	-	-	-	-	-	-	-	-	(207,853)	-	(207,853)	(207,853)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(228,150)	(228,150)	(228,150)
Dividends recognised as distribution (note 14)	-	-	-	-	-	-	-	(381,954)	(381,954)	(381,954)	-	-	-	(381,954)
Shares issued in lieu of cash dividend	11,169	167,898	-	-	-	-	-	-	-	179,067	-	-	-	179,067
Acquisition of additional interest in a non-controlling interest	-	-	-	-	-	(427)	-	23,399	(2,569)	20,403	-	(20,403)	(20,403)	-
Partial disposal of equity interest in subsidiaries without loss of control	-	-	-	-	-	-	-	213,432	-	213,432	-	133,062	133,062	346,494
At 31 March 2024	281,760	4,880,059	35,964	54,727	(1,251,777)	(2,765,993)	70,908	964,380	9,409,937	11,679,965	2,903,198	288,181	3,191,379	14,871,344

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

Other reserve mainly comprise (a) the difference between the principal amounts of consideration paid and the relevant share of carrying value of the subsidiaries' net assets disposed to the non-controlling interests in prior years; (b) the difference between the fair value of consideration paid for further acquisition of subsidiaries in prior years and the amount by which the non-controlling interests are adjusted, after reattribution of relevant reserve; and (c) dividends paid to shareholders out of other reserves.

A credit balance of HK\$125,563,000 was recognised in the year ended 31 March 2023 in respect of the excess of consideration received for the partial disposal of the equity interest of an indirect wholly-owned subsidiary, Turbo Century Limited, without loss of control, over the amount by which the non-controlling interests are adjusted, after reattribution of relevant reserve.

On 26 June 2023, FEC Care Park Holdings (Australia) Pty Ltd ("FEC Care Park"), an indirect wholly-owned subsidiary of the Group entered into the settlement deeds with various parties to dismiss the claims under legal proceedings, pursuant to which effective interest in Care Park Group Pty Ltd was increased from 77.75% to 90.41%, which resulted in recognition of a credit balance of HK\$23,399,000 during the year ended 31 March 2024. Details are set out in the Company's announcement dated 26 June 2023.

Upon the spin-off of Palasino Holdings Limited ("Palasino"), a non-wholly owned subsidiary of the Group, on 26 March 2024, that resulted in a disposal of additional 16.79% equity interests of Palasino, and a credit balance of HK\$213,432,000 has been recognised in other reserves representing net proceeds from the initial public offering over the net asset value of Palasino attributable to non-controlling shareholders as at the spin-off date. Details are set out in the Company's announcement dated 26 March 2024.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	NOTE	2024 HK\$'000	2023 HK\$'000
Operating activities			
Profit before tax		585,437	729,748
Adjustments for:			
Share of results of joint ventures		(32,191)	(135,831)
Share of results of associates		13,038	1,497
Depreciation of property, plant and equipment		508,410	445,014
Interest income		(83,639)	(68,411)
Finance costs		1,182,836	611,018
Change in fair value of investment properties		(454,952)	(39,942)
Change in fair value of financial assets at FVTPL		(18,289)	(20,493)
Loss on disposal of debt instruments at FVTOCI		75,443	84,753
Change in fair value of derivative financial instruments		(6,027)	(34,078)
Gain on disposal of subsidiaries	39	(41,344)	-
Gain on disposal of property, plant and equipment		(25,121)	(18,061)
Gain arising from structured financing arrangement		-	(108,962)
Impairment loss under expected credit loss ("ECL") model recognised on trade debtors		7,342	5,718
Impairment loss (reversal of) recognised on property, plant and equipment		42,802	(26,555)
Gain on termination of lease contracts		(945)	(13,480)
Operating cash flows before movements in working capital		1,752,800	1,411,935
Decrease (increase) in properties for sale		2,927,378	(1,539,207)
Increase in other inventories		(423)	(3,962)
Increase in loan receivables		(29,715)	(40,335)
Decrease in debtors, deposits and prepayments		20,812	73,508
Decrease in customer's deposits under escrow		48,930	58,273
Decrease in investment held for trading		-	27,152
Decrease in creditors and accruals and other liabilities		(230,082)	(388,120)
Increase in contract assets		(698,829)	(238,741)
Decrease (increase) in contract costs		100,227	(9,204)
Increase (decrease) in contract liabilities		183,233	(39,418)
Cash generated from (used in) operations		4,074,331	(688,119)
Income tax paid		(493,851)	(247,256)
Net cash from (used in) operating activities		3,580,480	(935,375)

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Investing activities			
Acquisition and development expenditures of property, plant and equipment		(384,604)	(890,830)
Proceeds from disposal of property, plant and equipment		82,708	113,173
Development expenditures of investment properties		(1,036,404)	(258,991)
Proceeds from disposal of investment properties		200	1,185
Deposit received for disposal of a subsidiary	30	–	338,000
Net cash inflow on disposal of subsidiaries	39	660,163	–
Capital investment in associates		(71,946)	–
Capital investment in joint ventures		(171,417)	(169,494)
Dividend and distribution received from associates and joint ventures		60,396	119,804
Advances to associates		(58,356)	–
Repayment from associates		–	2,084
Advances to joint ventures		(542,822)	(1,163,236)
Repayment from joint ventures		60,474	231,035
Return of capital from a joint venture		18,612	–
Repayment from a shareholder of a non-wholly owned subsidiary		2,340	–
Advance to a related company		(39,088)	(878)
Purchase of other assets		–	(14,846)
Purchase of equity instruments at FVTPL		(208,589)	(16,962)
Purchase of equity instruments at FVTOCI		(207,592)	–
Proceeds from sale of equity instruments at FVTPL		42,142	8,720
Proceeds from sale of debt instruments at FVTPL		46,255	206,611
Purchase of debt instruments at FVTOCI		(661,844)	(1,191,685)
Proceeds from sale/redemption of debt instruments at FVTOCI		842,118	1,285,949
Purchase of investment funds		(537,695)	(147,953)
Proceeds from sale of investment funds		723,730	105,449
Purchase of structured notes		–	(16,867)
Proceeds from sale/redemption of structure notes		–	16,295
Net cash inflow on derivative financial instruments		1,471	30,396
Placement of pledged deposits		–	(353,489)
Release of pledged deposits		640,290	507,496
Placement of restricted bank deposits		(444,919)	–
Cash paid for structured financing arrangement		–	(388,367)
Cash received from structured financing arrangement		–	460,389
Bank interest received		70,930	59,531
Net cash used in investing activities		(1,113,447)	(1,127,481)

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
Financing activities		
New bank and other borrowings raised, net of transaction costs	10,854,474	9,187,505
Repayments of bank and other borrowings	(9,102,846)	(7,416,597)
Repurchase of notes	(79,221)	(160,569)
Repayment of notes	(3,840,129)	–
Repayment of other liabilities	(592)	–
Repayments of lease liabilities	(110,359)	(86,436)
Advance from a shareholder of a non-wholly owned subsidiary	6,388	–
Repayments to shareholders of non-wholly owned subsidiaries	–	(7,598)
Advance from a related company	106	95
Advance from joint ventures	159,458	–
Advance from associates	–	603
Repayment to associates	(1,491)	–
Distribution to owners of perpetual capital notes	(207,853)	(207,890)
Dividends paid	(202,887)	(404,666)
Dividends paid to non-controlling interests	–	(16,525)
Interest paid	(1,858,842)	(1,206,140)
Proceeds from disposal of partial interest in a subsidiary	–	156,800
Proceeds from disposal of partial interest in Palasino	346,494	–
Net cash used in financing activities	(4,037,300)	(161,418)
Net decrease in cash and cash equivalents	(1,570,267)	(2,224,274)
Cash and cash equivalents brought forward	4,431,485	6,902,605
Effect of foreign exchange rate changes	(127,597)	(246,846)
Cash and cash equivalents carried forward	2,733,621	4,431,485

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 2024 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 NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGE IN OTHER ACCOUNTING POLICIES

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

In the current year, the Group has applied following new and 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 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGE IN OTHER ACCOUNTING POLICIES *(continued)***New and amendments to HKFRSs that are mandatorily effective for the current year** *(continued)**Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies*

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* 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 has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 3 to the consolidated financial statements.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 April 2022;
- (ii) the Group also, as at 1 April 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use assets and lease liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGE IN OTHER ACCOUNTING POLICIES *(continued)*

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

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)

The application of the amendments has had no material impact on the Group’s financial position and performance, except that the Group recognised the related deferred tax assets of HK\$63,470,000 and deferred tax liabilities of HK\$63,470,000 on a gross basis but it has no impact on the retained earnings at the earliest period presented.

Impacts on application of Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The governments of the United Kingdom (“UK”), Netherlands and Australia, where a number of the group entities were incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, for financial years starting from 1 January 2024, the Group may be required to pay, in such jurisdictions, top-up tax on their profits that are taxed at an effective tax rate of less than 15 per cent. In addition, top-up tax on the profits of these group entities’ subsidiaries that are taxed at an effective tax rate of less than 15 per cent may also be imposed under the Pillar Two income taxes legislation.

The Group will continue to assess the impact of the proposed and enacted Pillar Two income taxes legislation on its future financial performance as new guidance becomes available.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
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	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGE IN OTHER ACCOUNTING POLICIES *(continued)***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 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 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:

- 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*.
- 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 the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

As at 31 March 2024, the Group’s right to defer settlement for borrowings of HK\$6,034,062,000 are subject to compliance with certain financial ratios only after the reporting period. Such borrowings were classified as non-current as the Group met such ratios at 31 March 2024. Upon the application of the 2022 Amendments, such borrowings will still be classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date. Except as described above, the application of the 2020 and 2022 Amendments will not affect the classification of the Group’s other liabilities as at 31 March 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

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.

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 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information

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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(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, including costs of testing whether the related assets is functioning properly 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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (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 *Revenue from Contracts with Customers*, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(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 *Leases* 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

*Leases**The Group as a lessee*

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 that do not meet the definition of investment property or inventory in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Investments in associates and joint ventures

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

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

The results 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 *Impairment of Assets* 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(continued)*

Inventories

Properties for sale

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

Properties under development which are intended to be sold upon completion of development and 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.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial 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 debt instruments measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (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 OCI 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(continued)*

Financial instruments (continued)

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.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in notes 7, 26 and 29.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(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. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits schemes

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(continued)*

Taxation *(continued)*

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

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

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

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

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale except for freehold land. Freehold land is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing liabilities and related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Material accounting policy information *(continued)*

Taxation *(continued)*

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.

- (a) the same taxable entity; or
- (b) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Critical judgement in applying accounting policies *(continued)*

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 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 (the "PRC"), Australia, and UK do not provide the Group with such rights.

During the year ended 31 March 2024, revenue from sales of properties recognised over time by the Group amounted to HK\$1,774,815,000 (2023: HK\$1,145,915,000).

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 the PRC 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, Czech Republic, 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 the PRC 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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 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. Changes to assumptions including monthly 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 change in fair value of investment properties reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 March 2024, the carrying amount of the Group's investment properties is HK\$6,100,783,000 (2023: HK\$8,113,310,000).

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 and Level 2 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 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 and other borrowings, notes, net of cash and cash equivalents, restricted bank deposits, pledged deposits and customers' deposits under escrow), perpetual capital notes and total equity of the Company, comprising mainly 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 in Hong Kong ("HK")
- Provision of mortgage services (including as securities investments made and monitored by the same team)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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)	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Property development				
– Australia	4,115,080	510,178	688,726	148,894
– HK	229,693	249,937	63,078	76,929
– Malaysia	8,184	15,432	2,569	7,043
– PRC	56,508	128,455	74,505	605,230
– Singapore	1,774,815	1,145,915	108,516	50,246
– UK	649,990	1,516,218	51,620	241,089
	6,834,270	3,566,135	989,014	1,129,431
Property investment				
– Australia	21,526	16,696	33,007	3,610
– HK	40,827	36,366	10,138	32,087
– PRC	44,832	55,134	36,673	51,436
– UK	7,911	7,834	8,268	10,629
	115,096	116,030	88,086	97,762
Hotel operations and management				
– Australia	508,500	218,398	(58,380)	(54,090)
– HK	714,509	653,632	74,039	144,129
– Malaysia	156,811	133,901	34,725	20,064
– PRC	209,487	144,411	19,984	(29,081)
– Singapore	128,792	111,402	61,580	55,230
– UK	151,110	149,245	10,424	30,862
– Europe (other than UK)	161,938	136,976	6,679	834
	2,031,147	1,547,965	149,051	167,948
Car park operations and facilities management				
– Australia and New Zealand	540,475	624,022	60,583	22,944
– UK	118,096	95,189	(8,036)	(1,475)
– Europe (other than UK)	41,127	31,958	(6,458)	17,519
– Malaysia	31,891	3,129	5,632	(1,036)
	731,589	754,298	51,721	37,952

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

	Segment revenue		Segment profit (loss)	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Gaming operations				
– Australia	–	–	(11)	(22)
– Czech Republic	402,403	390,404	103,786	63,227
	402,403	390,404	103,775	63,205
Securities and financial product investments in HK	38,846	59,472	3,790	5,234
Provision of mortgage services				
– Australia	41,936	36,729	34,718	15,998
– HK	8,392	7,925	7,516	7,040
	50,328	44,654	42,234	23,038
Segment revenue/segment profit	10,203,679	6,478,958	1,427,671	1,524,570
Unallocated corporate income and expenses			(126,470)	(85,508)
Change in fair value of investment properties held by Sanon			443,275	18,455
Gain on disposal of subsidiaries (note 39)			41,344	–
Net foreign exchange loss			(17,547)	(116,751)
Finance costs			(1,182,836)	(611,018)
Profit before tax			585,437	729,748

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, change in fair value of investment properties held by Sanon, 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.

Certain comparative information in respect of revenue and gaming tax under gaming operations has been represented to conform with current year presentation.

During the current year, change in fair value of investment properties held by Sanon is not included in the segment result and related comparative information has been represented to conform with current year presentation. The relevant investment properties held by Sanon are included in the segment assets as at 31 March 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 cash and cash equivalents.

	2024 HK\$'000	2023 HK\$'000
Property development		
– Australia	5,695,432	8,246,033
– HK	6,081,607	5,691,556
– Malaysia	170,064	368,436
– PRC	2,550,819	2,885,768
– Singapore	1,476,379	2,409,442
– UK	6,361,188	4,735,242
	22,335,489	24,336,477
Property investment		
– Australia	399,034	311,129
– HK	2,808,751	5,019,107
– PRC	7,492	5,620
– UK	35,158	33,465
	3,250,435	5,369,321
Hotel operations and management		
– Australia	4,717,376	4,675,309
– HK	5,599,408	5,022,024
– Malaysia	780,340	847,602
– PRC	2,095,070	2,055,649
– Singapore	542,263	571,463
– UK	1,116,254	1,024,777
– Europe (other than UK)	306,774	320,435
	15,157,485	14,517,259
Car park operations and facilities management		
– Australia and New Zealand	885,344	1,044,931
– Europe	306,886	377,143
– Malaysia	128,240	132,745
	1,320,470	1,554,819
Gaming operations		
– Australia	235,298	356,361
– Czech Republic	139,086	286,373
	374,384	642,734

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

6. SEGMENT INFORMATION (continued)

(b) Segment assets (continued)

	2024 HK\$'000	2023 HK\$'000
Securities and financial product investments in HK	1,071,505	1,563,492
Provision of mortgage services		
– Australia	602,601	776,805
– HK	186,142	228,593
	788,743	1,005,398
Segment assets	44,298,511	48,989,500
Unallocated corporate assets	2,962,786	4,433,280
Total assets	47,261,297	53,422,780

(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, amount due from an associate, amounts due from joint ventures, amount due from an investee company, loan receivables, pledged deposits, other assets, other receivables and deferred tax assets.

	Revenue from external customers		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Australia and New Zealand	5,227,516	1,406,023	6,847,537	6,839,751
Czech Republic	564,341	527,379	523,287	528,831
HK	1,032,267	1,007,332	8,534,553	10,527,134
Malaysia	196,887	152,462	756,887	828,424
PRC	310,826	328,000	4,073,848	4,123,060
Singapore	1,903,607	1,257,317	521,812	537,163
UK	927,108	1,768,487	1,352,846	1,216,776
Europe (other than UK)	41,127	31,958	131,581	154,466
	10,203,679	6,478,958	22,742,351	24,755,605

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

6. SEGMENT INFORMATION (continued)

(d) Other information (continued)

	2023								
	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	(2,890)	5,126	(11,915)	2	(3,105)	-	-	7,064	(5,718)
Depreciation of property, plant and equipment	(10,458)	(1,259)	(323,077)	(12,916)	(92,109)	-	-	(5,195)	(445,014)
Gain on disposal of property, plant and equipment	417	-	743	57	17,269	-	-	(425)	18,061
Reversal of impairment loss on property, plant and equipment	-	-	-	-	26,555	-	-	-	26,555
Change in fair value of investment properties	-	30,967	(9,480)	-	-	-	-	18,455	39,942
Change in fair value of financial assets at FVTPL	-	-	13,533	(3,107)	-	10,067	-	-	20,493
Change in fair value of derivative financial instruments	-	-	16,637	-	-	3,257	-	14,184	34,078
Share of results of associates	-	6,553	(8,050)	-	-	-	-	-	(1,497)
Share of results of joint ventures	145,573	-	8,006	-	2,947	-	(20,695)	-	135,831
Interests in associates	-	236,523	1,494,766	-	-	-	-	-	1,731,289
Interests in joint ventures	1,809,161	4,040	297,243	-	39,698	-	285,213	-	2,435,355
Acquisition in property, plant and equipment	21,495	2,689	1,209,172	2,044	37,721	-	-	395	1,273,516
Additions of investment properties	-	338,085	-	-	-	-	-	-	338,085
Investment securities	5	-	125,981	356,361	-	1,194,298	437,623	-	2,114,268
Amortisation of contract costs	158,529	-	-	-	-	-	-	-	158,529

Information about segment liabilities are not regularly reviewed by CODM. Accordingly, segment liability information is not presented.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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:

	2024 HK\$'000	2023 HK\$'000
Sales of properties	6,711,127	3,276,917
Construction revenue	105,556	241,340
Hotel revenue		
– room revenue	1,667,009	1,328,124
– food and beverage	169,592	136,278
Car park income		
– parking revenue	639,179	654,000
– management fee	94,389	101,702
Gaming revenue	402,403	390,404
Provision of property management services	124,365	57,572
Other operations	13,928	9,756
Revenue from contracts with customers	9,927,548	6,196,093
Leasing of properties – operating lease	186,475	176,734
Loan interest income	8,392	7,925
Interest income from financial instruments	77,764	94,183
Dividend income from financial instruments	3,500	4,023
	10,203,679	6,478,958
Timing of revenue recognition from contracts with customers		
– At a point in time	5,522,234	2,665,798
– Over time	4,405,314	3,530,295
	9,927,548	6,196,093

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 2024

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 2024				
	Segment revenue	Leasing of properties and car park income	Food and beverage	Interest and dividend income	Consolidation
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development*	6,834,270	(17,587)	-	-	6,816,683
Hotel operations	2,031,147	(180,618)	(183,520)	-	1,667,009
Car park operations	731,589	1,979	-	-	733,568
Gaming operations	402,403	-	-	-	402,403
Provision of property management services	-	124,365	-	-	124,365
Food and beverage	-	-	169,592	-	169,592
Other operations	-	-	13,928	-	13,928
Revenue from contracts with customers	9,999,409	(71,861)	-	-	9,927,548
Leasing of properties	115,096	71,861	-	(482)	186,475
Provision of mortgage services	50,328	-	-	(41,936)	8,392
Interest income and dividend income from financial instruments	38,846	-	-	42,418	81,264
Total revenue	10,203,679	-	-	-	10,203,679

	For the year ended 31 March 2023				
	Segment revenue	Leasing of properties and car park income	Food and beverage	Interest and dividend income	Consolidation
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development*	3,566,135	(47,878)	-	-	3,518,257
Hotel operations	1,547,965	(73,807)	(146,034)	-	1,328,124
Car park operations	754,298	1,404	-	-	755,702
Gaming operations	390,404	-	-	-	390,404
Provision of property management services	-	57,572	-	-	57,572
Food and beverage	-	-	136,278	-	136,278
Other operations	-	-	9,756	-	9,756
Revenue from contracts with customers	6,258,802	(62,709)	-	-	6,196,093
Leasing of properties	116,030	62,709	-	(2,005)	176,734
Provision of mortgage services	44,654	-	-	(36,729)	7,925
Interest income and dividend income from financial instruments	59,472	-	-	38,734	98,206
Total revenue	6,478,958	-	-	-	6,478,958

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

7. REVENUE (continued)

Performance obligations for contracts with customers and revenue recognition policies

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 locations, 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 before 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 conditional 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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

7. REVENUE (continued)

Performance obligations for contracts with customers and revenue recognition policies

(continued)

Hotel revenue

The hotel room revenue from customers are recognised over time using output method when the services and facilities are provided. The Group allows an average credit period is not more than 30 days to travel agents and corporate customers.

Car park income

The car park revenue from customers are recognised over time using output method when the service and facilities are provided.

Gaming revenue

Gaming revenue is the aggregate net difference between gaming wins and losses, 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.

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 follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	4,859,035	6,746,270
More than one year but not more than two years	921,427	3,054,380
More than two years	110,173	–
	5,890,635	9,800,650

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 2024 and 31 March 2023, 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 2024 and 2023, all income from lease of properties are fixed lease payments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

8. OTHER GAINS AND LOSSES

	2024 HK\$'000	2023 HK\$'000
Change in fair value of financial assets at FVTPL	18,289	20,493
Loss on disposal of debt instruments at FVTOCI	(75,443)	(84,753)
Change in fair value of derivative financial instruments	6,027	34,078
Net foreign exchange loss	(17,547)	(116,751)
Gain on disposal of property, plant and equipment	25,121	18,061
Gain on disposal of subsidiaries (note 39)	41,344	–
Impairment loss under ECL model recognised on trade debtors	(7,342)	(5,718)
Gain arising from structured financing arrangement (Note)	–	108,962
	(9,551)	(25,628)

Note: As detailed in the Company's announcement published on 15 March 2022, on 14 March 2022, the Group entered into a structured financing arrangement which involved the followings: (1) advancing cash amounting to GBP38,503,000 to the R&F Properties (HK) Company Limited ("R&F Prop HK") and its subsidiary (collectively referred to as the "R&F Group"); (2) entering into a guarantee of the bank loan in the place of R&F Group amounting to GBP57,200,000 (the "Target Bank Loan"); and (3) transferring 100% equity interest of R&F Properties VS (UK) Co., Ltd ("Target Company") to the Group from the R&F Group with a repurchase option issued to the counterparty which is exercisable at any time after the completion and on or before the end of six months after the completion of the transaction. As such, the Group did not obtain control of the assets held by the Target Company. As the transaction represented an acquisition of assets with repurchase option, the Group did not consolidate the Target Company and has accounted for the cash advanced as a receivable arising from structured financing arrangement. During the year ended 31 March 2023, gain of HK\$108,962,000 has been recognised. The R&F Group subsequently exercised the option to repurchase the interest in the Target Company, as detailed in the Company's announcement published on 2 September 2022, which has been completed on 5 October 2022.

9. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on:		
Bank borrowings	1,640,313	1,019,749
Other loans	1,697	11,582
Interest on lease liabilities	10,295	12,914
Interest on notes	151,721	234,224
Amortisation of front-end fee of bank loans	31,969	33,019
Others	14,155	10,573
Total interest costs	1,850,150	1,322,061
Less: amounts capitalised to:		
– properties for sale (properties under development)	(544,309)	(617,505)
– property, plant and equipment (owned properties under development)	(123,005)	(93,538)
	1,182,836	611,018

Borrowing costs capitalised during the year which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 4.50% to 9.46% (2023: 2.39% to 6.04%) per annum to expenditure on the qualifying assets.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

10. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
The income tax expense (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	20,144	91,934
PRC Enterprise Income Tax ("PRC EIT")	(3,910)	61,821
PRC Land Appreciation Tax ("PRC LAT")	7,604	21,227
Australia Income Tax	1,163	9,898
Malaysia Income Tax	2,293	3,034
UK Income Tax	6,092	7,612
Singapore Income Tax	23,343	1,530
Czech Republic Income Tax	18,046	17,707
	74,775	214,763
Dividend withholding tax and interest withholding tax	116,657	150,858
Under(over) provision in prior years:		
Hong Kong Profits Tax	9,276	30,098
PRC EIT	-	(62,947)
Australia Income Tax	-	(7,630)
Malaysia Income Tax	(567)	-
UK Income tax	19,047	-
Singapore Income tax	(9,493)	-
	18,263	(40,479)
Deferred taxation (note 35)	(74,959)	24,394
	134,736	349,536

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.

Pursuant to EIT Law and Implementation Regulations of the EIT Law, distribution of the profits earned by the subsidiaries in the PRC since 1 January 2008 to holding companies is subject to the PRC withholding tax at the applicable tax rate of 5% or 10%.

The domestic statutory tax rate of Australia, Malaysia, Singapore, UK and Czech Republic is 30%, 24%, 17%, 25% and 19% (2023: 30%, 24%, 17%, 19% and 19%) of the estimated assessable profits, respectively.

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For the year ended 31 March 2024

10. INCOME TAX EXPENSE (continued)

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

	Hong Kong HK\$'000	PRC HK\$'000	Australia HK\$'000	Malaysia HK\$'000	Singapore HK\$'000	Others HK\$'000	Consolidated HK\$'000
2024							
(Loss) profit before tax	(243,438)	130,217	519,789	32,869	73,238	72,762	585,437
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 25%	
Tax at the applicable income tax rate	(40,167)	32,554	155,937	7,889	12,450	15,953	184,616
Tax effect of expenses not deductible for tax purpose	60,937	6,341	35,715	3,426	21,500	43,842	171,761
Tax effect of income not taxable for tax purpose	(42,773)	(36,294)	(239,524)	(5,109)	(10,588)	(61,194)	(395,482)
PRC LAT	-	7,604	-	-	-	-	7,604
Tax effect of taxable temporary difference previously not recognised	(56)	(438)	-	-	-	-	(494)
Tax effect of deductible temporary difference not recognised	464	19,102	11,448	-	-	-	31,014
Utilisation of tax losses previously not recognised	(168)	(9,669)	(14,887)	(2,771)	(3,531)	(31,750)	(62,776)
Tax effect of PRC LAT	-	(1,901)	-	-	-	-	(1,901)
Utilisation of deductible temporary differences previously not recognised	(647)	-	-	-	-	(482)	(1,129)
Tax effect of tax losses not recognised	32,038	6,919	10,038	851	111	65,015	114,972
Tax effect of share of results of associates	(2,530)	-	3,085	-	3,075	-	3,630
Tax effect of share of results of joint ventures	3,514	-	(13,416)	(2,104)	-	-	(12,006)
Under(over) provision in prior years	9,276	-	-	(567)	(9,493)	19,047	18,263
Withholding tax	22,880	-	37,928	-	-	13,849	74,657
Others	(2,099)	73	3,389	176	-	468	2,007
Income tax expense (credit) for the year	40,669	24,291	(10,287)	1,791	13,524	64,748	134,736

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For the year ended 31 March 2024

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
2023							
(Loss) profit before tax	(212,567)	586,604	34,641	17,897	33,698	269,475	729,748
Applicable income tax rate	16.5%	25%	30%	24%	17%	19% to 25%	
Tax at the applicable income tax rate	(35,074)	146,651	10,392	4,295	5,729	52,362	184,355
Tax effect of expenses not deductible for tax purpose	115,896	10,525	18,287	2,194	943	21,493	169,338
Tax effect of income not taxable for tax purpose	(8,065)	(139,970)	(29,954)	(4,368)	(2,142)	(55,051)	(239,550)
PRC LAT	-	21,227	-	-	-	-	21,227
Tax effect of taxable temporary difference previously not recognised	(70)	(579)	1,119	-	-	(110)	360
Tax effect of deductible temporary difference not recognised	989	1,225	-	339	-	2,701	5,254
Utilisation of tax losses previously not recognised	(10,871)	(7,103)	(215)	-	-	(931)	(19,120)
Tax effect of PRC LAT	-	(5,307)	-	-	-	-	(5,307)
Utilisation of deductible temporary differences previously not recognised	(2,872)	-	-	-	(3,000)	-	(5,872)
Tax effect of tax losses not recognised	53,990	18,640	15,511	-	-	-	88,141
Tax effect of share of results of associates	(1,081)	-	2,415	-	-	-	1,334
Tax effect of share of results of joint ventures	493	-	(40,816)	(664)	-	-	(40,987)
Under(over) provision in prior years	30,098	(62,947)	(7,630)	-	-	-	(40,479)
Withholding tax	49,051	160,875	26,486	-	-	-	236,412
Others	(2,482)	(3,390)	(1,273)	1,575	-	-	(5,570)
Income tax expense for the year	190,002	139,847	(5,678)	3,371	1,530	20,464	349,536

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

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

11. PROFIT FOR THE YEAR

	2024 HK\$'000	2023 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	1,689,620	1,029,635
– At point of time	3,382,013	1,853,326
	5,071,633	2,882,961
Auditor's remuneration		
– audit services	30,838	23,799
– non-audit services	350	690
Depreciation of property, plant and equipment (included depreciation of leased properties with HK\$89,508,000 (2023: HK\$78,862,000))	508,410	445,014
Amortisation of contract cost	429,294	158,529
Impairment loss (reversal of impairment loss) recognised on property, plant and equipment included in "depreciation and impairment of hotel and car park assets"	42,802	(26,555)
Staff costs (included HK\$659,546,000 (2023: HK\$499,908,000) in cost of sales and services)		
– Directors' emoluments (note 13(a))	30,907	29,970
– Other staffs	1,132,077	949,295
	1,162,984	979,265
and after crediting:		
Bank interest income	70,930	59,531
Other interest income	12,709	8,880
Government grants (Note a)	659	27,104
Compensation income included in other income (Note b)	–	475,320

Notes:

- (a) During the current year, the Group recognised government grants received from the government from various regions in aggregate amount of HK\$659,000 (2023: HK\$27,104,000) in respect of COVID-19-related subsidies. The amount is included in other income.
- (b) Amount represented the compensation 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. Pursuant to the Settlement Agreement, the Group was obliged to fulfil all of the stipulated obligations in order to entitle the consideration of RMB408,000,000. During the year ended 31 March 2023, the Group had received the entire compensation from relevant parties amounting to RMB408,000,000 (equivalent to approximately HK\$475,320,000). Based on the external legal counsel opinion, the Group had fulfilled all the obligations as stipulated in the settlement agreement and recognised the full compensation amount as other income in the year ended 31 March 2023.

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For the year ended 31 March 2024

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 following data:

Earnings:

	2024 HK\$'000	2023 HK\$'000
Earnings for the purpose of basic earnings per share being profit for the year attributed to shareholders of the Company	226,100	172,185
Effect of dilutive potential ordinary shares: Over-allotment options to be exercised issued by a subsidiary	(189)	-
Weighted average number of ordinary shares for earnings for the purpose of diluted earnings per share	225,911	172,185

Number of shares:

	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,744,200	2,675,396
Effect of dilutive potential ordinary shares: Scrip dividend	-	485
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,744,200	2,675,881

The computation of diluted earnings per share for the year ended 31 March 2024 does not assume the effect of scrip dividend because the fair value of those scrip dividend was higher than the average market price for shares for 2024.

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For the year ended 31 March 2024

13. 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
<i>For the year ended 31 March 2024</i>				
<i>Executive Directors:</i>				
David CHIU	25	2,040	–	2,065
Dennis CHIU	25	1,942	–	1,967
Craig Grenfell WILLIAMS	275	4,845	142	5,262
Cheong Thard HOONG	25	9,210	18	9,253
Wing Kwan Winnie CHIU	25	9,719	18	9,762
Jennifer Wendy CHIU (appointed with effect from 1 January 2024)	6	1,783	9	1,798
<i>Independent Non-executive Directors:</i>				
Lai Him Abraham SHEK	250	–	–	250
Kwong Siu LAM	250	–	–	250
Wai Hon Ambrose LAM	300	–	–	300
	1,181	29,539	187	30,907

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

13. 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
<i>For the year ended 31 March 2023</i>				
<i>Executive Directors:</i>				
David CHIU	25	2,040	–	2,065
Dennis CHIU	25	3,287	62	3,374
Craig Grenfell WILLIAMS	25	2,335	153	2,513
Cheong Thard HOONG	25	12,320	18	12,363
Wing Kwan Winnie CHIU	25	8,811	18	8,854
<i>Independent Non-executive Directors:</i>				
Kwok Wai CHAN (retired with effect from 30 August 2022)	125	–	–	125
Lai Him Abraham SHEK	250	–	–	250
Kwong Siu LAM	250	–	–	250
Wai Hon Ambrose LAM (appointed with effect from 30 August 2022)	176	–	–	176
	926	28,793	251	29,970

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\$4,000,000 (2023: HK\$nil), and Craig Grenfell WILLIAMS of HK\$2,585,000 (2023: HK\$nil) 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 2024 and 31 March 2023.

Notes to the Consolidated Financial Statements

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

(b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, four (2023: three) were directors whose emoluments are disclosed above. The remuneration of the remaining one (2023: two) individual is as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other benefits	6,661	6,094
Retirement benefits scheme contributions	160	36
	6,821	6,130

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

	2024 Number of employee	2023 Number of employee
Nil to HK\$3,000,000	-	-
HK\$3,000,001 to HK\$3,500,000	-	2
HK\$3,500,001 to HK\$4,000,000	1	-
	1	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.

14. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends recognised as distribution during the year:		
2024 interim dividend of HK4.0 cents per share (2023: 2023 interim dividend of HK4.0 cents per share)	111,363	107,545
2023 final dividend of HK10.0 cents per share (2023: 2022 final dividend of HK16.0 cents per share)	270,591	387,139
	381,954	494,684

The 2024 interim dividend and 2023 final dividend were 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\$1.3480 and HK\$1.7125 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 2024 of HK10.0 cents (2023: HK10.0 cents) per share, totalling of HK\$281,760,000 (2023: HK\$270,591,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

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15. INVESTMENT PROPERTIES

	Completed properties HK\$'000	Properties under construction or development HK\$'000	Total HK\$'000
At 1 April 2022	4,368,861	3,519,200	7,888,061
Additions	40,897	297,188	338,085
Reclassify from completed properties for sale	27,969	–	27,969
Reclassify from property, plant and equipment	–	101,500	101,500
Disposals	(1,185)	–	(1,185)
Change in fair value	11,461	28,481	39,942
Exchange alignment	(183,773)	(97,289)	(281,062)
At 31 March 2023	4,264,230	3,849,080	8,113,310
Additions	98,131	1,316,206	1,414,337
Reclassify from completed properties for sale	9,980	–	9,980
Disposals	(200)	–	(200)
Disposal of a subsidiary (note 39)	–	(3,702,000)	(3,702,000)
Change in fair value	(9,502)	464,454	454,952
Exchange alignment	(116,096)	(73,500)	(189,596)
At 31 March 2024	4,246,543	1,854,240	6,100,783

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 (2023: 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 2023 amounting to HK\$2,570,000,000 are in relation to the sales and purchase agreement for disposal of Sanon, as detailed in note 39.

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15. INVESTMENT PROPERTIES (continued)

The fair value of the investment properties in HK and outside HK at 31 March 2024, 31 March 2023 and at the date of transfer have been arrived at on the basis of a valuation carried out on those dates by the following independent qualified professional valuers (the "Valuers"):

Location of the investment properties	Valuers	Qualification
Australia	CBRE Valuations Pty Limited Colliers International (WA) Pty Ltd	Member of the Australian Property Institute
Czech Republic	Grant Thornton Appraisal services a.s.	Qualified valuer registered based on the decision of the Minister of Justice of the Czech Republic
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 Thwaites Real Estate Ltd	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 Valuers for similar properties in the locality and adjusted for the Valuers' knowledge of factors specific to the respective properties.

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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.

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 2024 and 31 March 2023 are as follows:

The key inputs used in valuing the investment properties under the income capitalisation approach were the capitalisation rates used and monthly 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.

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15. INVESTMENT PROPERTIES (continued)

Details of the significant unobservable input are as follows:

Class of property	Carrying amount		Significant unobservable input(s)
	2024 HK\$'000	2023 HK\$'000	
Completed investment properties			
Income capitalisation approach			
Office portion in HK	457,700	484,700	(1) Capitalisation rate 2.230% – 2.480% (2023: 2.125% – 2.375%) per annum (2) Monthly market rent HK\$28 to HK\$37.3 (2023: HK\$28 to HK\$37.3) per square foot
Retail portion in HK	1,353,762	1,336,762	(1) Capitalisation rate 2.5% – 3.5% (2023: 2.5% – 3.5%) per annum (2) Monthly market rent HK\$13.6 to HK\$173 (2023: HK\$13.6 to HK\$178) per square foot
Car park in HK	22,400	21,100	(1) Capitalisation rate 3.2% (2023: 3.2%) per annum (2) Monthly market rent HK\$1,700 (2023: HK\$1,600) per car parking space
Retail portion in the PRC (Note (c))	1,620,000	1,780,680	(1) Capitalisation rate 4.5% – 5.5% (2023: 5% – 5.5%) per annum (2) Monthly market rent Renminbi (“RMB”) 29 to RMB420 (2023: RMB29 to RMB323) per square metre
Office portion in the PRC (Note (c))	111,240	57,000	(1) Capitalisation rate 5.0% (2023: 4.5%) per annum (2) Monthly market rent RMB78 (2023: RMB85) per square metre
Retail portion in Australia	399,034	311,129	(1) Capitalisation rate 5.0% to 7.5% (2023: 5.75% to 7%) per annum (2) Monthly market rent Australian Dollar (“A\$”) 510 to A\$14,500 (2023: A\$465 to A\$14,500) per square metre

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15. INVESTMENT PROPERTIES (continued)

Class of property	Carrying amount		Significant unobservable input(s)
	2024 HK\$'000	2023 HK\$'000	
Retail portion in the PRC	12,960	13,680	(1) Capitalisation rate 5% (2023: 5.0%) per annum (2) Monthly market rent RMB29 to RMB88 (2023: RMB29 to RMB88) per square metre
Retail portion in the UK	35,158	33,465	(1) Capitalisation rate 8% to 13% per annum (2023: 8.5% to 13% per annum) (2) Monthly market rent GBP8 to GBP23.1 per square foot (2023: GBP6 to GBP19.8 per square foot)
Retail portion in Czech Republic	14,597	N/A	(1) Capitalisation rate 7.75% per annum (2023: N/A) (2) Monthly market rent CZK22,933 per square metre (2023: N/A)
Direct comparison approach			Market unit rate
Car park in the PRC	76,388	81,510	RMB230,000 to RMB260,000 (2023: RMB260,000) per car parking space
Retail portion in Singapore	143,304	144,204	Singapore Dollar ("S\$") 38,551 (2023: S\$39,297) per square metre
	4,246,543	4,264,230	
Investment properties under construction or development measured at fair value			
Residual value approach			Gross development value
Office, retail and car park in HK (Note (a))	–	2,570,000	N/A (2023: Gross development value of HK\$20,000 per square foot for office) N/A (2023: Gross development value of HK\$26,000 per square foot for retail) N/A (2023: Gross development value of HK\$3,000,000 per car parking space) Estimated cost to completion N/A (2023: Budgeted cost to completion of HK\$5,470 per square foot) N/A (2023: Developers' profit of 10%) N/A (2023: Marketing cost of 5%)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

15. INVESTMENT PROPERTIES (continued)

Class of property	Carrying amount		Significant unobservable input(s)
	2024 HK\$'000	2023 HK\$'000	
Residential in the PRC (Note (b))	788,400		<ul style="list-style-type: none"> - Gross development value RMB18,000 per square metre for residential Estimated cost to completion Budgeted cost to completion of RMB15,534 per square metre Developers' profit of 6% Marketing cost of 1.5%
	788,400	2,570,000	
Direct comparison approach			Market unit rate
Retail portion in HK (Note (a))	381,000		- Unit sales rate HK\$26,500 per square foot
Car park in HK (Note (a))	39,000		- Unit sales rate HK\$3,000,000 per car parking space
Residential in the PRC (Note (b))	645,840	1,279,080	Unit sales rate RMB8,200 per square metre (2023: RMB6,307 to RMB11,430)
	1,065,840	1,279,080	

Notes:

- (a) As at 28 March 2024, following the disposal of Sanon as set out in note 39, the Group holds the retail and certain car parks with carrying amount of approximately HK\$420,000,000, the respective valuation techniques have been changed from residual value approach to direct comparison approach to derive a more representative fair value.
- (b) As at 31 March 2024, following the approval of development plan and commencement of construction phase for investment properties in Shanghai, the PRC with carrying amount of approximately HK\$788,400,000, the respective valuation techniques have been changed from direct comparison approach to residual value approach to derive a more representative fair value.
- (c) During the year ended 31 March 2024, the Group has amended the nature of the investment properties situated in the PRC from retail to office amounting to HK\$57,240,000.

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.

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For the year ended 31 March 2024

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold lands HK\$'000	Leased properties HK\$'000	Owned properties		Leasehold improvements, furniture, fixtures and equipment HK\$'000	Total HK\$'000
			Completed HK\$'000	Under development HK\$'000		
COST						
At 1 April 2022	2,625,430	754,083	8,303,236	2,787,982	1,615,925	16,086,656
Additions	-	49,593	17,729	1,108,935	97,259	1,273,516
Disposals	-	-	(93,444)	-	(12,179)	(105,623)
Lease early termination	-	(188,212)	-	-	-	(188,212)
Reclassify to investment properties	-	-	-	(101,500)	-	(101,500)
Reclassify to completed properties	-	-	287,249	(287,249)	-	-
Reclassify to assets held for sale	-	-	(92,107)	-	(681)	(92,788)
Exchange alignment	(45,100)	(64,050)	(396,038)	(216,347)	(81,217)	(802,752)
At 31 March 2023	2,580,330	551,414	8,026,625	3,291,821	1,619,107	16,069,297
Additions	-	119,244	212,006	377,019	70,571	778,840
Disposals	-	-	(3,043)	-	(43,691)	(46,734)
Disposal of a subsidiary	-	-	(1,054)	-	(5)	(1,059)
Lease early termination	-	(30,801)	-	-	-	(30,801)
Reclassify to completed properties	-	-	1,747,998	(1,747,998)	-	-
Exchange alignment	(48,556)	(9,363)	(256,714)	(27,461)	(41,265)	(383,359)
At 31 March 2024	2,531,774	630,494	9,725,818	1,893,381	1,604,717	16,386,184
DEPRECIATION AND IMPAIRMENT						
At 1 April 2022	360,005	274,157	1,821,363	-	1,123,838	3,579,363
Provided for the year	40,986	78,862	226,550	-	98,616	445,014
Reversal of impairment loss recognised in profit or loss	-	(18,112)	(8,443)	-	-	(26,555)
Disposals	-	-	(5,877)	-	(4,634)	(10,511)
Lease termination	-	(44,337)	-	-	-	(44,337)
Reclassify to assets held for sale	-	-	(48,413)	-	(109)	(48,522)
Exchange alignment	(5,324)	(11,211)	(73,098)	-	(47,801)	(137,434)
At 31 March 2023	395,667	279,359	1,912,082	-	1,169,910	3,757,018
Provided for the year	39,707	89,508	270,292	-	108,903	508,410
Impairment loss recognised in profit or loss	-	9,770	33,032	-	-	42,802
Disposals	-	-	(1,038)	-	(32,375)	(33,413)
Disposal of a subsidiary	-	-	(748)	-	(2)	(750)
Lease termination	-	(26,046)	-	-	-	(26,046)
Exchange alignment	(7,918)	(4,468)	(66,055)	-	(31,456)	(109,897)
At 31 March 2024	427,456	348,123	2,147,565	-	1,214,980	4,138,124
CARRYING VALUES						
At 31 March 2024	2,104,318	282,371	7,578,253	1,893,381	389,737	12,248,060
At 31 March 2023	2,184,663	272,055	6,114,543	3,291,821	449,197	12,312,279

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The owned properties are depreciated on a straight-line basis over their useful lives ranging from 25 to 50 years or the remaining term of the lease of land, whichever is the shorter. The leasehold lands and leased properties are depreciated over the terms of the leases. Other items of property, plant and equipment are depreciated on a straight-line basis at the rates of 10% to 20% per annum, or for leasehold improvements, depreciated over its useful life or the terms of the lease, 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 HK with carrying amount of HK\$87,486,000 (2023: HK\$98,190,000).

The Group as lessee

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

	Leasehold lands HK\$'000	Leased properties HK\$'000	Total HK\$'000
As at 31 March 2024			
Carrying amount	2,104,318	282,371	2,386,689
As at 31 March 2023			
Carrying amount	2,184,663	272,055	2,456,718
For the year ended 31 March 2024			
Depreciation charge	39,707	89,508	129,215
Impairment loss recognised	–	9,770	9,770
Gain from lease early termination	–	(945)	(945)
For the year ended 31 March 2023			
Depreciation charge	40,986	78,862	119,848
Reversal of impairment loss recognised	–	(18,112)	(18,112)
Gain from lease early termination	–	(13,480)	(13,480)
		2024	2023
		HK\$'000	HK\$'000
Expense relating to short-term leases and leases of low-value assets		5,055	2,847
Additions to right-of-use assets		119,244	49,593
Total cash outflow for leases		125,709	102,197

The Group leases various car parks, offices and office equipment for its operations. Lease contracts are entered into for fixed term of 1 to 10 years (2023: 1 to 10 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The Group as lessee *(continued)*

In addition, the Group owns several hotels and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group has extension options in a number of leases for car parks. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors. The Group assessed, at lease commencement date, it is reasonably certain to exercise the extension options. Therefore, all the relevant lease payments in the extended period have been included in the calculation of lease liabilities. In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year, there is no such triggering event.

The Group regularly entered into short-term leases for slot machines for gaming, motor vehicles and office equipment. As at 31 March 2024 and 2023, 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% (2023: 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.

Notes to the Consolidated Financial Statements

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18. INTERESTS IN ASSOCIATES

	2024 HK\$'000	2023 HK\$'000
Unlisted investments, at cost	1,652,209	1,580,263
Exchange adjustments	(161,367)	(111,380)
Share of post-acquisition results and other comprehensive income, net of dividends received	213,315	262,406
	1,704,157	1,731,289

Particulars of principal associates, which are incorporated and operating in HK 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
		2024	2023	
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.

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For the year ended 31 March 2024

18. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates

Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd ("DBC") is regarded as the material associate of the Group at the end of the reporting period and is accounted for using the equity method in the consolidated financial statements. The summarised financial information in respect of this associate is set out below and represents amounts shown in the associate's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"), equivalent to HKFRSs.

The summarised financial information regarding the assets and liabilities of DBC for the years ended 31 March 2024 and 2023 was as follows:

	2024 HK\$'000	2023 HK\$'000
Non-current assets	13,255,534	12,145,219
Current assets	744,027	661,248
Non-current liabilities	(7,223,945)	(6,137,280)
Current liabilities	(805,043)	(690,123)
	2024 HK\$'000	2023 HK\$'000
Revenue	-	-
Loss for the year	(33,108)	(32,913)
Other comprehensive expense for the year	(116,496)	(8,721)
Total comprehensive expense for the year	(149,604)	(41,634)

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

	2024 HK\$'000	2023 HK\$'000
Net assets of DBC	5,970,573	5,979,064
Proportion of the Group's ownership interest in DBC	25%	25%
Carrying amount of the Group's interest in DBC	1,492,643	1,494,766

Notes to the Consolidated Financial Statements

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18. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

Aggregate information of associates that are not individually material:

	2024 HK\$'000	2023 HK\$'000
The Group's share of (loss) profit and other comprehensive (expense) income after tax	(7,746)	6,731
Aggregate carrying value of the Group's interest in these associates	211,514	236,523

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:

	2024 HK\$'000	2023 HK\$'000
The unrecognised share of losses for the year	(9)	(17)
Cumulative unrecognised share of losses	(51,196)	(51,187)

19. INTERESTS IN JOINT VENTURES

	2024 HK\$'000	2023 HK\$'000
Unlisted investments, at cost	2,664,987	2,512,182
Share of post-acquisition results, net of dividends/distributions received	(52,762)	(28,502)
Exchange adjustments	(81,720)	(48,320)
Less: impairment	(5)	(5)
	2,530,500	2,435,355

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

19. INTERESTS IN JOINT VENTURES (continued)

Particulars of the Group's principal joint ventures at the end of the reporting period are as follows:

Name of entity	Country of registration/ incorporation and operation	Proportion of registered capital held by the Company indirectly		Principal activities
		2024	2023	
River Riches Limited	BVI/HK	50%	50%	Property development
Guangdong Xin Shi Dai Real Estate Limited	The 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	53.16%	53.11%	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 ("DGCI")	Australia	25%	25%	Hotel operation
Cuscaden Homes Pte Limited	Singapore	10%	10%	Property development

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.

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19. INTERESTS IN JOINT VENTURES (continued)

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 years ended 31 March 2024 and 2023 was as follows:

	2024 HK\$'000	2023 HK\$'000
Current assets	9,677,689	8,809,754
Non-current liabilities	(4,369,000)	(4,559,074)
Current liabilities	(3,333,260)	(2,270,612)
The above amounts of assets include the following:		
Cash and cash equivalents	41,125	44,401
Revenue	-	-
Loss and total comprehensive expense for the year	(2,718)	(1,530)

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

	2024 HK\$'000	2023 HK\$'000
Net assets of River Riches	1,975,429	1,980,068
Proportion of the Group's ownership interest in River Riches	50%	50%
Carrying amount of the Group's interest in River Riches	987,715	990,034

Notes to the Consolidated Financial Statements

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19. INTERESTS IN 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 years ended 31 March 2024 and 2023 was as follows:

	2024 HK\$'000	2023 HK\$'000
Current assets	2,478,377	2,020,593
Non-current liabilities	(1,187,969)	(802,264)
Current liabilities	(95,086)	(131,823)
The above amounts of assets include the following:		
Cash and cash equivalents	17,352	17,967
Revenue	–	–
Loss and total comprehensive expense for the year	(30,390)	–

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

	2024 HK\$'000	2023 HK\$'000
Net assets of QWB Residential	1,195,322	1,086,506
Proportion of the Group's ownership interest in QWB Residential	50%	50%
Carrying amount of the Group's interest in QWB Residential	597,661	543,253

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

19. INTERESTS IN JOINT VENTURES (continued)

Summarised financial information of material joint ventures (continued)

- (iii) Destination Gold Coast Consortium Pty Ltd ("DGCC") 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 DGCC for the years ended 31 March 2024 and 2023 was as follows:

	2024 HK\$'000	2023 HK\$'000
Non-current assets	750,463	736,328
Current assets	465,190	641,453
Non-current liabilities	(134,603)	(427,811)
Current liabilities	(405,297)	(221,660)
The above amounts of assets include the following:		
Cash and cash equivalents	46,695	197,129
Revenue	107,934	1,580,037
Profit and total comprehensive income for the year	2,526	440,746
Dividends received from DGCC during the year	-	108,009

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

	2024 HK\$'000	2023 HK\$'000
Net assets of DGCC	675,753	728,310
Proportion of the Group's ownership interest in DGCC	33.33%	33.33%
Carrying amount of the Group's interest in DGCC	225,249	242,770

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19. INTERESTS IN JOINT VENTURES *(continued)*

Summarised financial information of material joint ventures *(continued)*

- (iv) 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 years ended 31 March 2024 and 2023 was as follows:

	2024 HK\$'000	2023 HK\$'000
Non-current assets	23,473,924	22,744,870
Current assets	361,056	1,466,012
Non-current liabilities	(23,288,398)	(23,565,779)
Current liabilities	(299,833)	(376,112)
	2024 HK\$'000	2023 HK\$'000
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,329,937	1,323,591
Loan receivables	22,241,662	22,575,202
Notes	(23,290,360)	(23,565,779)
Revenue	1,861,802	1,145,102
Expenses	(1,878,808)	(1,187,091)
Income tax credit	1,939	3,023
Loss and total comprehensive expense for the year	(15,067)	(38,966)

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

	2024 HK\$'000	2023 HK\$'000
Net assets of the BC Group	246,749	268,991
Proportion of the Group’s ownership interest in BC Group	53.16%	53.11%
The Group’s share of net assets of BC Group	131,172	142,861
Goodwill	142,336	142,336
Carrying amount of the Group’s interest in BC Group	273,508	285,197

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19. INTERESTS IN JOINT VENTURES (continued)

Summarised financial information of material joint ventures (continued)

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

	2024 HK\$'000	2023 HK\$'000
The Group's share of (loss) profit and total comprehensive (expenses) income for the year	56,365	10,376
Aggregate carrying value of the Group's interest in these joint ventures	446,367	374,101

20. INVESTMENT SECURITIES

	2024 HK\$'000	2023 HK\$'000
(i) Financial assets at FVTPL		
(a) Investments held for trading		
Listed equity securities	134,007	15,465
(b) Debt instruments at FVTPL		
Listed debt securities	-	46,030
(c) Equity instruments at FVTPL		
Unlisted equity securities	68,563	17,136
(d) Investment funds	573,582	750,345
	776,152	828,976
(ii) Financial assets at FVTOCI		
(a) Debt instruments at FVTOCI		
Listed debt securities	406,443	481,900
Unlisted debt securities (note)	324,044	447,031
	730,487	928,931
(b) Equity instruments at FVTOCI		
Equity securities listed overseas	235,298	356,361
	1,741,937	2,114,268

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20. INVESTMENT SECURITIES (continued)

	2024 HK\$'000	2023 HK\$'000
Analysed for reporting purposes as:		
Non-current assets	554,408	634,452
Current assets	1,187,529	1,479,816
	1,741,937	2,114,268

Note: Included in the unlisted debt securities are debt securities issued by the Group's joint venture amounting to HK\$103,456,000 (2023: HK\$222,380,000) which carry interest at one-month Bank Bill Swap Rate ("BBSW") and mature by November 2054 (2023: earlier of the date on which the joint venture exercise its call option to redeem the debt securities or February 2024). For the remaining HK\$211,216,000 (2023: HK\$215,243,000) which carry interest at Sterling Overnight Index Average ("SONIA") and mature by April 2051.

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, Japanese Yen ("JPY") and USD, amounted to A\$20,365,000 (equivalent to HK\$103,456,000) (2023: A\$42,278,000 (equivalent to HK\$222,380,000)), EUR5,237,000 (equivalent to HK\$44,203,000) (2023: EUR13,321,000 (equivalent to HK\$113,898,000)), GBP36,579,000 (equivalent to HK\$359,938,000) (2023: GBP32,643,000 (equivalent to HK\$317,001,000)), JPY940,702,000 (equivalent to HK\$47,035,000) (2023: nil) and USD123,045,000 (equivalent to HK\$960,978,000) (2023: USD141,097,000 (equivalent to HK\$1,106,198,000)) respectively. All other investment securities are denominated in functional currency of the respective group entities.

21. LOAN RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Loan receivables	184,234	227,967
Less: amount due within one year and classified under current assets	(5,643)	(5,889)
Amount due after one year	178,591	222,078

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

Included in loan receivables is an amount of HK\$445,000 (2023: HK\$1,222,000) 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\$38,211,000 (2023: HK\$39,436,000) are interest-free for the first 3 years and bear interest ranging from prime rate minus 2% to prime rate plus 3% per annum and are repayable by instalment thereafter; an amount of HK\$145,559,000 (2023: HK\$187,290,000) 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\$19,000 (2023: HK\$19,000) are unsecured, interest-free and repayable on demand.

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

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22. PLEDGED DEPOSITS RESTRICTED BANK DEPOSITS, AND CASH AND CASH EQUIVALENTS

Pledged deposits included in non-current assets carry interest at rates ranging from 0.00% to 2.50% (2023: 0.00% to 2.40%) 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 5.25% (2023: 0.00% to 4.00%) 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 represent the proceed from sales of properties and restricted for purpose of the project development. The restricted bank deposits carry interest at rates of 0.00% per annum.

Bank deposits with maturity of less than three months and bank balances carry interest at market rates ranging from 0.01% to 5.66% (2023: 0.00% to 4.65%) per annum.

Bank balances and cash that are denominated in A\$, EUR, GBP, JPY, S\$ and USD, amounted to A\$892,000 (equivalent to HK\$4,533,000) (2023: A\$1,796,000 (equivalent to HK\$9,444,000)), EUR9,477,000 (equivalent to HK\$79,982,000) (2023: EUR7,701,000 (equivalent to HK\$65,844,000)), GBP3,058,000 (equivalent to HK\$30,094,000) (2023: GBP93,252,000 (equivalent to HK\$904,542,000)), JPY735,000 (equivalent to HK\$44,000) (2023: JPY540,000 (equivalent to HK\$32,000)), S\$599,000 (equivalent to HK\$3,463,000) (2023: S\$2,824,000 (equivalent to HK\$16,320,000)) and USD11,923,000 (equivalent to HK\$93,120,000) (2023: USD15,051,000 (equivalent to HK\$117,702,000)) 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 and bank balances are set out in note 47.

23. PROPERTIES FOR SALE

As detailed in the Company's announcement published on 4 August 2022, during the year ended 31 March 2023, a subsidiary of the Group as developer has entered into development agreement with Urban Renewal Authority in respect of property development for sales in HK, with carrying value of HK\$1,265,715,000 recognised in the consolidated financial statements as at 31 March 2023.

Included in properties for sale are properties with carrying value of HK\$4,896,231,000 (2023: HK\$4,879,350,000) which are not expected to be realised within the next twelve months.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

24. DEBTORS, DEPOSITS AND PREPAYMENTS AND CONTRACT ASSETS

(a) Debtors, deposits and prepayments

	2024 HK\$'000	2023 HK\$'000
Trade debtors		
– Contracts with customers	149,690	295,607
– Lease receivables	68,252	64,854
Less: allowance for expected credit loss	(79,000)	(71,658)
	138,942	288,803
Utility and other deposits	30,672	44,469
Prepayment and other receivables	218,800	217,928
Consideration receivable (note 39)	449,005	–
Other tax recoverable	15,529	154,947
	852,948	706,147
Analysed for reporting purpose as:		
Non-current assets (note 39)	73,365	–
Current assets	779,583	706,147
	852,948	706,147

At 1 April 2022, trade receivable from contracts with customers amount to HK\$448,354,000.

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:

	2024 HK\$'000	2023 HK\$'000
0–60 days	131,293	192,824
61–90 days	1,449	5,784
Over 90 days	6,200	90,195
	138,942	288,803

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

24. DEBTORS, DEPOSITS AND PREPAYMENTS AND CONTRACT ASSETS (continued)

(a) Debtors, deposits and prepayments (continued)

As at 31 March 2024, included in the Group's trade and lease receivables balances are debtors with an aggregate carrying amount of HK\$7,649,000 (2023: HK\$95,979,000) which are past due at the reporting date. Out of the past due balances, HK\$6,200,000 (2023: HK\$90,195,000) 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.

(b) Contract assets

Contract assets represent the unbilled amount resulting from sale of properties recognised over time.

The contract assets relate to the Group's right to consideration for work performance and not billed because the right is conditional on the Group's future performance. The contract assets are transferred to trade debtors when the right becomes unconditional.

The Group's sales contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits of certain percentage of total contract sum as part of its credit risk management policies.

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 2024 and 2023 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\$429,294,000 (2023: HK\$158,529,000).

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

27. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Derivatives that are not designated in hedge accounting relationships:				
Interest rate swap contracts	235	3,643	-	-
Cross currency swap contracts	-	-	-	(7,964)
	235	3,643	-	(7,964)
Analysed for reporting purpose as:				
Current	235	3,643	-	(7,964)
Non-current	-	-	-	-
	235	3,643	-	(7,964)

Interest rate swap contracts of HK\$235,000 (2023: HK\$3,643,000) with notional amount of USD5,000,000 (2023: USD5,000,000) for swapping certain 3-month USD London Interbank Offer Rate ("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

	2024 HK\$'000	2023 HK\$'000
Trade creditors		
– Construction cost and retention payable	296,914	872,698
– Others	111,735	194,169
	408,649	1,066,867
Construction cost and retention payable for capital assets	716,275	276,908
Rental deposits and rental receipts in advance	55,059	21,144
Other tax payables	110,757	128,321
Other payables and accrued charges	662,259	554,657
	1,952,999	2,047,897

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

	2024 HK\$'000	2023 HK\$'000
0–60 days	400,133	970,251
61–90 days	363	1,064
Over 90 days	8,153	95,552
	408,649	1,066,867

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

29. CONTRACT LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Sales of properties	777,207	590,916
Others	2,219	1,955
	779,426	592,871

As at 1 April 2022, contract liabilities amounted to HK\$666,423,000.

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 2024, the Group has recognised revenue of HK\$206,109,000 (2023: HK\$187,009,000) that was included in the contract liabilities balance at the beginning of the year.

30. OTHER LIABILITIES

As at 31 March 2023, included in other liabilities are deposits received for a disposal of Sanon as detailed in note 39, amounting to HK\$676,000,000.

During the year ended 31 March 2024, such deposits are released upon the completion of the disposal of Sanon on 28 March 2024.

31. BANK AND OTHER BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Bank loans	27,242,616	27,426,716
Other loans	100,551	469,940
	27,343,167	27,896,656
Less: front-end fee	(57,097)	(85,348)
	27,286,070	27,811,308
Analysed for reporting purpose as:		
Secured	20,885,883	22,033,434
Unsecured	6,457,284	5,863,222
	27,343,167	27,896,656
Current liabilities	12,673,820	17,401,147
Non-current liabilities	14,612,250	10,410,161
	27,286,070	27,811,308

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

31. BANK AND OTHER BORROWINGS (continued)

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

	Bank loans		Other loans	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Revolving loans without specified repayment terms and loans repayable within one year	5,010,805	4,005,806	21,831	392,340
More than one year, but not exceeding two years	3,419,441	3,728,548	-	-
More than two years, but not exceeding five years	10,563,496	6,176,733	-	-
More than five years	550,593	427,280	78,720	77,600
	19,544,335	14,338,367	100,551	469,940
The carrying amounts of above borrowings that contain a repayment on demand clause or became repayable on demand as a result of breach of covenants (Note) but repayable:				
Within one year	5,726,722	8,878,811	-	-
More than one year, but not exceeding two years	261,294	2,067,010	-	-
More than two years, but not exceeding five years	1,594,723	1,995,086	-	-
More than five years	58,445	62,094	-	-
	7,641,184	13,003,001	-	-
Total	27,185,519	27,341,368	100,551	469,940

Note: For the year ended 31 March 2023, out of the amount of HK\$7,113,073,000 of bank loans with breach of certain of the terms of the bank loans agreements, the amount of HK\$3,378,296,000 represented bank loans with original repayment term of more than one year which were reclassified from non-current liabilities to current liabilities as of 31 March 2023, which were primarily as a result of exceeding required gearing ratio of the Group. As of the date of approval for issuance of the consolidated financial statements, the bankers had either agreed not to demand immediate repayment or the directors of the Company have reached successful conclusion with relevant bankers for the negotiation of the terms.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

31. BANK AND OTHER BORROWINGS (continued)

Currencies	Interest rates	2024 HK\$'000	2023 HK\$'000
HK\$	HIBOR plus 0.75% to 2.25% (2023: HIBOR plus 0.75% to 2.25%)	19,745,701	17,712,223
RMB	5 years above People's Bank of China Prescribed Interest Rate ("PBOC PIR") (2023: 3 to 5 years or above PBOC PIR)	356,564	684,982
S\$	SOR plus 0.92% (2023: SOR plus 0.92% to 1.03%)	583,632	1,845,398
MYR	Malaysia Base Lending Rates ("Malaysia BLR") minus 1.50% (2023: Malaysia BLR minus 1.50% and Malaysia COF plus 1.50%)	24,028	118,156
A\$	BBSW plus 1.5% to 4.5% (2023: BBSW plus 1.64% to 3%)	3,928,757	4,766,897
GBP	Sterling Overnight Interbank Average Rate ("SONIA") plus 1.85% to 2.95% (2023: SONIA plus 1.85% to 2.95%)	2,642,949	2,377,317
USD	HIBOR plus 1.20%	-	310,000
EUR	3-month EURIBOR + 1.95% per annum (2023: 3-month EURIBOR + 1.95% per annum)	61,536	81,683
		27,343,167	27,896,656

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 GBP198,092,000 (equivalent to HK\$1,949,226,000) (2023: GBP137,007,000 (equivalent to HK\$1,328,963,000)), A\$120,354,000 (equivalent to HK\$611,398,000) (2023: A\$63,959,000 (equivalent to HK\$336,422,000)), USDnil (equivalent to HK\$nil) (2023: USD39,541,000 (equivalent to HK\$310,000,000)) and EUR7,257,000 (equivalent to HK\$61,257,000) (2023: EUR1,097,000 (equivalent to HK\$11,494,000)) respectively. All other bank and other borrowings are denominated in functional currency of the respective group entities.

As at the end of the reporting period, the Group has undrawn borrowing facilities at floating rate, amounting approximately HK\$5 billion (2023: HK\$7 billion), of which approximately HK\$1 billion (2023: HK\$3 billion) are expiring within one year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

32. LEASE LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Lease liabilities payable:		
Within one year	49,194	57,693
Within a period of more than one year but not more than two years	56,348	52,889
Within a period of more than two years but not more than five years	47,602	90,629
More than five years	213,193	178,943
	366,337	380,154
Less: amount due for settlement with 12 months shown under current liabilities	(49,194)	(57,693)
Amount due for settlement after 12 months shown under non-current liabilities	317,143	322,461

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 1.4% to 7.5% (2023: 1.5% to 6.0%).

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

As at 31 March 2024, the amount of S\$3,927,000 (equivalent to HK\$22,739,000) (2023: S\$42,927,000 (equivalent to HK\$253,701,000)) 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 2024, included in the amounts due to shareholders of non-wholly owned subsidiaries is an amount of S\$28,375,000 (equivalent to HK\$164,290,000) (2023: S\$27,075,000 (equivalent to HK\$160,012,000)) due to a shareholder of FEC Skypark Pte. Ltd., an 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.

Notes to the Consolidated Financial Statements

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34. NOTES

	2023 Notes HK\$'000	2029 Notes HK\$'000	2030 Notes HK\$'000	2033 Notes HK\$'000	2024 Notes HK\$'000	Total HK\$'000
At 1 April 2022	1,106,374	77,926	198,713	197,721	3,023,394	4,604,128
Interest charged during the year	48,250	4,357	10,454	10,773	160,390	234,224
Interest paid during the year	(42,398)	(3,801)	(8,804)	(6,557)	(122,458)	(184,018)
Interest payable due within 12 months and included in other payable	(3,880)	(279)	(1,496)	(3,941)	(31,821)	(41,417)
Repurchased and cancelled	(78,047)	-	-	-	(82,522)	(160,569)
Exchange adjustments	2,788	(5)	-	-	7,514	10,297
At 31 March 2023	1,033,087	78,198	198,867	197,996	2,954,497	4,462,645
Interest charged during the year	6,044	4,368	10,483	10,773	120,053	151,721
Interest paid during the year	(5,818)	(3,801)	(8,804)	(6,530)	(135,460)	(160,413)
Interest payable due within 12 months and included in other payable	-	(290)	(1,525)	(3,970)	(23,233)	(29,018)
Repayment	(1,019,181)	-	-	-	(2,820,948)	(3,840,129)
Repurchased and cancelled	-	-	-	-	(79,221)	(79,221)
Exchange adjustments	(14,132)	6	-	-	(15,688)	(29,814)
At 31 March 2024	-	78,481	199,021	198,269	-	475,771

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

34. NOTES (continued)

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 2024, the 2023 Notes with aggregate principal amount of USD131,800,000 (equivalent to HK\$1,019,181,000) had been fully redeemed.

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 2024, the aggregate principal amount of the 2029 Notes outstanding was HK\$80,000,000 (2023: HK\$80,000,000).

2030 Notes

On 6 August 2020, a subsidiary of the Company issued notes with aggregate principal amount of HK\$200,000,000 with maturity date on 6 August 2030 (the "2030 Notes") to independent third party. The 2030 Notes bear interest at 5.15% per annum payable semi-annually. As at 31 March 2024, the aggregate principal amount of the 2030 Notes outstanding was HK\$200,000,000 (2023: 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 2024, the aggregate principal amount of the 2033 Notes outstanding was HK\$200,000,000 (2023: 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. As at 31 March 2024, the 2024 Notes with aggregate principal amount of USD364,300,000 (equivalent to HK\$2,820,948,000) had been fully redeemed.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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:

	Right-of-use asset	Lease liabilities	Accelerated tax depreciation	Revaluation of investment properties	Revaluation of assets	Fair value adjustments on business combination	Tax losses	Provision of PRC LAT	Dividend withholding tax	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	63,470	(63,470)	92,257	432,813	51,456	38,915	(44,385)	(106,818)	-	414,039	878,277
Charge (credit) to profit or loss	-	-	22,597	(3,145)	-	-	(26,099)	(47,158)	85,554	(7,355)	24,394
Exchange alignment	-	-	(1,367)	(39,015)	(5,268)	-	8,635	17,863	(3,227)	(124,333)	(146,712)
At 31 March 2023	63,470	(63,470)	113,487	390,653	46,188	38,915	(61,849)	(136,113)	82,327	282,351	755,959
Charge (credit) to profit or loss	(3,760)	3,760	(1,689)	9,218	-	-	11,198	17,587	(42,000)	(69,273)	(74,959)
Exchange alignment	(1,081)	1,081	(3,906)	(24,568)	(3,939)	-	881	6,270	(476)	(3,867)	(29,605)
At 31 March 2024	58,629	(58,629)	107,892	375,303	42,249	38,915	(49,770)	(112,256)	39,851	209,211	651,395

Note: Others mainly represent the temporary difference arising from the deduction of the interest expenses and development expenditure 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:

	2024 HK\$'000	2023 HK\$'000
Deferred tax assets	(177,425)	(215,793)
Deferred tax liabilities	828,820	971,752
	651,395	755,959

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 HK, Czech, Singapore and the UK, as those properties were recovered through sales.

At 31 March 2024, the Group had unused tax losses of HK\$2,692,204,000 (2023: HK\$2,409,803,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$401,763,000 (2023: HK\$328,971,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$2,290,441,000 (2023: HK\$2,080,832,000) due to the unpredictability of future profit streams.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

35. DEFERRED TAXATION (continued)

At 31 March 2024, the Group has deductible temporary difference in relation to accelerated accounting depreciation of property, plant and equipment amounted to HK\$391,799,000 (2023: HK\$359,036,000). 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. Except for the dividends declared by a PRC subsidiary during the current year, 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\$2,981,053,000 (2023: HK\$3,284,656,000) 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 2022	2,419,618,679	241,962
Issue of shares in lieu of cash dividends (i)	44,324,636	4,433
Bonus issue of shares (ii)	241,961,867	24,196
At 31 March 2023	2,705,905,182	270,591
Issue of shares in lieu of cash dividends (iii)	111,699,024	11,169
At 31 March 2024	2,817,604,206	281,760

- (i) On 17 February 2023 and 24 October 2022, the Company issued and allotted 17,283,812 and 27,040,824 new fully paid shares of HK\$0.10 each at HK\$1.888 and HK\$2.122, respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2023 interim dividend and 2022 final dividend pursuant to the scrip dividend scheme announced by the Company on 4 January 2023 and 14 September 2022, respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.
- (ii) The Company issued 241,961,867 bonus shares on the basis of one bonus share for every ten existing ordinary shares of the Company. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.
- (iii) On 16 February 2024 and 24 October 2023, the Company issued and allotted 33,529,258 and 78,169,766 new fully paid shares of HK\$0.10 each at HK\$1.3480 and HK\$1.7125, respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2024 interim dividend and 2023 final dividend pursuant to the scrip dividend scheme announced by the Company on 3 January 2024 and 11 September 2023, respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

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36. SHARE CAPITAL (continued)

All the shares issued during the years ended 31 March 2024 and 2023 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 distribution 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.

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

Save as disclosed in note 39, the major non-cash transactions are as below.

- (i) The Company issued shares in lieu of cash dividend payable to the Company's shareholders totalling HK\$179,067,000 (2023: HK\$90,018,000).
- (ii) During the year ended 31 March 2024, the Group entered into new lease agreement for the use of leased properties for five years, the Group recognised HK\$119,244,000 (2023: HK\$49,593,000) 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\$151,987,000 and HK\$377,933,000 (2023: HK\$148,716,000 and HK\$90,839,000), respectively, which are non-cash transactions.
- (iv) During the year ended 31 March 2024, the Group declared dividends to non-controlling interests amounting to S\$39,000,000 (equivalent to HK\$228,150,000) which offset by the amounts due from them.

Notes to the Consolidated Financial Statements

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39. DISPOSAL OF SUBSIDIARIES

Disposal of Well Distinct Limited and its subsidiaries

On 15 May 2023, the Company has entered into a sales and purchase agreement with Alvord Global Limited (the "AGL"), whereby the Group has agreed to sell and AGL has agreed to purchase the entire issued shares and paid-up shares of Well Distinct Limited and its wholly owned subsidiaries. The gain on disposal of HK\$41,344,000 was recognised upon completion on 27 September 2023. The consideration is approximately MYR120,303,000 (equivalent to HK\$200,146,000), of which approximately MYR53,581,000 (equivalent to HK\$89,141,000) has been settled before the end of the reporting period and the remaining considerations amounting to approximately MYR66,722,000 (equivalent to HK\$111,005,000) bearing interest at 4% per annum will be settled within 3 years from the date of the agreement, with HK\$37,640,000 being classified as current asset and HK\$73,365,000 being classified as non-current asset.

Disposal of Sanon Limited

On 6 December 2021, the Group and an independent third party (the "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 owns a land under development 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 would 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.

On 12 December 2023, the parties to the sales and purchase agreement dated 6 December 2021 ("Original SPA") entered into a supplementary agreement, pursuant to which, amongst others, the parties agreed to (i) with effect from the date of the supplemental agreement, amend certain terms and conditions in the Original SPA having regard to the latest amendments to the approved general building plan as approved by the Building Authority; and (ii) subject to the satisfaction of due diligence to be carried out by the Purchaser, further amend certain terms and conditions in the Original SPA to facilitate earlier completion.

The consideration of this disposal for the equity interests in Sanon and the assignment and transfer of the shareholder's loan is HK\$3,380,000,000, subject to post-completion adjustments including additional costs in respect of any add-on designs required by the Purchaser, the adjusted consideration is HK\$3,702,000,000.

The disposal has been completed on 28 March 2024. Following the completion, Sanon has ceased to be a subsidiary of the Company and its financial statements will no longer be consolidated into the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

39. DISPOSAL OF SUBSIDIARIES (continued)**Disposal of Sanon Limited** (continued)

The net assets disposed of Sanon at the date of disposal were as follows:

	HK\$'000
Investment properties	3,702,000
Shareholder's loan	(2,750,210)
Net assets disposed of	951,790
Gain on disposal of Sanon:	
Consideration	3,702,000
Assignment of shareholder's loan	(2,750,210)
Net assets disposed of	(951,790)
Gain on disposal	–
Consideration was satisfied by:	
Cash consideration	1,247,022
Consideration receivable	338,000
Settlement of bank loan by the Purchaser (Note)	2,060,150
Settlement of other payables (Note)	9,025
Settlement of construction cost by the Purchaser (Note)	47,803
	3,702,000
Net cash inflow arising on disposal:	
Cash consideration	1,247,022
Less: deposits received for a disposal of a subsidiary in prior years	(676,000)
	571,022

Note: The consideration of this disposal for the equity interests in Sanon and the assignment and transfer of the shareholder's loan. Prior to the completion of the disposal, it is mutually agreed between the Group and the Purchaser that Purchaser directly settled Sanon's bank loan and other payables amounting to HK\$2,069,175,000 and Sanon's construction cost to its vendor amounting to HK\$47,803,000 on the Group's behalf which constituted non-cash transactions of the Group.

The relevant change in fair value of investment properties held by Sanon for the period from 1 April 2023 to 28 March 2024, which have been included in the consolidated statement of profit or loss, were HK\$443,275,000 (2023: HK\$18,455,000).

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40. CHARGE ON ASSETS

Bank borrowings of HK\$20,885,883,000 (2023: HK\$22,033,434,000) and lease liabilities of HK\$760,000 (2023: HK\$1,195,000) 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:

	2024 HK\$'000	2023 HK\$'000
Investment properties	3,506,087	5,750,701
Property, plant and equipment (excluding right-of-use assets)	6,325,103	6,876,128
Right-of-use assets	1,075,265	2,110,319
Properties for sale	10,214,285	13,299,911
Pledged deposits	54,920	713,400
Investment securities	–	38,738
	21,175,660	28,789,197

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\$365,577,000 (2023: HK\$378,959,000) are recognised with related right-of-use assets of HK\$282,371,000 (2023: HK\$272,055,000) as at 31 March 2024. 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

	2024 HK\$'000	2023 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	98,302	787,354
investment properties	235,829	319,305
Capital injection to investment funds	69,580	99,065
	403,711	1,205,724
The Group's share of the capital commitment relating to its joint ventures, and associates but not recognised at the end of the reporting date is as follows:		
Commitment to contribute funds for the acquisition, development and refurbishment of hotel properties	401,316	436,739
Commitment to provide a credit facility to a joint venture	272,968	75,227
	674,284	511,966

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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 16 years (2023: 1 to 17 years).

Minimum lease payments receivables on leases are as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	132,064	111,771
In the second year	144,135	122,272
In the third year	86,591	83,417
In the fourth year	65,271	119,696
In the fifth year	57,764	72,980
More than five years	425,245	592,842
	911,070	1,102,978

43. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2024 HK\$'000	2023 HK\$'000
Provision of building management service by associates	4,062	7,991
Provision of sales and marketing services by a joint venture	695	3,348
Interest income from a joint venture	2,701	583
Interest income from unlisted debt securities issued by a joint venture	15,826	21,800

Details of the balances with associates, joint ventures, an investee company and, a related company/party 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) 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 13.

On 28 June 2022, the Group has granted to Mr. Cheong Thard HOONG and Ms. Wing Kwan Winnie CHIU, directors of the Company, rights to purchase 457,502 and 114,376 shares of BC Group respectively at A\$9.18 within a period of three years from the earlier of: (i) the date of completion of the initial public offering of the shares of BC Group or (ii) date of completion of a trade sale of the BC Group. The directors of the Company consider there is no financial impact as at 31 March 2023.

(c) The Group has entered into two 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 2024, hotel management service income of HK\$3,301,000 (2023: HK\$nil) was received under these contracts.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

44. AMOUNTS DUE FROM/TO JOINT VENTURES/ASSOCIATES/A RELATED COMPANY

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. Except for an amount of GBP4 million (equivalent to HK\$39,165,000) due from BC Group, a joint venture of the Group which carries interest at 5.95% per annum plus SONIA with a term of three years from the date of drawdown. 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

The Company's 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 of the Company may grant options to eligible employees including directors of the Company and its subsidiaries, to subscribe for shares of the Company.

The Company's first and second share option schemes were expired on 28 August 2012 and 31 August 2022 respectively. In order to continue to provide incentives and rewards to the eligible employees and participants, the Company adopted its third share option scheme pursuant to a resolution passed by the Shareholders on 30 August 2022 for a period of 10 years commencing on the adoption date.

As at 31 March 2024 and 2023 there were no outstanding share options. No share options were granted, exercised, cancelled or lapsed for the year ended 31 March 2024.

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.

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on certain formula. Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year. Under the Amendment Ordinance, the accrued benefits derived from the Group's Enhanced MPF Scheme, minus the mandatory contributions, made pre-, on or post-transition can continue to be used to offset pre-and post-transition LSP. The impact from the Amendment Ordinance on the Group's LSP liability is considered insignificant.

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For the year ended 31 March 2024

46. RETIREMENT BENEFITS SCHEMES (continued)

According to the relevant laws and regulations in the PRC, the PRC subsidiary is required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

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

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

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

The Group operates defined contribution schemes in respect of its employees in the UK. Contribution are made based on a certain percentage of salaries of the employees in the UK 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\$44,550,000 in the current year (2023: HK\$46,266,000).

The Group's contribution to the retirement benefit schemes for its employees in HK, the PRC, Malaysia, Singapore, Australia, the UK and Czech Republic are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contributions under the retirement benefit schemes that may be used by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 of the Listing Rules.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

47. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
Financial assets		
Debt instruments as FVTOCI	730,487	928,931
Equity instruments at FVTOCI	235,298	356,361
Financial assets at FVTPL	776,152	828,976
Financial assets at amortised cost	7,079,628	8,116,088
Derivative financial instruments	235	3,643
	8,821,800	10,233,999
Financial liabilities		
Derivative financial instruments	-	7,964
Financial liabilities at amortised cost	29,550,770	33,993,655
	29,550,770	34,001,619

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, cash and cash equivalents 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.

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 (2023: 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\$71,502,000 (2023: HK\$50,219,000) and the interest capitalised would have increased/decreased by HK\$39,136,000 (2023: HK\$62,353,000).

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
A\$	230,884	279,612	611,398	336,422
US\$	1,054,098	1,223,900	-	4,297,584
EUR	124,185	179,742	61,252	11,494
S\$	126,841	216,331	-	-
GBP	390,032	1,221,543	1,949,226	1,328,963
JPY	47,079	32	-	-

Inter-company balances

	Assets		Liabilities	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
A\$	7,983,990	10,429,765	1,144,211	1,165,741
RMB	109,872	102,525	1,335,905	1,119,226
EUR	-	294,418	-	-
S\$	821,093	360,106	573,205	584,848
GBP	5,779,586	4,281,636	125,723	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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% (2023: 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	
	2024 HK\$'000	2023 HK\$'000
A\$	(31,773)	(4,744)
RMB	88,017	(256,653)
EUR	5,255	14,049
S\$	10,591	18,064
GBP	(130,193)	(8,970)
JPY	3,931	3

	Increase (decrease) in other comprehensive income	
	2024 HK\$'000	2023 HK\$'000
A\$	683,978	926,402
RMB	(122,603)	(101,670)
EUR	-	29,442
S\$	24,789	(22,474)
GBP	565,386	428,164

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 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 price risk at the end of the reporting period.

If the price of the respective equity and investment funds have been 5% (2023: 5%) higher/lower:

- profit after tax would have increased/decreased by HK\$8,457,000 (2023: HK\$1,361,000) as a result of the changes in fair value of equity securities at FVTPL.
- profit after tax would have increased/decreased by HK\$23,947,000 (2023: HK\$31,327,000) as a result of the changes in fair value of investment funds at FVTPL.
- FVTOCI reserve would have increased/decreased by HK\$11,765,000 (2023: HK\$17,818,000) as a result of the changes in fair value of equity securities at FVTOCI.

The management considered that the fluctuation of price on structured notes is not significant and no sensitivity analysis is presented.

No analysis for the impact of credit risk exposure and market interest rate exposure on fixed rate debt securities as the management expected the impact is not significant.

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 deposits, restricted bank deposits, bank balances, amounts due from related parties, other receivables, loan receivables, customers' deposits under escrow, debt instruments at FVTPL and debt instruments at FVTOCI. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables 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 expected ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised below:

For the Group's investments in debt securities, the investment committee are responsible for the credit risk assessment and give advance to the board of directors. The investment committee also assesses the financial performance of the issuers to ensure that the issuers can satisfy the repayment of the principal and interest as they fall due. Failure to repay may result in collateral liquidation, if any, and/or legal actions against the issuers. The Group also monitors the credit rating and market news of the issuers of the respective debts securities for any indication of potential credit deterioration.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 (2023: two associates), and amounts due from joint ventures which is mainly due from eight joint ventures (2023: eight 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

	2024		2023	
	Fair value HK\$'000	Principal amount HK\$'000	Fair value HK\$'000	Principal amount HK\$'000
Unrated	-	-	46,030	46,373

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 internal 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.

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For the year ended 31 March 2024

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.

	2024		2023	
	Fair value HK\$'000	Principal amount HK\$'000	Fair value HK\$'000	Principal amount HK\$'000
AA- to BBB-	347,414	382,259	145,638	191,175
BB+ to B	400	11,715	131,546	156,892
CCC	9,223	39,050	195,607	247,483
Unrated	373,450	364,072	456,140	460,602
	730,487	797,096	928,931	1,056,152

During the year ended 31 March 2024, 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 2024, the impairment loss on debt instruments at FVTOCI amounting to HK\$nil (2023: HK\$nil) was recognised in profit or loss.

The credit risks on pledged deposits, restricted bank deposits, 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 2024

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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	2024 Gross carrying amount HK\$'000	2023 Gross carrying amount HK\$'000
Debt instruments at FVTOCI						
Investment in debt securities	20	AA- to B	N/A	12-month ECL	347,814	277,184
		Unrated	Low risk	12-month ECL	373,450	456,140
		CCC	N/A	Lifetime ECL – credit-impaired	9,223	195,607
Financial assets at amortised cost						
Trade debtors (contract with customers)	24	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	85,566	233,202
		N/A	Loss	Credit-impaired	64,124	62,405
Loan receivables	21	N/A	Low risk (Note 2)	12-month ECL	184,234	227,967
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	2,590,789	2,234,567
Pledged deposits, and restricted bank deposits	22	above A- (Note 3)	N/A	12-month ECL	499,839	708,739
Bank balances	22	above A- (Note 3)	N/A	12-month ECL	2,733,621	4,431,485
Other receivables	24(a)	N/A	Low risk (Note 2)	12-month ECL	664,477	149,246
Customers' deposits under escrow	25	N/A	Low risk (Note 2)	12-month ECL	335,978	389,175
Others						
Lease receivables	24(a)	N/A	Low risk (Note 1)	Lifetime ECL (not credit impaired)	68,252	64,854
Contract assets	24(b)	N/A	Low risk (Note 2)	Lifetime ECL (not credit impaired)	927,500	233,410
Undrawn amount of loan commitment	41	N/A	Low risk (Note 2)	12-month ECL	272,968	75,227

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

- Trade debtors, lease receivables and contract assets

For trade debtors, lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for credit-impaired debtors and contract assets, which are assessed individually, the Group determines the expected credit losses on trade and lease receivables collectively based on shared credit risk characteristics by reference to the Group's internal credit ratings.

As at 31 March 2024, the Group provided HK\$14,876,000 (2023: HK\$9,253,000) impairment allowance for trade debtors, based on the collective assessment. Impairment allowance of HK\$64,124,000 (2023: HK\$62,405,000) 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.
- Loan receivables, loan commitment, 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.

For loan commitment to a joint venture and amounts due from related parties. 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 loan commitment to a joint venture and 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.
- For pledged deposits, restricted bank deposits, and bank balances, the ECL is assessed by reference to probability of default and loss credit rating grade published by international credit agencies.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

The Group's liquidity position and its compliance with lending covenants are monitored periodically 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 rolling forecasts of the Group's liquidity reserve comprise undrawn facilities of bank loans (note 31) and cash and bank balances (note 22) on the basis of expected cash flow. The Group aims to maintain flexibility in funding while minimising its overall costs by keeping a mix of committed and uncommitted credit lines available. In preparing the consolidated financial statements of the Group, the directors of the Company have given careful consideration to the future liquidity of the Group. In the opinion of the directors of the Company, the Group will be able to continue as a going concern in the coming twelve months from the date of this report taking into consideration the working capital estimated to be generated from operating activities and the undrawn facilities of bank loans. Based on this, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the directors of the Company consider that it is appropriate to prepare these consolidated financial statements on a going concern basis. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The 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
<i>At 31 March 2024</i>							
Creditors and accruals	N/A	1,447,903	-	-	-	1,447,903	1,447,903
Other liabilities	3.0	-	4,366	-	-	4,366	4,239
Amount due to a related company	N/A	1,059	-	-	-	1,059	1,059
Amounts due to associates	N/A	6,357	-	-	-	6,357	6,357
Amounts due to joint ventures	N/A	158,391	-	-	-	158,391	158,391
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	170,980	-	-	-	170,980	170,980
Bank and other borrowings	6.18	12,748,797	12,301,587	3,348,200	823,562	29,222,146	27,286,070
Lease liabilities	3.11	65,495	94,465	73,294	211,660	444,914	366,337
Notes	5.18	24,880	49,760	127,446	454,531	656,617	475,771
		14,623,862	12,450,178	3,548,940	1,489,753	32,112,733	29,917,107
Loan commitment		272,968	-	-	-	-	272,968

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

47. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted average interest rate %	On demand or within one year HK\$'000	One to three years HK\$'000	Three to five years HK\$'000	Over five years HK\$'000	Total undiscounted cash flow HK\$'000	Carrying amount HK\$'000
<i>At 31 March 2023</i>							
Creditors and accruals	N/A	1,537,857	-	-	-	1,537,857	1,537,857
Other liabilities	3.0	-	5,109	-	-	5,109	4,960
Amount due to a related company	N/A	953	-	-	-	953	953
Amounts due to associates	N/A	7,848	-	-	-	7,848	7,848
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	168,084	-	-	-	168,084	168,084
Bank and other borrowings	4.09	17,931,459	6,272,303	4,543,891	519,527	29,267,180	27,811,308
Lease liabilities	2.97	68,271	99,418	61,544	230,372	459,605	380,154
Notes	4.97	4,350,352	49,760	152,326	454,531	5,006,969	4,462,645
		24,064,824	6,426,590	4,757,761	1,204,430	36,453,605	34,373,809
Loan commitment		75,227	-	-	-	75,227	75,227
Derivatives financial instrument - net settled Interest rate/currency swap contracts		7,964	-	-	-	7,964	7,964

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 2024 and 31 March 2023, the carrying amounts of these bank borrowings amounted to HK\$7,641,184,000 and HK\$13,003,001,000 respectively. Taking into account the Group's financial position, and the bankers had either agreed not to demand immediate repayment or the directors of the Company have reached successful conclusion with relevant bankers for the negotiation of the terms, 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
<i>At 31 March 2024</i>						
Bank and other borrowings	5,938,280	1,920,479	33,753	66,340	7,958,852	7,641,184
<i>At 31 March 2023</i>						
Bank and other borrowings	9,223,666	2,551,680	1,967,005	71,129	13,813,480	13,003,001

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

47. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments

The fair values of the Group's financial assets and financial liabilities at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Certain financial instruments of the Group are measured at fair values at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31 March 2024 HK\$'000	31 March 2023 HK\$'000		
1a) Listed equity securities classified as financial assets at FVTPL	134,007	15,465	Level 1	Quoted bid prices in an active market
1b) Listed equity securities classified as equity instrument at FVTOCI	235,298	356,361	Level 1	Quoted bid prices in an active market
1c) Unlisted equity securities classified as financial assets at FVTPL	32,632	17,136	Level 2	Reference to market value provided by brokers/financial institution
1d) Unlisted equity securities classified as financial assets at FVTPL	35,931	–	Level 3	Market approach; price to earning ratio of market comparable companies and discount rate of lack of marketability 15.7% (2023:15.8%)
2a) Listed debt securities classified as financial assets at FVTPL	–	46,030	Level 1	Quoted bid prices in an active market
2b) Unlisted debt securities classified as financial assets at FVTOCI	324,044	447,031	Level 2	Reference to market value provided by brokers/financial institution
2c) Listed debt securities classified as financial assets at FVTOCI	406,443	481,900	Level 1	Quoted bid prices in an active market
3a) Investment funds classified as financial assets at FVTPL	269,690	–	Level 1	Quoted bid prices in an active market
3b) Investment funds classified as financial assets at FVTPL	19,065	446,585	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities) of the funds

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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		Fair value hierarchy	Valuation technique and key inputs
	31 March 2024 HK\$'000	31 March 2023 HK\$'000		
3c) Investment funds classified as financial assets at FVTPL	284,287	303,760	Level 3	Reference to the net asset value of the unlisted equity investment provided by the external counterparties
4a) Cross currency swap contracts classified as derivative financial instruments	Assets – – Liabilities – –	Assets – – Liabilities – (7,964)	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.
4b) Interest rate swap contracts classified as derivative financial instruments	Assets – 235 Liabilities – –	Assets – 3,643 Liabilities – –	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.

There were no transfers between Levels 1, 2 and 3 during the years ended 31 March 2024 and 31 March 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

47. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets and liabilities

	Unlisted equity securities classified as financial assets at FVTPL HK\$'000	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 2022	-	247,526	24,011	122,281
Addition	-	43,095	-	-
Disposal	-	(12,087)	-	-
Redemption	-	-	-	(110,500)
Unrealised fair value change recognised in profit or loss	-	25,706	(23,329)	(11,781)
Exchange realignment	-	(480)	(682)	-
At 31 March 2023	-	303,760	-	-
Addition	37,186	78,307	-	-
Disposal	-	(102,115)	-	-
Unrealised fair value change recognised in profit or loss	(1,255)	4,440	-	-
Exchange realignment	-	(105)	-	-
At 31 March 2024	35,931	284,287	-	-

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 joint ventures HK\$'000 (note 44)	Amount due to a related company 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 2022	26,590,414	4,604,128	-	-	858	7,245	171,548	609,736	6,248	31,990,177
New lease entered	-	-	-	-	-	-	-	49,593	-	49,593
Termination of lease contracts	-	-	-	-	-	-	-	(157,355)	-	(157,355)
Financing cash flows	761,700	(344,587)	(404,666)	-	95	603	132,677	(99,350)	-	46,472
Non-cash changes (Note)	-	(41,417)	(90,018)	-	-	-	-	-	-	(131,435)
Finance costs	1,074,923	234,224	-	-	-	-	-	12,914	-	1,322,061
Dividends recognised as distribution	-	-	494,684	-	-	-	16,525	-	-	511,209
Proceeds on disposal of partial interest in a subsidiary	-	-	-	-	-	-	(156,800)	-	-	(156,800)
Foreign exchange translation	(615,729)	10,297	-	-	-	-	4,134	(35,384)	(1,126)	(637,808)
At 31 March 2023	27,811,308	4,462,645	-	-	953	7,848	168,084	380,154	5,122	32,836,114
New lease entered	-	-	-	-	-	-	-	119,244	-	119,244
Termination of lease contracts	-	-	-	-	-	-	-	(5,700)	-	(5,700)
Financing cash flows	63,494	(4,079,763)	(202,887)	159,458	106	(1,491)	6,388	(120,654)	(592)	(4,175,941)
Non-cash changes (Note)	(2,060,150)	(29,018)	(407,217)	-	-	-	-	-	-	(2,496,385)
Finance costs	1,688,134	151,721	-	-	-	-	-	10,295	-	1,850,150
Dividends recognised as distribution	-	-	610,104	-	-	-	-	-	-	610,104
Foreign exchange translation	(216,716)	(29,814)	-	(1,067)	-	-	(3,492)	(17,002)	(291)	(268,382)
At 31 March 2024	27,286,070	475,771	-	158,391	1,059	6,357	170,980	366,337	4,239	28,469,204

Note: During the year ended 31 March 2024, the non-cash changes mainly represented settlement of bank loan by the Purchaser amounting to HK\$2,060,150,000 as disclosed in note 39. During the current year, the non-cash changes mainly represented accrued interest payables of HK\$29,018,000 (2023: HK\$41,417,000) included in "other payables and accrued charges" as disclosed in note 28, and issuance of shares in lieu of cash dividend and dividends to non-controlling interests with amount of HK\$179,067,000 (2023: HK\$90,018,000) and S\$39,000,000 (equivalent to HK\$228,150,000), respectively, as disclosed in note 38.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK\$'000	2023 HK\$'000
Non-current Asset		
Interests in subsidiaries	6,776,779	6,379,003
Current Asset		
Bank balances, deposits and cash	6,517	6,505
Current Liabilities		
Creditors and accrued charges	6,509	23,842
2023 Notes (note 34)	-	1,033,087
	6,509	1,056,929
Net Current Assets (Liabilities)	8	(1,050,424)
Total Assets Less Current Liabilities	6,776,787	5,328,579
Capital and Reserves		
Share capital	281,760	270,591
Share premium	4,880,059	4,712,161
Reserves	1,614,715	345,574
	6,776,534	5,328,326
Non-current Liability		
Deferred tax liabilities	253	253
	6,776,787	5,328,579

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 2022	241,962	4,650,772	35,964	173,052	(108,012)	4,993,738
Profit and other comprehensive income for the year	-	-	-	-	739,254	739,254
Dividends	-	-	-	-	(494,684)	(494,684)
Shares issued in lieu of cash dividend	4,433	85,585	-	-	-	90,018
Bonus issue of share	24,196	(24,196)	-	-	-	-
At 31 March 2023	270,591	4,712,161	35,964	173,052	136,558	5,328,326
Profit and other comprehensive income for the year	-	-	-	-	1,651,095	1,651,095
Dividends	-	-	-	-	(381,954)	(381,954)
Shares issued in lieu of cash dividend	11,169	167,898	-	-	-	179,067
At 31 March 2024	281,760	4,880,059	35,964	173,052	1,405,699	6,776,534

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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		Principal activities
			2024 %	2023 %	
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\$1	100	100	Investment holding
The Fifth Apartments Pty Ltd	Australia	100,000,001 shares of A\$1	100	100	Property development
FEC QWB Integrated Resort Holdings Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Queens Wharf Holdings Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Indirect subsidiaries					
19 Bank Street Pty Ltd	Australia	10,000 shares of A\$121.78	90.41	77.75	Car park operation
344 Queen Car Park Pty Ltd	Australia	10,000 shares of A\$121.78	90.41	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	90.41	77.75	Car park operation
Boundary Farm Car Park Ltd	BVI	2 shares of US\$1	95.21	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	90.41	77.75	Car park operation
Care Park Holdings Pty Ltd	Australia	1,000 shares of A\$121.78	90.41	77.75	Investment holding
Care Park Leasing Pty Ltd	Australia	1,000 shares of A\$121.78	90.41	77.75	Car park operation
Care Park Properties Pty Ltd	Australia	1,000 shares of A\$121.78	90.41	77.75	Investment holding
Care Park Group Pty Ltd	Australia	1,000 shares of A\$121.78	90.41	77.75	Car park operation
Care Property Pty Ltd	Australia	100 shares of A\$1	90.41	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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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		Principal activities
			2024 %	2023 %	
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\$36,000,000	100	100	Hotel management
Chun Wah Holdings Limited	HK	200 shares of HK\$1	100	100	Property development
City Sight Limited	HK	1 share of HK\$1	100	100	Loan financing
Complete Delight Limited	BVI/HK	1 share of US\$1	100	100	Hotel operation
Cosmopolitan Hotel Limited	HK	10,000 shares of HK\$1	100	100	Hotel operation
Crouch End (FEC) Limited	UK	1 share of £1	100	100	Property development
Dorsett Bukit Bintang Sdn. Bhd.	Malaysia	2 shares of MYR1	–	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 MYR1	100	100	Investment holding
DHI Chinatown 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
Elite Racer Limited	HK	1 share of HK\$1	100	100	Hotel operation
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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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		Principal activities
			2024 %	2023 %	
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
FEC 640 Bourke Street Melbourne Pty Limited	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 Finance (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 Strategic Investments (Netherlands) B.V.	Amsterdam	120,000 shares of DeFi Land ("DFL") ¹	100	100	Investment holding
FEC Skypark Pte. Ltd.	Singapore	3,000,000 shares of S\$1	80	80	Property development
FEC Suites Pte. Ltd.	Singapore	1,000,000 shares 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
Mega Source Global Limited	HK	500,000 shares of HK\$1	100	100	Property development
Merdeka Labuan Sdn. Bhd.	Malaysia	105,000,000 shares of MYR1	100	100	Hotel operation
Northern Gateway (FEC) No.9 Limited	UK	1 share of £1	100	100	Property development

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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		Principal activities
			2024 %	2023 %	
Northern Gateway (FEC) No.10 Limited	UK	1 share of £1	100	100	Property development
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
Palasino Holdings Limited	Cayman Islands/ HK	800,000,000 share of HK\$0.01	73.21	–	Investment holding
Panley Limited	HK	1 share of HK\$1	100	100	Hotel operation
Peacock Management Services Limited	HK	2 shares of HK\$1	100	100	Administration services
Perth FEC Pty Ltd	Australia	1 share of A\$1	100	100	Property development
Perth Hub One 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
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
Polyland Development Limited	HK	2 shares of HK\$1	100	100	Property development
Quadrant Plaza Pty Ltd	Australia	N/A	90.41	77.75	Car park operation
Quadrant Plaza Unit Trust	Australia	N/A	90.41	77.75	Car park operation
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	Property development and investment
Shanghai Chingchu Property Development Company Limited (ii)	PRC	Registered and paid up capital of US\$35,000,000	98.20	98.20	Property development and investment
Shepparton Car Park Pty Ltd	Australia	10,050 shares of A\$0.17093	90.41	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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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		Principal activities
			2024 %	2023 %	
Tracia Limited	Isle of Man/UK	1 share of £1	100	100	Investment holding
Palasino Group, a.s. (Formerly known as Trans World Hotels & Entertainment, a.s.)	Czech Republic	400 shares of CZK75,000 and 100 shares of CZK700,000	73.21	90	Gaming and hotel operation
Trans World Hotels Austria GmbH	Austria	1 share of EUR40,000	73.21	90	Hotel operation
Trans World Hotels Germany GmbH	Germany	1 share of EUR20,000	73.21	90	Hotel operation
Venue Summit Sdn. Bhd.	Malaysia	250,000 shares of MYR1	100	100	Hotel operation
Victoria Land Pty Limited	Australia	12 shares of A\$1	100	100	Management services
Well Distinct Limited	BVI/HK	1 share of US\$1	-	100	Investment holding
Wing Mau Tea House Limited	HK	100,000 shares of HK\$1	100	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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 2024 and 2023.

	Profit (loss) allocated to non-controlling interests/owners of perpetual capital notes		Accumulated non-controlling interests/owners of perpetual capital notes	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Owners of perpetual capital notes (Note)	207,488	209,864	2,903,198	2,903,563
Subsidiaries with individually immaterial non-controlling interests	17,113	(1,837)	288,181	389,484

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\$2,903,198,000 (2023: HK\$2,903,563,000) as at 31 March 2024.

51. CONTINGENT LIABILITIES

In relation to the contingent liabilities of DBC, an associate of the Group, as disclosed in note 51 to the Group's annual consolidated financial statements for the year ended 31 March 2023, on 22 December 2023 DBC has entered into a settlement deed with Multiplex Constructions Qld Pty Ltd ("Multiplex") to settle the matters subject of the separate Supreme Court of Queensland proceedings and the adjudication application lodged with the Queensland Building and Construction Commission in relation to the Queen's Wharf Project. The directors of the Company are of the opinion that no legal or constructive obligation is required to be recognised in the Group's consolidated financial statements followed by the execution of settlement deed between DBC and Multiplex.

52. EVENTS AFTER THE REPORTING PERIOD

On 14 May 2024, the Group entered into a sale and purchase agreement with Boundary Park Holdings Ltd. ("Boundary Park"), an independent third party to the Group, whereby the Group has agreed to sell, and Boundary Park has agreed to purchase, the freehold lands held by an indirect non wholly owned subsidiary of the company at a cash consideration of approximately GBP17,245,000 (equivalent to approximately HK\$168,655,000). Up to the date of approval for issuance of the consolidated financial statements, the disposal has yet to be completed and the management of the Group is still assessing the financial impact.

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. 1 car parking bays Area 16 California Garden Jinqiu Road Baoshan District	98.2%
4. 271 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 (m ²)	Types of property	Stage of completion	Expected completion (financial year)
23,446	S	Completed	Existing
21,943	F	Completed	Existing
24	CP	Completed	Existing
11,105	CP	Completed	Existing
962	R	Completed	Existing
207	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. Royal Riverside 10 Miaoqianjie North, Chajiao Li Wan District	100%
3. 178 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)
477	R	Completed	Existing
53,301	R	Under construction	2025
73,013	R	Planning stage	N/A
21,343	R	Planning stage	N/A
5,803	R & S	Completed	Existing
2,247	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%

List of Principal Properties

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
4,273	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
5,189	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. The Pavilia Forest 2 Shing King Street Kai Tak	50%
20. 1L 9081, Des Voeux Road West and Kwai Heung Street, Sai Ying Pun	100%

Australia

1. The FIFTH 605–611 Lonsdale Street Melbourne, Victoria	100%
2. The Towers at Elizabeth Quay Edge of CBD and Swan River along the Eastern Promenade on Barrack Street Perth, Western Australia	100%
3. West Side Place 250 Spencer Street Melbourne, Victoria	100%
4. Perth Hub 600 Wellington Street Perth, Western Australia	100%

List of Principal Properties

Total (not attributable) approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
5,837	R	Completed	Existing
578	S	Completed	Existing
1,520	S	Under construction	2025
19,650 ⁽ⁱ⁾	R	Planning	N/A
5,262	R	Under construction	N/A
47,220	R	Under construction	2026
7,273	R & S	Under construction	2028
286	S	Completed	Existing
8,032	R	Completed	Existing
65,957	R & S	Completed	Existing
22,018	R & S	Under construction	2025

Note:

(i) This represents gross floor area.

List of Principal Properties

Name of property and location	Group's interest
5. Queen's Wharf Brisbane Brisbane, Queensland – Tower 4 – Tower 5 – Tower 6	 50% 50% 50%
6. The Star Residences Casino Drive, Broadbeach Island Gold Coast, Queensland – Tower 2 – Epsilon – Towers 3 to 5	 33.3% 33.3%
7. 640 Bourke Street Melbourne	100%
8. Rebecca Walk Flinders Street Melbourne, Victoria	100%
9. Upper West Side 313–349 Lonsdale Street Melbourne, Victoria	100%
10. Northbank Flinders Street Melbourne, Victoria	100%
Malaysia	
1. Mukim of Kerling District of Hulu Selangor Selangor Darul Ehsan	90%
2. Dorsett Place Waterfront Subang Jalan SS 12/1, 47500 Subang Jaya, Selangor	50%

List of Principal Properties

Total (not attributable) approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
146,090	R & S R & S O & S	Under construction Under construction Planning stage	2025 2028 N/A
134,633	R	Under construction Planning stage	2025 N/A
52,257	R & S	Planning Stage	N/A
512	S	Completed	Existing
2,751	S	Completed	Existing
45	S	Completed	Existing
422,896 ⁽ⁱ⁾	A	Planning stage	N/A
97,882	R	Under construction	2025

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 – The Gate and The Stile – Plot 4	100%
4. Victoria North Manchester – New Cross Central – Victoria Riverside – Collyhurst – Red Bank Riverside – Falcon – Red Bank Riverside – Network Rail – Others	100% 100% 100% 100% 100% 100%
5. Ensign House Admirals Way, Isle of Dogs London	100%

List of Principal Properties

Total (not attributable) approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
22,476	R	Under construction	2025
15,835	R	Under construction	2025
45,037	R & S	Under construction	2025
9,697	R & O	Completed	Existing
25,459	R & S R & S	Completed Planning stage	Existing N/A
433	R	Completed	Existing
47,068	R & S	Under construction	2025
23,841	R	Under construction	2025-2027
12,143	R	Under construction	2028
100,057	R	Planning stage	N/A
142,328	Planning	Planning stage	N/A
89,866	Planning	Planning stage	N/A
37,653	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%

List of Principal Properties

Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
15,895	H	Completed	Existing
5,546	H	Completed	Existing
5,344	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	2025

List of Principal Properties

Name of property and location	Group's interest
China	
1. Dorsett Chengdu No. 168 Xiyulong Street Qingyang District Chengdu Sichuan Province	100%
2. Dorsett Wuhan Hong Kong & Macao Centre No. 118 Jiangnan 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
67,421	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. 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. Dao by Dorsett AMTD Singapore 6 Shenton Way, OUE Downtown #07-01 068809 Singapore	49%
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
5,349	H	Completed	Existing
16,226	H & S	Completed	Existing
25,054	H	Completed	Existing
14,651	H	Completed	Existing
4,330	H	Completed	Existing
10,107	H	Under construction	2025
2,746	H	Under construction	2025

List of Principal Properties

Name of property and location	Group's interest
Australia	
1. The Ritz-Carlton, Melbourne 650 Lonsdale Street, Melbourne Australia	100%
2. The Ritz-Carlton, Perth 1 Barrack Street, Perth Australia	100%
3. Queen's Wharf Brisbane Australia	25%
4. Dorsett Melbourne 615 Little Lonsdale Street, Melbourne Australia	100%
5. Dorsett at Perth City Link City Link, Perth Australia	100%
6. Dorsett Gold Coast Casino Drive, Broadbeach Queensland, Australia	33.3%
7. The Star Residences – Epsilon Casino Drive, Broadbeach Island Broadbeach, Queensland	33.3%

List of Principal Properties

Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
36,817	H	Completed	Existing
31,350	H	Completed	Existing
110,412	H & S	Under construction	2025
19,516	H	Completed	Existing
16,490	H	Planning stage	2025
12,056	H	Completed	Existing
9,627	H	Under construction	2025

List of Principal Properties

Name of property and location	Group's interest
Europe	
1. Hotel Columbus Seligenstadt, Germany	73.21%
2. Hotel Freizeit Auefeld Hann Münden, Germany	73.21%
3. Hotel Kranichhöhe Much, Germany	73.21%
4. Hotel Donauwelle Linz, Austria	73.21%
5. Palasino Savannah Resort Czech-Austrian Border	73.21%
6. Palasino Furth im Wald Czech-German Border	73.21%
7. Palasino Wulowitz Czech-Austrian Border	73.21%
8. Palasino Excalibur City Czech-Austrian Border	73.21%

List of Principal Properties

Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
6,845	H	Completed	Existing
11,379	H	Completed	Existing
12,009	H	Completed	Existing
10,782	H	Completed	Existing
9,240	H	Completed	Existing
2,765	H	Completed	Existing
3,445	H	Completed	Existing
3,438	H	Completed	Existing

List of Principal Properties

CAR PARK PROPERTY

Name of property and location	Group's interest
Australia	
1. 12 Blyth Street/13-19 Bank Street Adelaide, South Australia Australia	90.41%
2. Central Square 25 Doveton Street South Ballarat, Victoria Australia	90.41%
3. Hub Arcade 15-23 Langhorne Street Dandenong, Victoria Australia	90.41%
4. Northbank Place 507-581 Flinders Street Melbourne, Victoria Australia	90.41%
5. Quadrant Plaza 94 York Street Launceston, Tasmania Australia	90.41%
6. Dell Lane Launceston, Tasmania Australia	90.41%
7. 344 Queen Street Brisbane, Queensland Australia	90.41%
8. Toorak Place 521 Toorak Road Toorak, Victoria Australia	90.41%
9. Watergate 767 Bourke Street Docklands, Victoria Australia	90.41%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
350 car parking bays	CP	Completed	Existing
634 car parking bays	CP	Completed	Existing
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
48 car parking bays	CP	Completed	Existing
111 car parking bays	CP	Completed	Existing

List of Principal Properties

Name of property and location	Group's interest
10. 9 Yarra Street South Yarra, Victoria Australia	90.41%
11. Festival Car Park 53 Charlotte Street Brisbane, Australia	90.41%
12. Eden 677 Victoria Street Abbotsford, Victoria Australia	90.41%
13. Monkey Bar 20 Endeavour Street Chatswood, New South Wales, Australia	90.41%
14. Bianca 120 Bay Street, Port Melbourne, Victoria Australia	90.41%
15. Tip Top Edward Street, East Brunswick Melbourne, Australia	90.41%
16. EXO Car Park 55 Merchant Street, Docklands Victoria, Australia	90.41%

Malaysia

1. Plaza Damas, Sri Hartamas Kuala Lumpur Malaysia (Basement car park)	100%
2. Windsor Tower Service Apartments Sri Hartamas Kuala Lumpur, Malaysia	100%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
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
UK	
1. Car Park at Manchester Airport Boundary Farm Styal Road Manchester	95.21%
Hungary	
1. Akacfa Parkolohaz 12-14 Akácfa Street District VII, Budapest	90.41%
2. Gozsdu (Hollo) Parkolohaz 6 Holló Street District VII, Budapest	90.41%
3. Kertész Parkolohaz 24-28 Kertész Street District VII, Budapest	90.41%
4. Szekely Parkolohaz 3 Székely Mihály Street District VI, Budapest	90.41%
5. Opera (Zichy) Parkolohaz 9 Zichy Jenő Street District VI, Budapest	90.41%

List of Principal Properties

Site area or no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
1,800 car parking bays ⁽ⁱ⁾	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing
259 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

Note:

(i) The Group signed an agreement to dispose of this car park in May 2024.

Glossary

“2024 AGM”	the forthcoming annual general meeting of the Company to be held on Friday, 23 August 2024 at 11:00 a.m. at Xinhua Room, Mezzanine Floor, Dorsett Wanchai, Hong Kong, 387-397 Queen’s Road East, Wan Chai, 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 in 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 C1 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 (the then stock code: 2266) and became an indirect wholly-owned Subsidiary in October 2015.

Glossary

“Dorsett Group”	Dorsett and its subsidiaries.
“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, 31 August 2012 and 30 August 2022.
“FY”	financial year ended/ending 31 March.
“GBP” or “£”	pounds sterling, the lawful currency of the United Kingdom.
“GDV”	gross development value.
“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.
“JV”	joint venture.
“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 C3 of the Listing Rules.
“Mortgageport”	Mortgageport Management Pty. Ltd..
“MOU”	memorandum of understanding.
“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 Holdings Limited, a company incorporated in the Cayman Islands with limited liability and a listed subsidiary (stock code: 2536) of the Company.
“Palasino Group”	Palasino and its subsidiaries.
“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.

Glossary

“PRC” or “Mainland China” or “China”	other regions in the People’s Republic of China, and for the purpose of this annual report and unless otherwise stated, references in this annual report to the PRC, Mainland China or China do not include Taiwan, Hong Kong or Macau Special Administrative Region of the PRC.
“QWB Project”	Queen’s Wharf Project in Brisbane.
“RevPAR”	revenue per available room.
“RMB”	Chinese Yuan, Renminbi, the lawful currency of the PRC.
“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.
“TCFD”	Task Force on Climate-related Financial Disclosures.
“The Star”	The Star Entertainment Group Limited.
“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 “FY2024”	the financial year of the Company from 1 April 2023 to 31 March 2024.
“%”	per cent.

Shareholders who have elected to receive the corporate communications of the Company (the “Corporate Communications”) in printed form (either in English or Chinese) may request for a copy in the other language. The Corporate Communications, in printed form, in the requested language will be sent free of charge by mail upon written request to the Company or the Company’s share registrar in Hong Kong, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

This annual report, in both English and Chinese, is available on the Company’s website at www.fecil.com.hk and on the website of the Stock Exchange at www.hkexnews.hk. If, for any reason, Shareholders who have elected (or are deemed to have consented) to receive the Corporate Communications through the Company’s website have difficulty in accessing the annual report, the Company or the Company’s share registrar in Hong Kong will, upon receipt of a written request, promptly send to them a printed copy of the annual report free of charge by mail.

Shareholders may at any time change their choice of language of all future Corporate Communications, or choose to receive all future Corporate Communications either in printed form or through the Company’s website, by providing reasonable notice (of not less than 7 days) in writing to the Company’s share registrar in Hong Kong, Tricor Standard Limited, by post at the above address or by email to 35_fecil_ecom@hk.tricorglobal.com.



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