FAR EAST CONSORTIUM INTERNATIONAL LIMITED
遠東發展有限公司*

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock Code: 35)

ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

RESULTS

The board of directors (the "Board") of Far East Consortium International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2022 ("FY2022") as follows:

BUSINESS UPDATE

- FY2022 continued to be dominated by the impact of the COVID-19 pandemic. New outbreaks broke out across the globe, which affected the business environment. On the economic side, inflation continued to rise, which resulted in central banks moving away from previously accommodative policies. In Mainland China, the economy faced some headwinds. The real estate market slowed and consumption was affected by the numerous lockdowns imposed due to COVID-19. Finally, the conflict in Ukraine further heightened uncertainty on a global scale. Though the Group had to navigate a challenging year, the diversity of the Group's businesses, the quick actions taken at the onset of the pandemic and the strength of the Group's balance sheet ensured the Group's delivery of another solid year for the shareholders of the Company ("Shareholders").

- The Group recorded a satisfactory financial performance in FY2022, with most of its businesses making a recovery compared to the financial year ended 31 March 2021 ("FY2021").

* *For identification purposes only*

- The diversification of the Group's businesses contributed to a remarkable resilience despite the volatile business and market environment. This diversification in conjunction with meticulous planning led the Group to weather the storm better than others and positioned the Group for further sustainable growth.

- The Group recorded revenues of approximately HK$5.9 billion in FY2022, a slight decrease of 0.8% as compared to FY2021. Adjusting for the disposal of the property at 21 Anderson Road for approximately SGD216 million, which was accounted for as a disposal of a subsidiary, adjusted revenue[i], a non-GAAP financial measure, was up 20.1% to approximately HK$7.1 billion. Other than the lower sales recognition coming from the property development segment as compared with FY2021, all business divisions reported a recovery, with results for the year supported by higher contributions from our recurring income businesses, disposal of non-core assets and revaluation gains primarily attributable to the office portion of the Kai Tak Development (which was presold and expected to complete in FY2024) and 21 Anderson Road (which was sold and completed in FY2022).

- Revenue contribution from property development amounted to approximately HK$3.4 billion in FY2022, a decrease compared to approximately HK$4.2 billion in FY2021. Nevertheless, the Group made strong progress in the handover of MeadowSide (Plots 2, 3 and 5) in Manchester and West Side Place (Towers 1 and 2) in Melbourne, which are expected to continue in the financial year ended 31 March 2023 ("FY2023"). The Group expects to complete several developments in FY2023, namely The Star Residences (Tower 1) on the Gold Coast, New Cross Central in Manchester, Hornsey Town Hall in London and West Side Place (Towers 3 and 4) in Melbourne, providing steady cash inflows to the Group.

- Cumulative attributable presales value of properties under development hit its highest amount ever at approximately HK$16.7 billion as at 31 March 2022, an increase of 21.0% as compared with HK$13.8 billion as at 31 March 2021. The Group continued to actively sell its existing projects in FY2022 and launched Mount Arcadia in Hong Kong and Tower 5 of Queen's Wharf Residences, the second phase of Queen's Wharf Residences in Brisbane, in March 2022. Both developments were met with an enthusiastic response post year end which highlights the property's quality and unique character.

- As part of the Group's ongoing strategy of actively recycling non-core assets, the Group completed several disposals in FY2022. In aggregate, the Group signed contracts to sell approximately HK$5.0 billion of non-residential assets in FY2022. Transactions included the sale of Dorsett City London for GBP115 million which was completed in June 2021, the office portion of the Kai Tak Development in Hong Kong for HK$3,380 million, and several car parks and retail units in Australia and New Zealand for an aggregate value of approximately AUD66.8 million.

- As part of its environmental, social and governance ("ESG") framework, the Group seeks to improve the quality of life for the communities it serves. The Group entered into agreements to sell 128 affordable housing units at Victoria Riverside, Manchester for approximately GBP26 million and 139 affordable housing units at Consort Place, London for approximately GBP43 million in FY2022.

- The Group also signed an exclusivity agreement with Capital and Regional PLC ("C&R"), a UK-based specialist property real estate investment trust with a portfolio of shopping malls in greater London, to explore co-development opportunities on or around some of its retail properties. The Group hopes to co-develop high-quality residential properties across and potentially beyond C&R's existing portfolio.

- The Group continued to replenish its residential pipeline in FY2022. In Hong Kong, additions to the pipeline included a development in Lam Tei, Tuen Mun, a development in Ho Chung, Sai Kung and another development in Kai Tak. In the UK, the Group acquired three parcels of land in Manchester as part of the Victoria North development. Post year end, the Group also completed the acquisition of Vauxhall Square, a large-scale mixed-use development of approximately 133,000 sq. m. gross floor area in London.

- In the Group's hotel operations, revenues increased by 58.1% year-on-year to approximately HK$1.4 billion. The early adoption of a new business model to cater to quarantine guests at a number of the Group's hotel properties resulted in the strong recovery of the Group's hotel business, especially in comparison to its peers.

- The opening of Dorsett Gold Coast on 26 December 2021 was a resounding success. Post year end, the Group also opened Dao by Dorsett West London, the extension of Dorsett Shepherds Bush. Upcoming milestones for the Group's hotel operations include the opening of the Ritz-Carlton in Melbourne, Dorsett Melbourne, Dorsett Kai Tak and Dorsett Canary Wharf, London. These will further add to the healthy growth and profitability of the Group's recurring income businesses, especially as global travel restarts in earnest.

- Contribution from car park operations and facilities management rebounded by 32.3% year-on-year due to loosened restrictions. Business is well on its way to normality, especially with travel restrictions being lifted in Victoria, Australia, where a majority of the Group's car parks are located. Additionally, the Group focused on winning more car park and facilities management contracts whilst recycling capital by selling some of its car parks.

- The Group's gaming operations under "TWC" rebranded as "PALASINO" to enhance its brand image and refresh customer experience. The Group's gaming revenue recorded a 163.6% jump in revenue as compared to FY2021, demonstrating the business's solid performance after the reopening of the operations. The Group is pushing on with its application for an online gaming license in Malta.

- BC Investment Group Holdings Limited ("BC Invest") continued with its rapid expansion in FY2022. The business completed a number of residential mortgage-backed security ("RMBS") offerings that raised approximately AUD800 million in FY2022. In October 2021, BC Invest announced the acquisition of Mortgageport Management Pty Ltd, a well-established Australian mortgage products provider. Following the acquisition, its total loans and advances reached over AUD2.6 billion as at 31 March 2022, up 122.8% from 31 March 2021. BC Invest will increase its focus on its asset management business and continue to grow in Australia and the UK. As at 31 March 2022, including third party assets under management ("AUM"), BC Invest has a total AUM of approximately AUD3.8 billion.

- The Group entered into a settlement agreement to wind up a joint venture company in Guangzhou and to withdraw from the legal proceedings surrounding a mandatory enforcement procedure regarding land use rights and the Group's subsequent appeal. The Group expects to fulfil its obligation and to recognise a gain in FY2023. For details, please refer to the announcement of the Company dated 27 July 2021.

- To celebrate its 50th anniversary since the Company's shares were listed on the main board of Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Board recommended a bonus issue of shares on the basis of one bonus share for every ten existing ordinary shares held by the Shareholders whose names appear on the Company's Register of Members on 14 September 2022. The bonus issue of shares will be subject to (i) Shareholder's approval at the forthcoming annual general meeting of the Company, and (ii) upon the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted thereunder.

FINANCIAL HIGHLIGHTS

- Despite a drop in property development revenue due to lower revenue recognition from residential development projects, most of the Group's businesses recorded a rebound. Profit attributable to shareholders increased by 139.4% year-on-year to approximately HK$1,300 million, and adjusted cash profit[(i)], a non-GAAP financial measure, increased by 126.2% to approximately HK$1,425 million.

- The Group continued to maintain a sound financial position by active liabilities management. In FY2022, the Group issued an additional US$150 million 2024 Notes and completed a number of major loan financings. The loan financings included a construction loan for Aspen at Consort Place for approximately GBP225 million; a term loan for the Ritz-Carlton hotel in Perth for approximately AUD75 million; and certain unsecured corporate facilities adding up to approximately HK$1 billion. These proceeds will further optimise the Group's capital structure by maintaining a comfortable liquidity position, keeping costs low and lengthening the debt maturity profile. The adjusted net gearing ratio[(i)] and net debt to adjusted total assets[(i)], both being non-GAAP financial measures, stood at a healthy level of 57.9% and 28.9% as at 31 March 2022, respectively.

- The Group's net debt increased from approximately HK$19.0 billion as at 31 March 2021 to approximately HK$21.3 billion as at 31 March 2022 reflecting some of the Group's projects reaching an advance stage of development and new acquisitions of development opportunities. The Group continued to maintain a comfortable level of liquidity position with approximately HK$9.9 billion as at 31 March 2022. Furthermore, the Group had 5 hotel properties unencumbered valued at approximately HK$1.7 billion and approximately HK$6.7 billion in unencumbered and unsold completed residential inventory as at 31 March 2022.

- Adjusted net assets value per share[(i)], a non-GAAP financial measure, increased by 5.5% from HK$13.09 as at 31 March 2021 to HK$13.81 as at 31 March 2022. The Group did not repurchase the Company's shares in FY2022.

POST YEAR END EVENTS

- In April 2022, BC Invest issued its fourth RMBS offering, raising AUD416 million from institutional investors around the world. This transaction was unique in that it included a number of domestic borrowers and green tranches issued as part of the BC Invest Green Framework. All of BC Invest's previous RMBS offerings were backed by first mortgage loans to non-residents of Australia.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS

- The Group increased its focus on ESG with the establishment of key internal committees which include Board members and senior executives. It also established an ESG financing framework to drive the Group's green borrowings in the future.

- In November 2021, the Group received an aligned opinion from S&P Global Ratings on the Group's sustainable finance framework. The Group will continue to adhere to its proven practices and work on a timeline to raise sustainable finance for eligible projects in order to create sustainable long-term value for stakeholders.

- As part of the Group's goal to move towards a sustainable future and turn climate change initiatives into sustainable business opportunities, the Group is establishing a net zero strategy roadmap in line with the latest science around climate change. The Group will ensure alignment with internationally-recognised standards and developing business-as-usual emissions projections for the purpose of short and long-term goal setting, which will in turn be used to identify and assess the most effective interventions based on reduction impact.

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.

Financial year ended/ending 31 March is referred to as "FY" throughout this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2022

	NOTES	**2022** *HK$'000*	2021 *HK$'000*
Revenue		**5,895,636**	5,943,694
Cost of sales and services		**(3,432,536)**	(3,629,017)
Depreciation and impairment of hotel and car park assets		**(479,063)**	(473,194)
Gross profit		**1,984,037**	1,841,483
Other income		**213,566**	259,726
Other gains and losses	*4*	**1,189,809**	425,824
Administrative expenses			
– Hotel operations and management		**(355,083)**	(319,553)
– Others		**(496,522)**	(342,404)
Pre-operating expenses			
– Hotel operations and management		**(12,744)**	–
Selling and marketing expenses		**(279,462)**	(245,274)
Share of results of associates		**(21,851)**	(13,108)
Share of results of joint ventures		**(26,941)**	(31,082)
Finance costs	*5*	**(341,082)**	(309,785)
Profit before tax		**1,853,727**	1,265,827
Income tax expense	*6*	**(343,191)**	(460,087)
Profit for the year	*7*	**1,510,536**	805,740
Attributable to:			
Shareholders of the Company		**1,300,381**	543,194
Owners of perpetual capital notes		**206,877**	199,713
Other non-controlling interests		**3,278**	62,833
		210,155	262,546
		1,510,536	805,740
Earnings per share	*8*		
Basic *(HK cents)*		**54.1**	22.9
Diluted *(HK cents)*		**54.0**	22.9

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2022

	NOTES	**2022** *HK$'000*	2021 *HK$'000*
Non-current Assets			
Investment properties		**7,888,061**	8,159,748
Property, plant and equipment		**12,507,293**	12,593,755
Goodwill		**68,400**	68,400
Interests in associates		**1,921,367**	1,800,616
Interests in joint ventures		**2,351,810**	1,095,822
Investment securities		**1,246,009**	1,136,241
Derivative financial instruments		**2,935**	–
Deposits for acquisition of property, plant and equipment		**99,462**	95,372
Amount due from an associate		**62,864**	62,864
Amounts due from joint ventures		**645,990**	26,154
Amount due from an investee company		**119,995**	119,995
Loan receivables		**182,598**	210,876
Pledged deposits		**4,834**	9,525
Deferred tax assets		**177,203**	249,086
Other assets		**13,500**	–
		27,292,321	25,628,454
Current Assets			
Properties for sale			
Completed properties		**4,201,912**	1,613,798
Properties under development		**11,571,867**	12,334,478
Other inventories		**9,586**	9,735
Debtors, deposits and prepayments	*10*	**805,602**	1,143,837
Customers' deposits under escrow		**468,696**	335,818
Loan receivables		**5,037**	7,029
Contract costs		**309,402**	315,042
Amounts due from joint ventures		**194,342**	463,399
Amounts due from associates		**14,498**	18,557
Amount due from a shareholder of non-wholly owned subsidiary		**248,120**	109,211
Tax recoverable		**88,956**	92,713
Investment securities		**1,787,260**	3,006,565
Derivative financial instruments		**14,984**	3,531
Pledged deposits		**889,128**	377,050
Restricted bank deposits		**–**	14,016
Deposits in financial institutions		**14,802**	46,316
Bank balances and cash		**6,887,803**	4,365,751
		27,511,995	24,256,846
Investment properties held for sale		**–**	15,488
		27,511,995	24,272,334

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

NOTES

FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company and its subsidiaries are together referred to as the Group.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

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

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[1]

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

3. 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 related business operations by various geographical locations (including interests in associates and joint ventures) stated as below:

- Property development (including investment properties developed and managed by the same management team)

- Property investment

- Hotel operations and management (including investment properties which are an integral part of the hotel buildings and which are managed by the hotel management team as well as securities investments made and monitored by the same team)

- Car park operations and facilities management

- Gaming operations (including investment in The Star Entertainment Group which is engaged in the gaming business in Australia and is classified as equity instruments at FVTOCI)

- Securities and financial product investments

- Provision of mortgage services (including as securities investments made and monitored by the same team)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Segment revenue		Segment profit (loss)	
	2022	2021	**2022**	2021
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*
Property development				
– Australia	**1,658,006**	2,214,158	**297,266**	349,190
– Hong Kong ("HK")	**125,627**	234,501	**8,356**	3,973
– Malaysia	**7,253**	6,529	**(3,076)**	(1,429)
– Other regions in People's Republic of China excluding HK ("PRC")	**568,224**	778,550	**368,684**	502,277
– Singapore	**265,346**	986,886	**94,509**	378,952
– United Kingdom ("UK")	**753,901**	5,442	**96,064**	16,592
	3,378,357	4,226,066	**861,803**	1,249,555
Property investment				
– Australia	**10,170**	6,877	**21,341**	19,875
– HK	**34,427**	41,078	**543,472**	4,810
– PRC	**41,731**	42,456	**9,905**	16,663
– UK	**6,421**	–	**8,283**	–
	92,749	90,411	**583,001**	41,348
Hotel operations and management				
– Australia	**166,888**	110,028	**(79,605)**	(61,974)
– Europe (other than UK)	**48,623**	28,780	**25,561**	(8,197)
– HK	**772,794**	468,619	**198,855**	4,665
– Malaysia	**90,854**	76,648	**39,286**	(22,476)
– PRC	**163,322**	110,138	**1,648**	308,555
– Singapore	**72,224**	63,358	**19,281**	25,348
– UK	**90,703**	31,387	**34,777**	(43,166)
	1,405,408	888,958	**239,803**	202,755
Car park operations and facilities management				
– Australia and New Zealand	**571,924**	474,518	**93,827**	3,032
– Europe (other than UK)	**28,917**	15,418	**(2,798)**	(4,336)
– Malaysia	**20,386**	1,364	**2,464**	(2,813)
– UK	**43,050**	10,895	**(4,738)**	(25,159)
	664,277	502,195	**88,755**	(29,276)
Gaming operations				
– Australia	**–**	–	**(11)**	(51)
– Czech Republic	**231,478**	87,811	**62,156**	9,664
	231,478	87,811	**62,145**	9,613
Securities and financial product investments in HK	**93,135**	107,700	**(123,730)**	243,029

	Segment revenue		Segment profit (loss)	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Provision of mortgage services				
– Australia	**23,797**	32,297	**22,137**	49,025
– HK	**6,435**	8,256	**17,408**	7,633
	30,232	40,553	**39,545**	56,658
Segment revenue/segment profit	**5,895,636**	5,943,694	**1,751,322**	1,773,682
Unallocated corporate income and expenses			**(108,115)**	(147,034)
Gain on disposal of subsidiaries			**552,207**	–
Net foreign exchange loss			**(605)**	(51,036)
Finance costs			**(341,082)**	(309,785)
Profit before tax			**1,853,727**	1,265,827

None of the segments derived any revenue from transactions with other segments.

No revenue from any single customer contributed over 10% of the total revenue of the Group.

Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, certain bank interest income, gain on disposal of subsidiaries, net foreign exchange loss, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets

The following is an analysis of the Group's assets by reportable segment as at the end of the reporting period. Segment assets represent assets held by each segment including investment properties held for sale without allocation of corporate assets which are mainly bank balances and cash and deposits in financial institutions.

	2022	2021
	HK$'000	*HK$'000*
Property development		
– Australia	**8,175,630**	7,003,682
– HK	**3,583,193**	2,077,878
– Malaysia	**410,297**	410,968
– PRC	**2,923,978**	3,006,192
– Singapore	**3,002,364**	4,672,612
– UK	**4,604,814**	3,494,892
	22,700,276	20,666,224
Property investment		
– Australia	**304,954**	339,693
– HK	**4,717,015**	4,161,992
– PRC	**2,599**	4,324
– UK	**24,368**	–
	5,048,936	4,506,009

	2022	2021
	HK$'000	*HK$'000*
Hotel operations and management		
– Australia	**4,253,779**	3,617,993
– HK	**4,590,723**	4,393,750
– Malaysia	**884,049**	843,071
– PRC	**2,665,998**	2,231,990
– Singapore	**581,801**	573,985
– UK	**882,273**	1,296,670
– Europe (other than UK)	**266,443**	282,288
	14,125,066	13,239,747
Car park operations and facilities management		
– Australia and New Zealand	**1,271,205**	1,480,495
– Europe	**550,281**	570,435
– Malaysia	**138,512**	142,197
	1,959,998	2,193,127
Gaming operations		
– Australia	**902,297**	1,059,400
– Czech Republic	**357,336**	353,354
	1,259,633	1,412,754
Securities and financial product investments	**1,781,836**	2,808,408
Provision of mortgage services		
– Australia	**747,116**	448,064
– HK	**272,050**	208,601
	1,019,166	656,665
Segment assets	**47,894,911**	45,482,934
Unallocated corporate assets	**6,909,405**	4,417,854
Total assets	**54,804,316**	49,900,788

4. OTHER GAINS AND LOSSES

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

5. FINANCE COSTS

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

6. INCOME TAX EXPENSE

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

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC EIT is calculated in accordance with the EIT Law and Implementation Regulations of the EIT Law at the rate of 25% for both years.

PRC LAT is levied at the deemed levying rates in accordance with the relevant PRC tax laws and regulations.

The domestic statutory tax rate of Australia, Malaysia, Singapore, UK and Czech Republic is 30%, 24%, 17%, 19% and 19% (2021: 30%, 24%, 17%, 19% and 19%) of the estimated assessable profits, respectively.

7. PROFIT FOR THE YEAR

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

Note: During the current year, the Group recognised government grants received from the government from various regions in aggregate amount of HK$56,468,000 (2021: HK$203,032,000) in respect of COVID-19-related subsidies. The amount is included in other income.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the consolidated profit for the year attributable to the shareholders of the Company of HK$1,300,381,000 (2021: HK$543,194,000) and the number of shares calculated as follows:

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

9. DIVIDENDS

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

The 2022 interim dividend and 2021 final dividend was declared in form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK$2.830 and HK$2.796 per share respectively. Shares are issued during the year on the shareholders' election for shares. These new shares rank pari passu to the existing shares of the Company.

A final dividend for the year ended 31 March 2022 of HK16.0 cents (2021: HK15.0 cents) per share, totalling of HK$387,139,000 (2021: HK$359,262,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors, net of allowance for expected credit losses, of HK$442,107,000 (2021: HK$840,602,000).

Trade debtors aged over 60 days are past due but are not impaired.

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.

The following is an aged analysis of trade debtors and lease receivables, net of allowance for expected credit losses, based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date except unbilled receivables from sales of properties recognised over time:

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

11. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$880,894,000 (2021: HK$872,961,000). The following is an aged analysis of the trade creditors, based on the invoice date:

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

12. EVENT AFTER THE REPORTING PERIOD

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

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

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

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

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

   The Proposed Bonus Issue will be subject to (i) Shareholders' approval of the Proposed Bonus Issue at the forthcoming annual general meeting; and (ii) the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted thereunder. A circular containing details of the Proposed Bonus Issue will be despatched to the Shareholders on or around 28 July 2022 and new share certificates will be posted on or around 22 September 2022. No adjustment is required to the Group's basic and diluted earnings per shares as set out in note 8 as the Proposed Bonus Issue has not yet approved as at the date on which these consolidated financial statements are authorised for issue.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend for the year ended 31 March 2022 of HK16.0 cents (2021: HK15.0 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 14 September 2022. The Proposed Final Dividend will be paid in the form of a scrip dividend with Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) Shareholders' approval of the Proposed Final Dividend at the Company's forthcoming annual general meeting to be held on 30 August 2022 (the "2022 AGM"); and (ii) the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 14 September 2022. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to the Shareholders together with a form of election on or around 21 September 2022. Dividend warrants and/or new share certificates will be posted on or around 24 October 2022.

BONUS ISSUE OF SHARES

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

The Proposed Bonus Issue will be subject to (i) Shareholders' approval of the Proposed Bonus Issue at the 2022 AGM; and (ii) the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted thereunder. A circular containing details of the Proposed Bonus Issue will be despatched to the Shareholders on or around 28 July 2022 and new share certificates will be posted on or around 22 September 2022.

CLOSURE OF REGISTER OF MEMBERS

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

(a) For determining the entitlement to attend and vote at the 2022 AGM

As set out above, the 2022 AGM is scheduled to be held on Tuesday, 30 August 2022. For determining the entitlement to attend and vote at the 2022 AGM, the Register of Members of the Company will be closed from Thursday, 25 August 2022 to Tuesday, 30 August 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2022 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 24 August 2022.

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

As stated above, the Proposed Final Dividend and Proposed Bonus Issue are subject to the approval of Shareholders at the 2022 AGM. For determining the entitlement of the Proposed Final Dividend and Proposed Bonus Issue, the Register of Members of the Company will also be closed from Wednesday, 7 September 2022 to Wednesday, 14 September 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend and Proposed Bonus Issue, unregistered holders of shares of the Company 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 Tuesday, 6 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

1. Profit and loss analysis

The Company's consolidated revenue for FY2022 was approximately HK$5.9 billion, a slight decrease of 0.8% as compared with FY2021, driven primarily by the lower recognition of revenue from residential development but offset by robust recovery of all recurring income businesses. Adjusted gross profit[i], a non-GAAP financial measure, came in at HK$2.3 billion as compared with HK$2.2 billion for FY2021. A breakdown of the Group's revenue and gross profit is set out below:

	Property development	Hotel operations and management	Car park operations and facilities management	Gaming operations	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
FY2022						
Revenue	**3,378,357**	**1,405,408**	**664,277**	**231,478**[ii]	**216,116**	**5,895,636**
Gross profit	**1,102,036**	**500,441**	**81,524**	**113,688**	**186,348**	**1,984,037**
Depreciation	**-**	**267,149**[iii]	**33,784**[iii]	**11,640**	**-**	**312,573**
Adjusted gross profit[i]	**1,102,036**	**767,590**	**115,308**	**125,328**	**186,348**	**2,296,610**
Adjusted gross profit margin[i]	**32.6%**	**54.6%**	**17.4%**	**54.1%**	**86.2%**	**39.0%**

	Property development	Hotel operations and management	Car park operations and facilities management	Gaming operations	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
FY2021						
Revenue	4,226,066	888,958	502,195	87,811(ii)	238,664	5,943,694
Gross profit	1,525,059	106,312	(4,413)	9,573	204,952	1,841,483
Depreciation	–	290,709(iii)	32,941(iii)	11,219	–	334,869
Adjusted gross profit(i)	1,525,059	397,021	28,528	20,792	204,952	2,176,352
Adjusted gross profit margin(i)	36.1%	44.7%	5.7%	23.7%	85.9%	36.6%

Notes:

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

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

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

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

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

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

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

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

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

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

Note:

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

2. Liquidity, financial resources and net gearing

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

Consolidated statement of financial position	As at 31 March 2022 *HK$ million*	As at 31 March 2021 *HK$ million*
Bank loans, notes and bonds		
Due within 1 year[(i)]	**11,450**	12,274
Due 1–2 years	**10,643**	5,939
Due 2–5 years	**8,106**	6,851
Due more than 5 years	**996**	2,783
Total bank loans, notes and bonds	**31,195**	27,577
Investment securities	**3,033**	4,143
Bank and cash balances[(ii)]	**6,903**	4,426
Liquidity position	**9,936**	8,569
Net debts[(iii)]	**21,259**	19,008
Carrying amount of the total equity[(iv)]	**17,910**	17,054
Add: hotel revaluation surplus[(v)]	**18,796**	17,550
Adjusted total equity[(vi)]	**36,706**	34,604
Adjusted net gearing ratio[(vi)] (net debts to adjusted total equity[(vi)])	**57.9%**	54.9%
Net debt to adjusted total assets[(vi)]	**28.9%**	28.2%

Notes:

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

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

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

(iv) Includes 2019 Perpetual Capital Notes.

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

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

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

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

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

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

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

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

In addition, a total of 5 hotel assets were unencumbered as at 31 March 2022, the capital value of which amounted to approximately HK$1.7 billion based on independent valuation assessed as at 31 March 2022. The Group has other assets unencumbered such as unsold residential units. These assets totaling HK$6.7 billion, can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

3. Foreign exchange management

In FY2022, the contribution from the Group's non-Hong Kong operations was influenced by the movement of foreign currencies against the Hong Kong dollar. The US dollar saw a sustained appreciation throughout the year due to the Federal Reserve actions and words to tighten financial conditions.

The table below sets forth the exchange rates of the Hong Kong dollar against the local currency of countries where the Group has significant operations:

Rate	**As at 31 March 2022**	As at 31 March 2021	**Change**
HK$/AUD	**5.86**	5.90	(0.7)%
HK$/RMB	**1.23**	1.18	4.2%
HK$/MYR	**1.86**	1.87	(0.5)%
HK$/GBP	**10.26**	10.66	(3.8)%
HK$/CZK	**0.36**	0.35	2.9%
HK$/SGD	**5.78**	5.77	0.2%
Average rate for	**FY2022**	FY2021	**Change**
HK$/AUD	**5.88**	5.34	10.1%
HK$/RMB	**1.21**	1.14	6.1%
HK$/MYR	**1.87**	1.83	2.2%
HK$/GBP	**10.46**	10.11	3.5%
HK$/CZK	**0.36**	0.33	9.1%
HK$/SGD	**5.78**	5.61	3.0%

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

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

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

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

4. Net asset value per share

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

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

Note:

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

5. **Capital expenditures**

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

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

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

6. **Capital commitments**

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

	As at 31 March 2022 *HK$ million*	As at 31 March 2021 *HK$ million*
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**2,109**	865
Commitment to provide credit facility to BC Invest	**81**	214
Others	**144**	14
	2,334	1,093

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

BUSINESS REVIEW

1. Property division

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

Property development

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

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

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

Notes:

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

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

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

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

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

As at 31 March 2022, the expected attributable gross development value ("GDV") of the Group's active residential property development projects under various stages of completion across the regions was approximately HK$66.6 billion.

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

Developments	**Attributable saleable floor area**[i] *Sq. ft.*	**Expected Attributable GDV**[ii] *HK$ million*	**Status/expected launch**	**Expected financial year of completion**
Pipeline developments				
Melbourne				
West Side Place				
– Tower 3	518,000	2,651	Launched	FY2023
– Tower 4	621,000	3,152	Launched	FY2023
Monument	595,000	2,744	FY2023	FY2026
Perth				
Perth Hub	230,000	913	Launched	FY2025
Brisbane				
Queen's Wharf Residences[iii]				
– Towers 4	253,000	1,723	Launched	FY2024
– Tower 5	328,000	2,545	Launched	FY2025
– Tower 6	145,000	762	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Towers 1	111,000	528	Launched	FY2023
– Towers 2 – Epsilon	109,000	620	Launched	FY2024
– Towers 3 to 5	374,000	2,116	Planning	Planning
Hong Kong				
Kai Tak Development – Office	174,000	3,380	Launched	FY2024
Kai Tak Residential[v]	253,000	6,581	FY2023	FY2026
Lam Tei, Tuen Mun	180,000	2,966	Planning	Planning
Ho Chung, Sai Kung[vi]	19,000	567	Planning	Planning
London				
Aspen at Consort Place	377,000	4,256	Launched	FY2025
Consort Place Social/ Affordable Housing	101,000	438	Launched	FY2025
Hornsey Town Hall	108,000	1,009	Launched	FY2023
Ensign House	285,000	3,217	Planning	Planning
Vauxhall Square[vii]	Planning	Planning	Planning	Planning

Developments	Attributable saleable floor area[i] Sq. ft.	Expected Attributable GDV[ii] HK$ million	Status/expected launch	Expected financial year of completion
Manchester				
MeadowSide				
– Plots 2 and 3	184,000	805	Complete by stage	FY2023
– Plot 5	5,000	21	Complete by stage	FY2023
– Plot 4	244,000	1,026	Planning	Planning
Victoria North[viii]				
– New Cross Central	62,000	260	Launched	FY2023
– Victoria Riverside (Tower A)	226,000	1,055	Planning	Planning
– Victoria Riverside (Tower B) Social/ Affordable Housing	85,000	269	Launched	FY2025
– Victoria Riverside (Tower C)	149,000	658	Launched	FY2025
– Network Rail	1,532,000	6,445	Planning	Planning
– Others	1,202,000	5,056	Planning	Planning
– Leftfields	Planning	Planning	Planning	Planning
– Network Rail Phase 3	Planning	Planning	Planning	Planning
– John Ryan Land (NT03)	Planning	Planning	Planning	Planning
Singapore				
Hyll on Holland[ix]	194,000	2,876	Launched	FY2024
Cuscaden Reserve[x]	16,000	356	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang[xi]	451,000	931	Launched	FY2024
Total developments pipeline as at 31 March 2022	**9,131,000**	**59,926**		
Completed developments available for sale				
Melbourne				
West Side Place				
– Towers 1 and 2	424,000	2,082		
Perth				
The Towers at Elizabeth Quay	88,000	722		
Shanghai				
King’s Manor	12,000	92		
The Royal Crest II	4,000	33		
District 17A	13,000	76		

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

Property investment

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

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

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

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

2. Hotel operations and management

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

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

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

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

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

Notes:

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

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

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

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

Shepherds Bush, was opened in June 2022. Following that, Oakwood Premier AMTD Singapore, a 268-room hotel acquired in 2019 by a joint venture company between AMTD and the Group, will be rebranded as Dao by Dorsett AMTD Singapore in July 2022.

Hong Kong

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

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

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

Malaysia

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

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

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

Mainland China

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

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

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

Singapore

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

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

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

UK

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

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

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

Australia

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

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

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

Continental Europe – TWC Hotel Group

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

As a result, total revenue increased by 69.0% to approximately HKD49 million in FY2022, as compared with a very low base in FY2021. Overall OCC increased by 10.9 percentage points to 28.3% and ARR increased by 5.1% to HK$638, which resulted in a 70.8% growth in RevPAR to HK$181.

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

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

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

4. Gaming operations and management

Europe

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

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

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

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

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

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

Notes:

(i) Net of gaming tax.

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

Australia

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

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

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

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

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

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

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

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

5. BC Invest – Provision of mortgage services

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

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

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

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

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

CONTINGENT LIABILITY

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

OUTLOOK

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

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

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

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

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

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

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

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

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

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

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

NON-GAAP FINANCIAL MEASURES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had approximately 3,500 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external training appropriate for various level of staff roles and functions.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout FY2022, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange, except for the deviation from Code Provision C.2.1 described below.

Pursuant to Code Provision C.2.1 of the CG Code, 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.

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK, has reviewed the accounting principles, standard and practices adopted by the Company, and discussed matters relating to auditing, risk management and internal control and financial reporting, including the review of the audited consolidated results of the Group for FY2022.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 June 2022. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During FY2022, the Company, through its wholly-owned subsidiary, repurchased on the Stock Exchange (i) 4.5% USD Medium Term Notes 2023 in the aggregate principal amount of US$2,645,000; and (ii) 5.1% USD Medium Term Notes 2024 in the aggregate principal amount of US$1,500,000. These Notes repurchased were subsequently cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2022.

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.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.fecil.com.hk. The Annual Report of the Company for FY2022 and the notice of 2022 AGM will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board of
Far East Consortium International Limited
Wai Hung Boswell CHEUNG
Company Secretary

Hong Kong, 28 June 2022

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS and Ms. Wing Kwan Winnie CHIU; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK.