

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HKRI

香港興業國際集團有限公司* HKR International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00480)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

RESULTS

The Board of Directors (the “Board”) of HKR International Limited (the “Company”) announces the audited final results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2021 (“FY2021”).

RESULTS HIGHLIGHTS

- The Group’s revenue and underlying net profit excluding net unrealised gains on fair value of investment properties for the FY2021 amounted to HK\$3,942.3 million and HK\$868.6 million, representing a decrease of 16.1% and 23.9% as compared to HK\$4,696.5 million and HK\$1,142.1 million for the preceding year respectively.
- With the exclusion of the one-off gain on disposal of the Group’s medical operations in the Philippines in the preceding year of HK\$163.5 million, the Group’s underlying net profit would have decreased by 11.2% as compared to HK\$978.6 million for the preceding year.
- Property development and property investment segments recorded slight declines in contribution, mainly due to less projects completed during the FY2021 and renovation works undertaken on West Gate Tower affected its occupancy rate.
- Services provided and hotel operations segments were hit hardest by COVID-19 pandemic and the social distancing measures. However, due to the various grants and subsidies provided by the Government, flexible adjustment of servicing schedule and more vigorous control exercised over operating costs, an increase in loss was resulted from the hotel operations segment only.
- Average financing cost was lowered to 1.4% from 3.0% in the preceding year with refinancing of notes of HK\$798 million and syndicated loan of HK\$2,300 million with new corporate loans during the FY2021.
- Total capital resources amounted to HK\$5,833.3 million, including bank balances and cash of approximately HK\$3,060.9 million and undrawn bank facilities of approximately HK\$2,772.4 million. Coupled with a low net gearing ratio of 19.5%, the Group will be in an advantageous position to meet future funding requirement of new business opportunities.
- The basic earnings per share were HK60.4 cents for the FY2021 as compared to HK\$109.4 cents for the preceding year.

DIVIDEND

The Board has recommended the declaration of a final dividend of HK5 cents per share for the FY2021 (2020: HK7 cents) to the shareholders of the Company (the “Shareholders”) whose names appear on the registers of members of the Company on 3 September 2021. The proposed final dividend will be paid on 20 September 2021 following approval at 2021 annual general meeting of the Company to be held on 25 August 2021 (“2021 AGM”). The proposed final dividend together with the interim dividend of HK4 cents per share for the six months ended 30 September 2020 makes up a total dividend of HK9 cents per share for the FY2021 (2020: HK12 cents).

CLOSURE OF REGISTERS OF MEMBERS

The main and branch registers of members of the Company will be closed from 20 to 25 August 2021 (both days inclusive) and from 1 to 3 September 2021 (both days inclusive) for the 2021 AGM and the final dividend respectively. During the periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2021 AGM, and entitled for the proposed final dividend for the FY2021, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19 August and 31 August 2021 respectively. The notice of the 2021 AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and despatched to the Shareholders in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2021

	<i>Notes</i>	2021 HK\$'M	2020 <i>HK\$'M</i>
Revenue	3	3,942.3	4,696.5
Cost of sales		<u>(2,159.0)</u>	<u>(2,756.1)</u>
Gross profit		1,783.3	1,940.4
Other income		296.2	168.2
Other gains and losses	4	83.3	45.6
Selling, administrative and other operating expenses		(677.8)	(494.4)
Gain on disposal of subsidiaries		—	182.5
Gain on revaluation of certain properties upon transfer from properties held for sale and properties under development for sale to investment properties		—	297.6
Change in fair value of investment properties			
Realised gains on disposals		3.5	3.3
Unrealised gains		20.0	144.1
Finance costs	5	(88.3)	(271.8)
Share of results of associates		(0.1)	(0.1)
Share of results of joint ventures		<u>220.6</u>	<u>506.6</u>
Profit before taxation	6	1,640.7	2,522.0
Taxation	7	<u>(512.1)</u>	<u>(837.7)</u>
Profit for the year		<u>1,128.6</u>	<u>1,684.3</u>
Profit for the year attributable to:			
Owners of the Company	8	897.3	1,624.6
Non-controlling interests		<u>231.3</u>	<u>59.7</u>
		<u>1,128.6</u>	<u>1,684.3</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	10		
Basic		<u>60.4</u>	<u>109.4</u>
Diluted		<u>60.4</u>	<u>109.4</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2021

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Profit for the year	<u>1,128.6</u>	<u>1,684.3</u>
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to profit or loss</i>		
Investments in equity instruments measured at fair value through other comprehensive income:		
Fair value changes during the year	(3.5)	(30.0)
Deferred tax arising from fair value changes	(0.7)	1.0
Revaluation gain on property, plant and equipment upon transfer to investment properties	—	15.7
Share of asset revaluation reserve of a joint venture	<u>—</u>	<u>3.2</u>
	<u>(4.2)</u>	<u>(10.1)</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from foreign joint ventures	563.7	(388.0)
Exchange differences arising from translation of other foreign operations	411.6	(295.7)
Release of exchange reserve upon disposal/deregistration of foreign subsidiaries	<u>(77.8)</u>	<u>(16.4)</u>
	<u>897.5</u>	<u>(700.1)</u>
Other comprehensive income/(expense) for the year (net of tax)	<u>893.3</u>	<u>(710.2)</u>
Total comprehensive income for the year	<u>2,021.9</u>	<u>974.1</u>
Total comprehensive income attributable to:		
Owners of the Company	1,790.6	906.5
Non-controlling interests	<u>231.3</u>	<u>67.6</u>
	<u>2,021.9</u>	<u>974.1</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2021

	<i>Notes</i>	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Non-current assets			
Investment properties		15,075.2	14,766.5
Property, plant and equipment		2,768.0	2,724.8
Right-of-use assets		103.0	71.6
Interests in associates		—	—
Interests in joint ventures		9,643.0	9,046.7
Properties held for development for sale		932.4	—
Equity instruments measured at fair value through other comprehensive income		52.6	55.9
Financial assets at fair value through profit or loss		527.3	488.8
Investments in debt instruments measured at amortised cost		85.1	81.1
Other assets		335.7	212.7
Deferred tax assets		113.9	39.4
		<u>29,636.2</u>	<u>27,487.5</u>
Current assets			
Inventories		44.3	43.8
Properties held for sale		2,205.1	2,584.3
Properties under development for sale		2,131.6	3,297.6
Trade receivables	<i>11</i>	79.5	29.5
Deposits, prepayments and other receivables		733.9	1,039.8
Amounts due from associates		4.1	4.1
Amounts due from joint ventures		193.3	188.9
Investments in debt instruments measured at amortised cost		26.8	30.0
Taxation recoverable		29.3	24.0
Bank balances and cash		3,060.9	2,511.4
		<u>8,508.8</u>	<u>9,753.4</u>
Current liabilities			
Trade payables, provision and accrued charges	<i>12</i>	1,032.2	1,289.1
Deposits received and other financial liabilities		151.7	193.4
Contract liabilities		300.2	1,204.9
Bank and other loans due within one year		776.8	4,108.8
Lease liabilities		18.9	17.3
Other liabilities due within one year		295.0	350.6
Taxation payable		463.3	249.3
		<u>3,038.1</u>	<u>7,413.4</u>
Net current assets		<u>5,470.7</u>	<u>2,340.0</u>
Total assets less current liabilities		<u>35,106.9</u>	<u>29,827.5</u>

	<i>Note</i>	2021 HK\$'M	2020 <i>HK\$'M</i>
Non-current liabilities			
Contract liabilities		30.3	—
Bank and other loans due after one year		6,908.0	3,212.4
Lease liabilities		57.9	65.7
Other liabilities due after one year		1,037.0	1,330.5
Deferred tax liabilities		469.0	472.7
		8,502.2	5,081.3
		26,604.7	24,746.2
Capital and reserves			
Share capital	<i>13</i>	371.3	371.3
Reserves		23,312.6	21,696.1
Equity attributable to owners of the Company		23,683.9	22,067.4
Non-controlling interests		2,920.8	2,678.8
		26,604.7	24,746.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments that are measured at fair values at the end of each reporting period.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

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

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

In addition, the Group has early adopted Amendment to HKFRS 16 “COVID-19-Related Rent Concessions” ahead of its effective date and applied the practical expedient to all its COVID-19 related rent concession from 1 April 2020. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; b) any reduction in lease payments affects only payments due on or before 30 June 2021; and c) there is no substantive change to other terms and conditions of the lease.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance and/or on the disclosures set out in these consolidated financial statements.

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
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 16	Leases
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform Phase 2
Annual Improvements Accounting Guideline 5 (Revised)	Annual Improvements to HKFRSs 2018-2020 Cycle
Hong Kong Interpretation 5 (2020)	Merger Accounting for Common Control Combinations
	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand

The Group anticipates that the application of above new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements.

3 REVENUE AND SEGMENT INFORMATION

The Group is organised into five operating divisions: property development, property investment, services provided (clubs operation, transportation and property management services), hotel operations and healthcare. Each of the operating divisions represents an operating and reportable segment.

Disaggregation of revenue

	For the year ended 31 March 2021					
	Property development HK\$'M	Property investment HK\$'M	Services provided HK\$'M	Hotel operations HK\$'M	Healthcare HK\$'M	Total HK\$'M
Types of goods or services:						
Sales of properties	2,766.1	—	—	—	—	2,766.1
Hotel revenue	—	—	—	124.4	—	124.4
Provision of healthcare services	—	—	—	—	132.8	132.8
Other services rendered	13.3	29.4	397.5	—	—	440.2
Revenue from contracts with customers	2,779.4	29.4	397.5	124.4	132.8	3,463.5
Rental income	5.5	473.3	—	—	—	478.8
Consolidated revenue, as reported	2,784.9	502.7	397.5	124.4	132.8	3,942.3
Geographical markets:						
Hong Kong and Macau	1,558.7	446.0	397.5	104.1	132.8	2,639.1
Mainland China	1,183.2	—	—	—	—	1,183.2
Japan	—	56.7	—	—	—	56.7
South East Asia	43.0	—	—	20.3	—	63.3
Total	2,784.9	502.7	397.5	124.4	132.8	3,942.3
Timing of revenue recognition:						
A point in time	2,766.1	—	294.4	58.8	132.8	3,252.1
Over time	13.3	29.4	103.1	65.6	—	211.4
Total	2,779.4	29.4	397.5	124.4	132.8	3,463.5

For the year ended 31 March 2020

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Total <i>HK\$'M</i>
Types of goods or services:						
Sales of properties	3,210.3	—	—	—	—	3,210.3
Hotel revenue	—	—	—	264.4	—	264.4
Provision of healthcare services	—	—	—	—	258.9	258.9
Other services rendered	7.8	28.3	422.2	—	—	458.3
	<u>3,218.1</u>	<u>28.3</u>	<u>422.2</u>	<u>264.4</u>	<u>258.9</u>	<u>4,191.9</u>
Revenue from contracts with customers						
Rental income	4.7	499.9	—	—	—	504.6
	<u>3,222.8</u>	<u>528.2</u>	<u>422.2</u>	<u>264.4</u>	<u>258.9</u>	<u>4,696.5</u>
Consolidated revenue, as reported						
Geographical markets:						
Hong Kong and Macau	7.6	471.8	422.2	153.2	151.2	1,206.0
Mainland China	3,210.3	0.5	—	—	—	3,210.8
Japan	—	55.9	—	—	—	55.9
South East Asia	4.9	—	—	111.2	107.7	223.8
	<u>3,222.8</u>	<u>528.2</u>	<u>422.2</u>	<u>264.4</u>	<u>258.9</u>	<u>4,696.5</u>
Total						
Timing of revenue recognition:						
A point in time	3,210.3	—	317.0	126.3	258.9	3,912.5
Over time	7.8	28.3	105.2	138.1	—	279.4
	<u>3,218.1</u>	<u>28.3</u>	<u>422.2</u>	<u>264.4</u>	<u>258.9</u>	<u>4,191.9</u>
Total						

Operating segments

Segment information

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2021						
Revenue						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	3,015.6	2,170.8	397.5	124.4	132.8	5,841.1
Excluding revenue of an associate and joint ventures	(230.7)	(1,668.1)	—	—	—	(1,898.8)
Consolidated revenue, as reported	<u>2,784.9</u>	<u>502.7</u>	<u>397.5</u>	<u>124.4</u>	<u>132.8</u>	<u>3,942.3</u>
Results						
Segment results – total realised results of the Group, associates and joint ventures (<i>note a</i>)	729.8	765.9	90.3	(88.0)	11.3	1,509.3
Excluding realised results of associates and joint ventures not shared by the Group	6.0	(226.7)	—	—	—	(220.7)
Results attributable to the Group	<u>735.8</u>	<u>539.2</u>	<u>90.3</u>	<u>(88.0)</u>	<u>11.3</u>	<u>1,288.6</u>
Unallocated other income						91.5
Unallocated corporate expenses						(196.4)
Finance costs and corporate level exchange difference						(70.4)
Net unrealised gains on fair value change of investment properties (<i>note b</i>)						20.7
Net unrealised losses on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						(5.4)
Profit for the year						1,128.6
Non-controlling shareholders' share of profit for the year						(231.3)
Profit for the year attributable to owners of the Company						<u>897.3</u>

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2020						
Revenue						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	4,301.0	2,164.7	422.2	264.4	258.9	7,411.2
Excluding revenue of an associate and joint ventures	<u>(1,078.2)</u>	<u>(1,636.5)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,714.7)</u>
Consolidated revenue, as reported	<u>3,222.8</u>	<u>528.2</u>	<u>422.2</u>	<u>264.4</u>	<u>258.9</u>	<u>4,696.5</u>
Results						
Segment results – total realised results of the Group, associates and joint ventures (<i>note a</i>)	875.2	755.5	39.5	(32.8)	150.2	1,787.6
Excluding realised results of associates and joint ventures not shared by the Group	<u>(113.1)</u>	<u>(211.7)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(324.8)</u>
Results attributable to the Group	<u>762.1</u>	<u>543.8</u>	<u>39.5</u>	<u>(32.8)</u>	<u>150.2</u>	1,462.8
Unallocated other income						62.0
Unallocated corporate expenses						(174.3)
Finance costs and corporate level exchange difference						(212.0)
Gain on revaluation of certain properties upon transfer from properties held for sale and properties under development for sale to investment properties						248.5
Net unrealised gains on fair value change of investment properties (<i>note b</i>)						133.3
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						<u>164.0</u>
Profit for the year						1,684.3
Non-controlling shareholders' share of profit for the year						<u>(59.7)</u>
Profit for the year attributable to owners of the Company						<u>1,624.6</u>

Notes:

- (a) The segment results of the Group include the entire results of associates and joint ventures, excluding the net unrealised gains or losses on fair value change of investment properties net of deferred tax arising from change in fair value.

- (b) The net unrealised gains on fair value change of investment properties for the year ended 31 March 2021 of HK\$20.7 million (2020: HK\$133.3 million) represented the unrealised gains on fair value change of investment properties of HK\$20.0 million (2020: HK\$144.1 million) net of deferred tax credit arising from change in fair value of HK\$0.7 million (2020: deferred tax charge of HK\$10.8 million).

Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of unallocated other income, unallocated corporate expenses, finance costs and corporate level exchange difference, gain on revaluation of certain properties upon transfer from properties held for sale and properties under development for sale to investment properties, net unrealised gains on fair value change of investment properties and net unrealised gains/(losses) on fair value change of investment properties attributable to the Group's interests in a joint venture, net of deferred tax. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above is from external customers.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as they are not reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker for review.

Other segment information

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Unallocated amounts <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2021							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	—	(1.9)	(5.0)	(0.3)	—	—	(7.2)
Depreciation of property, plant and equipment	23.4	18.2	48.5	71.6	6.0	11.4	179.1
Depreciation of right-of-use assets	3.9	—	1.3	—	13.6	3.4	22.2
Impairment loss reversed on loans to joint ventures	—	(0.3)	—	—	—	—	(0.3)
Impairment loss on investments in debt instruments measured at amortised cost	—	—	—	—	—	0.2	0.2
Net losses on financial assets at fair value through profit or loss ("FVTPL")	—	—	—	—	—	2.9	2.9
(Gain)/loss on disposal of property, plant and equipment	(0.3)	2.3	0.6	—	0.4	—	3.0
Interest income	(33.4)	—	—	(0.2)	(0.2)	(16.3)	(50.1)
Finance costs	1.8	3.2	2.0	—	0.7	80.6	88.3
Income tax charge/(credit)	479.5	11.6	(0.1)	(0.7)	1.3	20.5	512.1
Share of results of associates	0.1	—	—	—	—	—	0.1
Share of results of joint ventures	0.7	(226.7)	—	—	—	5.4	(220.6)

	Property development HK\$'M	Property investment HK\$'M	Services provided HK\$'M	Hotel operations HK\$'M	Healthcare HK\$'M	Unallocated amounts HK\$'M	Total HK\$'M
For the year ended 31 March 2020							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	—	(1.1)	(11.1)	(0.1)	—	—	(12.3)
Depreciation of property, plant and equipment	20.8	20.2	44.7	65.5	7.4	10.3	168.9
Depreciation of right-of-use assets	0.2	4.3	1.6	—	15.8	0.3	22.2
Impairment loss on loans to joint ventures	—	0.7	—	—	—	—	0.7
Impairment loss on investments in debt instruments measured at amortised cost	—	—	—	—	—	0.3	0.3
Impairment loss on other receivables	—	—	—	—	3.7	—	3.7
Impairment loss on property, plant and equipment	—	—	—	—	3.3	—	3.3
Net gains on financial assets at FVTPL	—	—	—	—	—	(48.3)	(48.3)
Gain on disposal of subsidiaries	—	—	—	—	(182.5)	—	(182.5)
Loss/(gain) on disposal of property, plant and equipment	—	0.5	(0.2)	—	—	0.1	0.4
Interest income	(21.1)	(12.0)	—	(0.9)	—	(24.3)	(58.3)
Finance costs	27.6	3.4	2.4	—	2.3	236.1	271.8
Income tax charge	655.3	139.7	4.0	2.8	19.8	16.1	837.7
Share of results of associates	0.2	(0.1)	—	—	—	—	0.1
Share of results of joint ventures	(131.2)	(211.4)	—	—	—	(164.0)	(506.6)

* Inter-segment sales are entered into in accordance with the relevant agreements, if any, governing those transactions, in which the pricing was determined with reference to prevailing market price or actual cost incurred, as appropriate.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2021 HK\$'M	2020 HK\$'M
Sales of properties	2,766.1	3,210.3
Rental income	478.8	504.6
Hotel revenue	124.4	264.4
Provision of healthcare services	132.8	258.9
Other services rendered	440.2	458.3
	3,942.3	4,696.5

Geographical information

For each of the years ended 31 March 2021 and 31 March 2020, the Group's operations are located in Hong Kong and Macau, mainland China, Japan and South East Asia.

The Group's revenue from external customers based on the location of properties and goods delivered or services rendered, and location of properties in the case of rental income, and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets (note a)	
	2021 HK\$'M	2020 HK\$'M	2021 HK\$'M	2020 HK\$'M
Hong Kong and Macau	2,639.1	1,206.0	15,904.0	15,747.0
Mainland China	1,183.2	3,210.8	3,511.8	2,758.8
Japan	56.7	55.9	1,125.1	1,157.1
South East Asia (note b)	63.3	223.8	1,789.9	840.0
	<u>3,942.3</u>	<u>4,696.5</u>	<u>22,330.8</u>	<u>20,502.9</u>

Notes:

- (a) Non-current assets excluded those related to financial instruments and deferred tax assets.
- (b) Revenue from respective country within "South East Asia" contributed less than 10% of the Group's revenue.

Information about major customers

The revenue from individual customer contributed less than 10% of the total revenue of the Group for both years.

4 OTHER GAINS AND LOSSES

	2021 HK\$'M	2020 HK\$'M
Other gains/(losses) include the following:		
Net gain on deregistration of subsidiaries	77.2	16.8
Net foreign exchange gain/(loss)	11.9	(11.1)
Loss on disposal of property, plant and equipment	(3.0)	(0.4)
Impairment loss on property, plant and equipment	—	(3.3)
Net (loss)/gain on financial assets at FVTPL	<u>(2.9)</u>	<u>48.3</u>
	83.2	50.3
Impairment losses under expected credit loss model, net of reversal, include the following:		
Impairment loss reversed/(recognised) on loans to joint ventures	0.3	(0.7)
Impairment loss on investments in debt instruments measured at amortised cost	(0.2)	(0.3)
Impairment loss on other receivables	<u>—</u>	<u>(3.7)</u>
	<u>83.3</u>	<u>45.6</u>

5 FINANCE COSTS

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Interests on		
Bank and other loans	95.3	205.6
Advances from non-controlling shareholders	19.8	36.9
Lease liabilities	3.0	4.2
Finance costs from significant financing component of contract liabilities	—	25.5
Bank and other loans arrangement fees	<u>23.8</u>	<u>34.4</u>
	141.9	306.6
Less: Amounts included in the qualifying assets (<i>note</i>)	<u>(53.6)</u>	<u>(34.8)</u>
	<u>88.3</u>	<u>271.8</u>

Note: To the extent funds are borrowed generally and used for the purpose of financing certain properties under development for sale, assets under construction and investment properties under renovation, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 1.65% (2020: 3.43%) per annum.

6 PROFIT BEFORE TAXATION

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Profit before taxation has been arrived at after charging/(crediting):		
Auditor's remuneration		
Audit services	8.2	9.4
Non-audit services	2.0	2.9
Cost of properties sold	1,467.4	1,372.3
Salaries, wages, bonus and other benefits	585.9	665.0
Retirement benefits schemes contribution	<u>21.2</u>	<u>25.5</u>
Staff costs incurred (including directors' remuneration)	<u>607.1</u>	<u>690.5</u>
Gross rental income under operating leases on:		
Investment properties	(466.5)	(493.0)
Other properties	(12.3)	(11.6)
Less: Outgoings	<u>45.0</u>	<u>46.4</u>
	<u>(433.8)</u>	<u>(458.2)</u>
Depreciation of property, plant and equipment	179.1	168.9
Depreciation of right-of-use assets	<u>22.2</u>	<u>22.2</u>

7 TAXATION

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the year	136.2	33.7
Overseas tax calculated at rates prevailing in respective jurisdictions	224.7	325.9
Land appreciation tax ("LAT")	<u>242.7</u>	<u>401.8</u>
	603.6	761.4
Deferred taxation for the year	<u>(91.5)</u>	<u>76.3</u>
	<u>512.1</u>	<u>837.7</u>

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions for both years.

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994 and amended on 8 January 2011, and the Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance.

8 PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit for the year attributable to owners of the Company comprises:

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
(a) Net unrealised gains/(losses) on change in fair value of investment properties during the year		
– The Group	20.0	144.1
Deferred tax credit/(charge)	0.7	(10.8)
Attributable to non-controlling interests	13.4	53.7
	34.1	187.0
– Joint venture, net of deferred tax	(5.4)	164.0
– Gain on revaluation of certain properties upon transfer from properties held for sale and properties under development for sale to investment properties, net of deferred tax and non-controlling interest	—	131.5
	28.7	482.5
(b) Profits excluding net unrealised gains on fair value of investment properties	868.6	1,142.1
Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the year	74.2	4.0
	942.8	1,146.1
Sub-total	971.5	1,628.6
Less: Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the year	(74.2)	(4.0)
Profit for the year attributable to owners of the Company	897.3	1,624.6

9 DIVIDENDS

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Final dividend paid for the financial year ended 31 March 2020 of HK7 cents (2020: final dividend paid for the financial year ended 31 March 2019 of HK6 cents) per share	104.0	89.1
Interim dividend paid for the financial year ended 31 March 2021 of HK4 cents (2020: interim dividend paid for the financial year ended 31 March 2020 of HK5 cents) per share	<u>59.4</u>	<u>74.3</u>
	<u>163.4</u>	<u>163.4</u>

The directors of the Company proposed a final dividend for the financial year ended 31 March 2021 of HK5 cents (2020: for the financial year ended 31 March 2020 of HK7 cents) per share totalling approximately HK\$74.3 million (2020: HK\$104.0 million).

10 EARNINGS PER SHARE

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

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	<u>897.3</u>	<u>1,624.6</u>
	2021	2020
Number of shares		
Number of ordinary shares in issue during the year for the purpose of calculating basic earnings per share	1,485,301,803	1,485,301,803
Effect of dilutive potential ordinary share: Adjustment in relation to share options issued by the Company	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,485,301,803</u>	<u>1,485,301,803</u>

For the years ended 31 March 2021 and 2020, diluted earnings per share was the same as the basic earnings per share since the share options had anti-dilutive effect.

11 TRADE RECEIVABLES

The credit periods allowed by the Group to its customers are dependent on the general practices in the industries concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Property rentals are receivable in advance. Payments for healthcare, clubs and hotel services are receivable on demand.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the payment due date at the end of the reporting period:

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Not yet due	42.7	0.6
Overdue:		
0–60 days	29.4	25.0
61–90 days	2.2	0.6
Over 90 days	<u>5.2</u>	<u>3.3</u>
	<u>79.5</u>	<u>29.5</u>

12 TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

Included in trade payables, provision and accrued charges are trade payables of HK\$117.1 million (2020: HK\$137.4 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	2021 <i>HK\$'M</i>	2020 <i>HK\$'M</i>
Not yet due	71.3	107.0
Overdue:		
0–60 days	42.3	24.6
61–90 days	0.3	2.9
Over 90 days	<u>3.2</u>	<u>2.9</u>
	<u>117.1</u>	<u>137.4</u>

13 SHARE CAPITAL

	Number of shares	<i>HK\$'M</i>
Ordinary shares of HK\$0.25 each		
Authorised:		
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	<u>4,000,000,000</u>	<u>1,000.0</u>
Issued and fully paid:		
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	<u>1,485,301,803</u>	<u>371.3</u>

BUSINESS REVIEW

(Save as otherwise stated below, all projects and operations are 100% owned by the Group)

The Company is a conglomerate with its core business in property development and investment. It is the Group's strategy to increase its asset value by continued development of its flagship project, Discovery Bay, acquisition of different scales of land plots or projects for development / re-development, and enhancement of our investment properties' value. The Group shall continue to look for opportunities to expand its property portfolio.

LAND BANK

As at 31 March 2021, the total land bank (including those held directly by joint ventures) attributable to the Group amounted to 8,908,000 square feet, which is earmarked for property development purpose upon fulfilment of related terms and conditions. During the FY2021, the Group acquired 430,000 square feet of developable gross floor area.

PROPERTY DEVELOPMENT AND INVESTMENT

The Group's revenue from property development and investment for the FY2021, including the proportionate share of joint ventures and associates of HK\$949 million (2020: HK\$1,357 million), was HK\$4,237 million, down from HK\$5,108 million in preceding year.

The Group's contribution from property development and investment, including the proportionate share of joint ventures and associates of HK\$226 million (2020: HK\$343 million), was HK\$1,275 million (2020: HK\$1,306 million).

Hong Kong – Property Development

Though the COVID-19 pandemic is mostly contained, its impact continues to linger on due to continued social distancing measures, economic downturn and elevated unemployment rate. However, pent-up demand has emerged in recent months on low interest rates and supportive government policy, with the number of transactions and price having stabilised.

We continued our sales of the three existing key projects during the FY2021, and one project is expected to be launched by the end of 2021 or early 2022.

Poggibonsi, Discovery Bay
(50% owned) Total units: **196**
Units sold: **144 (59 sold during the FY2021)**
Sale proceeds generated during the FY2021: **HK\$719 million**
Revenue of **128 sold units** was recognised during the FY2021

IL PICCO, Discovery Bay
(50% owned) Total units: **21 garden houses**
Units sold: **2 (1 sold during the FY2021)**
Sale proceeds generated during the FY2021: **HK\$52 million**

La Cresta, Sha Tin
(50% owned) Total units: **61**
Units sold: **59 (7 sold during the FY2021)**
Sale proceeds generated during the FY2021: **HK\$295 million**
Revenue of **5 sold units** was recognised during the FY2021

Lo Fai Road, Tai Po
(40% owned) Total planned units: **262**
GFA: **497,000 sq. ft.**
Expected date of launch: **End of 2021 or early 2022**
Status: Superstructure work in progress

With the basic terms and land premium amount of Master Plan 7.0E for Discovery Bay (the Group's attributable interest is 50%) offered by the Government being accepted in May 2021, the Group's residential land portfolio in Hong Kong will increase by over 1.3 million square feet, providing over 1,400 units.

During the FY2021, the Group acquired the United Daily News Centre in To Kwa Wan. We have submitted an application to re-develop this property into residential building. A residential redevelopment project located on Hollywood Road was also acquired in April 2021, the planning and design of which is currently underway.

Hong Kong – Property Investment

Performance in this segment was impacted by lacklustre business sentiment, and pandemic containment measures. The Group is engaging with commercial tenants and providing relief measures on a case-by-case basis for those most in need.

The property investment projects in Discovery Bay, which the Group holds 50% interests, recorded stable performance during the FY2021, with DB Plaza and DB North achieving committed occupancy rates of 90% and 97%, respectively, as of 31 March 2021.

The new DB Plaza extension was soft-opened during the FY2021, increasing the Group's investment property portfolio by approximately 59,000 square feet. The extension provides a good mix of retail and F&B options, and houses the city's latest ice rink for the enjoyment of residents and visitors.

The Group's other investment projects, comprising CDW Building in Tsuen Wan, and Wellgan Villa, a residential building in Kowloon Tong, achieved occupancy rates of 93% and 96% respectively, as of 31 March 2021.

West Gate Tower in Cheung Sha Wan is being renovated and converted into a commercial building, which will further enhance the value of the Group's investment portfolio. The work is scheduled to be completed by mid-2021.

Mainland China – Property Development

Mainland China's property market and demand are rebounding with sales activities escalating following containment of the pandemic. Transaction volume is expected to grow steadily, governed by continuing price regulation policies intended to maintain a stable market, which will drive the developers to be more focused on projects' quality, and help foster sustainable long-term growth.

Two key residential projects are scheduled to launch in mid-2021, and have been granted occupation permits in the FY2021. In addition, the Group acquired a second land plot in Hangzhou in the FY2021.

Mansion One, Jiaxing	Total units: 188 mid-rise apartments GFA: 342,000 sq. ft. Occupation permit granted: December 2020 Expected date of launch: Mid-2021
----------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Creekside One, Jiaxing	Total units: 98 mid-rise apartments and villas GFA: 210,000 sq. ft. Occupation permit granted: December 2020 Expected date of launch: Mid-2021
------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The Group's other residential projects under development in mainland China are:

Projects	GFA (sq. ft.)	Status
<i>Jiaxing, Zhejiang</i>		
Starlight One	768,000	392 high-rise apartments and villas Foundation work in progress Expected completion: 2023
<i>Hangzhou, Zhejiang</i>		
Land lot 07-R2-05 in Lin'an District	430,000	Plot ratio: 1.0-1.2 Planning in progress. To be developed into low-density development

The Group will continue to explore investment opportunities in mainland China to expand its business footprint in other cities, especially in the Yangtze River Delta area.

Mainland China – Property Investment

Retail momentum and business and consumer confidence, especially in Shanghai, rebounded through the year, which is beneficial to the Group's property investment business in mainland China.

The performance of HKRI Taikoo Hui, located in Shanghai and in which the Group has a 50% interest, was cohesively stable. The two office towers, HKRI Centres One and Two, achieved an occupancy rate of 97%, and the retail mall's occupancy rate reached 91%, as of 31 March 2021. Both retail mall turnover and footfall achieved double-digit growth year-on-year.

The Exchange, the Group's 15%-owned investment property in Tianjin, has a total GFA of over 1.6 million square feet and comprises two Grade-A office towers and the Heping Joy City retail mall, a popular destination for young shoppers. During the FY2021, the mall and the two office towers maintained average occupancy rates of 89% and 85%, respectively. Meanwhile, the Joyer Apartment achieved 65% occupancy as of 31 March 2021. The property has maintained good occupancy rates and generated stable rental income.

Thailand – Property Development

The Group maintains its cautious approach towards the market in Thailand as its economy was hit hard by the COVID-19 pandemic. Nevertheless, we are optimistic on Thailand's medium- and long-term economic development and are carefully revisiting the development schedule for the Rama 3 project, the Ramintra Road project, and the Wireless Road land plot. The Thailand team is well prepared to ramp up the pace of development in Thailand once macro conditions recover.

Japan – Property Investment and Development

The Group continues to maintain a presence in Tokyo's property market that provides a steady, recurrent cash inflow. Our five investment properties all recorded satisfactory leasing performances, with occupancy rates ranging from 89% to 100%. Notably, the Group owns 646,000 square feet of land in Niseko, Hokkaido, which is earmarked for development into a high-end resort.

TRANSPORTATION SERVICES

The sea, land transport and tunnel services in Discovery Bay are operated by the Group's various subsidiaries, in which the Group holds a 50% interest.

With the COVID-19 pandemic exerting an influence to varying degrees throughout the FY2021, both ferry and bus ridership were adversely affected due to stringent distancing measures resulting in reduced social, commercial and schooling activities.

Coupled with the existing challenges of maintenance cost inflation and a shortage of skilled operations staff, as well as heightened hygiene requirements, the decreased activities in Discovery Bay exacerbated pressure on transport services' daily operations.

The financial burden was alleviated by the support provided under the ad hoc Government Anti-epidemic Fund and the ongoing Special Helping Measures covering ferry services starting April 2020.

Two newly built double-decker buses compliant with the highest Euro VI emissions standards were added to our operating fleet from August 2020, further increasing peak-hour carrying capacity and supporting the Group's mission to boost sustainable development. Additionally, to improve the passenger experience, ferry vessels were upgraded, including seats, floor mats and display panels.

HOSPITALITY

Hong Kong

The Group's hospitality businesses, comprising hotels and clubs, operated in adverse conditions: a prolonged period of restricted travel and tourism across the globe and stringent social distancing measures. Even though the hotel industry is severely impacted, attributing to the rising popularity of staycations, Auberge Discovery Bay Hong Kong had benefitted from successful promotional efforts targeting this emerging trend.

The Group expects that global travel will resume gradually as the vaccination rollout gathers pace, and recovery of the industry is underway.

The Lantau Yacht Club ("LYC") completed phase 2 of its facelift during the FY2021 and opened its newly renovated clubhouse. Membership recruitment is progressing satisfactorily. The Company holds an optimistic view on the growth of the yachting industry in the region, as yachts sales in Hong Kong revealed good growth in 2020 despite the glooming economy. LYC is generating growing interest from the yachting community.

Discovery Bay Golf Club completed renovating its golf course. With ongoing travel restrictions, the club enjoyed increased demand for golf rounds from locals. Concurrently, repeated business closures and social distancing restrictions inevitably affected the performance of the Discovery Bay Recreation Club and Club Siena. As always, the clubs' teams continue to carry out prudent measures according to the prevailing conditions.

The Group holds a 50% interest in all Discovery Bay's hospitality businesses.

Mainland China

With the successful containment of the pandemic in mainland China, occupancy rates at The Sukhothai Shanghai, The Middle House and The Middle House Residence swiftly recovered during the FY2021, and achieved remarkable performance supported by strong local business and domestic travel demand.

The Group holds a 50% interest in the aforementioned mainland China hotel businesses.

Thailand

Performance of The Sukhothai Bangkok was affected by country lockdown, business closures and social distancing restrictions imposed by the government to combat the pandemic. During such challenging times, the hotel employees worked incredibly hard, and their achievements were recognised with an array of accolades, including *Travel + Leisure's* Top 500 Hotels in the World and Top 2020 Fine Dining in Thailand.

Looking ahead, The Sukhothai Bangkok will continue to build on its strong presence in the market by revitalising the hotel product and strengthening its branding and positioning.

HEALTHCARE

Our wholly owned subsidiary GenRx Holdings Limited (“GenRx”) operates a comprehensive healthcare service network in Hong Kong and Macau. During the FY2021, the Group acquired the remaining 43% interest in H&C Dental. The Group has then full control over all its healthcare units, covering specialist services that focus on chronic disease management, Chinese medicine and dental care, supported by medical diagnostic services, and administrates a comprehensive medical network of over 250 affiliated clinics providing general practitioners, specialists and physiotherapy services.

During the FY2021, GenRx opened its latest MRI imaging centre in Tsuen Wan and its third Traditional Chinese Medicine clinic in Central, further enhancing its services and coverage.

OUTLOOK

While executing our tried-and-tested core strategies, we shall remain flexible. On the road to economic recovery, we expect volatility to remain heightened in the near-to-mid-term on the pandemic's lingering effects and Sino-US and other geopolitical tensions.

Mainland China's economy is likely to outperform its peers, and housing demand in major Chinese cities will likely expand. Residential prices are forecast to grow steadily, and consumers are shifting their focus to looking for higher-quality housing. This quality-driven trend is expected to benefit the overall property market development, which also aligns with the Group's long-term dedication to building premium homes.

Hong Kong residential property prices were resilient over the FY2021 on an ongoing lack of housing supply. We target to maximise our return by a three-thronged approach: continued enhancement of existing projects, development of new projects and sourcing of urban redevelopment projects. We remain positive on the property market's long-term outlook.

FINANCIAL REVIEW

OVERALL RESULTS

The Group's consolidated revenue of HK\$3,942.3 million (2020: HK\$4,696.5 million) for the FY2021 decreased by 16.1% as compared to the preceding year. Such decrease was mainly attributable to the decline in revenue contribution from property development, hotel operations and healthcare segments.

The Group's underlying net profit after excluding net unrealised gains on fair value of investment properties for the FY2021 amounted to HK\$868.6 million (2020: HK\$1,142.1 million), decreased by 23.9%.

With the exclusion of the one-off gain on disposal of the Group's medical operations in the Philippines in the preceding year of HK\$163.5 million, the Group's underlying net profit would have decreased by 11.2% as compared to HK\$978.6 million for the preceding year.

The Group's profit attributable to owners of the Company was HK\$897.3 million (2020: HK\$1,624.6 million), decreased by 44.8% as compared to the preceding year. Basic earnings per share of the Group was HK60.4 cents (2020: HK109.4 cents), dropped by the same magnitude.

SEGMENT RESULT ANALYSIS

Property Development

Segment result of the property development segment slightly declined by 3.5% to HK\$735.8 million (2020: HK\$762.1 million), mainly due to less projects completed during the FY2021 and sales recognition of major projects such as Poggibonsi in Hong Kong and inventory sales of Oasis One and Elite House in mainland China. For the preceding year, segment result mainly represented sales recognition of Riviera One, Oasis One, as well as inventory sales of Elite House in mainland China. As at 31 March 2021, the Group has HK\$767.8 million contracted but unrecognised property sales.

Property Investment

Segment result of the property investment segment declined by 0.8% to HK\$539.2 million (2020: HK\$543.8 million) mainly due to the renovation works undertaken during the FY2021 on West Gate Tower which have affected the occupancy rates. Apart from this, the overall performance of investment properties portfolio remained stable. During the FY2021, the Group has strengthened the overall earnings potential of the portfolio with the acquisition of United Daily News Centre, an industrial building and disposal of non-core residential rental properties in Hong Kong.

Services Provided and Hotel Operations

Services provided and hotel operations segments were hit hardest by COVID-19 pandemic and the social distancing measures, two of the Group's businesses that rely heavily on tourism and travel.

Despite the impact of COVID-19 pandemic on the usage of the Group's transportation and the services and facilities of Discovery Bay Golf Club, Discovery Bay Recreation Club and Club Siena, with various grant and subsidies under the Government's Anti-epidemic Fund and the 5-year Special Helping Measures availed to the Group's services providers, the Group's services provided segment's contribution of HK\$90.3 million (2020: HK\$39.5 million) increased by 128.6%. The Group has also adopted cost saving measures and flexible servicing schedule to cope with the challenging times.

The Group's hotel occupancies, especially that of The Sukhothai Bangkok, have been greatly impacted by the lockdown in Bangkok since the outbreak of COVID-19 pandemic. Occupancy of The Sukhothai Bangkok has dropped to historically low level and the segment result plummeted to a loss of HK\$88.0 million (2020: loss of HK\$32.8 million). Auberge Discovery Bay Hong Kong, benefited from the strong local demand for staycations and promotion packages, has managed to achieve above-the-market performance in occupancy. Besides, proactive measures have been deployed by the Group to reduce operating costs to alleviate the financial burden.

Healthcare

Though GenRx's contribution of HK\$11.3 million (2020: HK\$150.2 million) decreased by HK\$138.9 million, the overall performance was stable as if the one-off gain of HK\$163.5 million on disposal of its medical operations in the Philippines in the preceding year was excluded.

LIQUIDITY AND FINANCIAL RESOURCES

Net Debt and Capital Structure

As at 31 March 2021, the Group had bank balances and cash of HK\$3,060.9 million (2020: HK\$2,511.4 million) and a net debt of HK\$4,623.9 million after deducting total bank borrowings and other loans of HK\$7,684.8 million (2020: HK\$7,321.2 million).

As at 31 March 2021, about 37% of the Group's bank balances and cash were denominated in Hong Kong dollars, 47% in Renminbi, 2% in US dollars, 6% in Japanese Yen, 5% in Singapore dollars and the remaining were mainly in Thai Baht.

As at 31 March 2021, the Group's debt portfolio comprised of primarily bilateral and syndicated bank loans to finance its working capital and development projects. The unlisted notes were fully redeemed in May 2020 and the Group may continue to tap into capital market through Medium Term Note programme or standalone issuance when necessary.

The maturity profile of bank borrowings and other loans were 10.1% (2020: 56.1%) falling within one year, 1.4% (2020: 6.3%) falling between one and two years and 88.5% (2020: 37.6%) falling between two and five years.

As at 31 March 2021, all bank borrowing and other loans were at floating rate bases. About 87% of the Group's total bank borrowings and other loans were denominated in Hong Kong dollars and the remaining were in Japanese Yen.

Shareholders' Fund and Gearing

As at 31 March 2021, the shareholders' funds of the Group increased by HK\$1,616.5 million to HK\$23,683.9 million (2020: HK\$22,067.4 million).

The Group's gearing ratio was 19.5% (2020: 21.8%) as calculated by the Group's consolidated net borrowings to the shareholders' funds as at 31 March 2021.

Availability of Facilities

Total available loan facilities as at 31 March 2021 were HK\$10,461.0 million (2020: HK\$12,820.6 million), of which 95.2% were committed.

As at 31 March 2021, the unutilised credit facilities were approximately HK\$2,772.4 million (2020: HK\$5,495.6 million). The reduction was mainly attributable to refinancing of a syndicated loan facility for a lower size with more favourable terms and redemption of the Group's unlisted notes. The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate.

During the FY2021, the Group refinanced notes amounted to HK\$798 million and syndicated loan of HK\$2,300 million with new corporate loan and lowered the average financing cost to 1.4% from 3.0% in the preceding year.

With the unutilised loan facilities, cash on hand and expected cash flows from operations, the Group has sufficient financial resources to fund its current commitments and future potential investment opportunities ahead.

TREASURY POLICY

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. The Group closely reviews and monitors its foreign currency exposure. To manage foreign currency exposure in certain overseas investments, the Group maintains certain naturally hedged positions and will make any swap or future arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short to medium-term borrowings when appropriate and necessary.

The use of derivative financial instruments is strictly controlled and are primarily used for management of interest rate and currency exposures. It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

MAJOR ACQUISITIONS AND PROJECTS

In June 2020, the Group acquired a plot of land in Lin'an, Hangzhou City, Zhejiang Province, the PRC at a consideration of HK\$557 million. 50% of the consideration was paid and the balance payment will be made in July 2021.

In January 2021, the Group purchased United Daily News Centre, a 16-storey industrial building in To Kwa Wan, Kowloon at a consideration of HK\$310 million. The building is currently held as an investment property but is under planning for redevelopment into residential building.

In March 2021, the Group paid a deposit of HK\$37.5 million to acquire 18 shops and residential units at Hollywood Road and Upper Lascar Row in Sheung Wan for a consideration of HK\$375.3 million. The acquisition was completed in April 2021.

PLEDGE OF ASSETS

As at 31 March 2021, certain bank loans of the Group were secured by certain investment properties at the carrying value of HK\$306.6 million (2020: HK\$315.4 million).

In addition, the loans to a joint venture by the Group amounting to approximately HK\$803.9 million (2020: HK\$771.9 million) were subordinated to banks to secure a banking facility granted to the joint venture for financing the development in Tai Po.

FINANCIAL GUARANTEE CONTRACTS

The Group had financial guarantee contracts relating to a corporate guarantee on the Group's proportionate share to the extent of HK\$103.2 million (2020: HK\$117.4 million) as at 31 March 2021 given to a bank in respect of a banking facility granted to an investee company.

As at 31 March 2021, no guarantees were provided by subsidiaries of the Company (2020: HK\$342.3 million) in respect of mortgage facilities granted to purchasers of the Group's properties.

The Company provided a corporate guarantee of proportionate share to banks for securing a banking facility granted to a joint venture to finance the development in Tai Po. The bank loan balance of proportionate share of 40% is HK\$1,052.5 million (2020: HK\$779.3 million) as at 31 March 2021.

In addition, the Company provided a corporate guarantee to a bank securing a banking facility granted to a subsidiary of the Company. The related outstanding bank loan as at 31 March 2021 is HK\$300 million of which the guarantee is limited to 50% of the indebtedness.

Save as disclosed above, the Group did not have other significant financial guarantee contracts as at 31 March 2021.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The Company has fully complied with the Corporate Governance Code (the "CG Code") and Corporate Governance Report as set out in Appendix 14 to the Rules Governing The Listing of Securities on the Stock Exchange during the FY2021 save for a deviation of E.1.2 (Chairman of the Board's attendance at the Annual General Meeting). The reason for deviation is set out in the Corporate Governance Report contained in the Annual Report 2020/2021 of the Company which will be published shortly. Since the publication of the Company's interim report for the six months ended 30 September 2020, there has been no other deviation from the CG Code.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The final results of the Group for the year ended 31 March 2021 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

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 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

By order of the Board
HKR International Limited
CHA Mou Zing Victor
Executive Chairman

Hong Kong, 23 June 2021

As at the date of this announcement, the Board comprises:

Executive Chairman

Mr CHA Mou Zing Victor

Non-executive Deputy Chairman

Ms WONG CHA May Lung Madeline

Executive Directors

Mr TANG Moon Wah (*Managing Director*)

Mr CHEUNG Ho Koon

Ms NGAN Man Ying

Non-executive Directors

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

Independent Non-executive Directors

Mr CHEUNG Wing Lam Linus

Mr FAN Hung Ling Henry

Ms HO Pak Ching Loretta

Ms Barbara SHIU

Mr TANG Kwai Chang

* Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong