



遠東發展有限公司

Far East Consortium International Limited

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司

Stock Code 股份代號：035

ANNUAL REPORT

2015 年報





UNITED KINGDOM

UNITED KINGDOM

- 2 owned hotels under development
- 1 owned and operational hotel
- Property development



MALAYSIA

- Property development
- 5 owned operational hotels
- Car park operations and facilities management

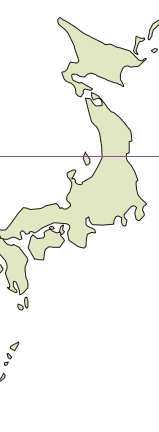


SINGAPORE

- Property development
- Investment properties
- 1 owned and operational hotel

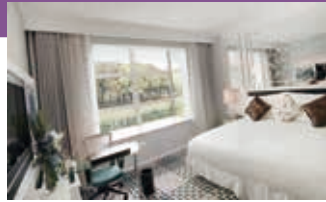
DIVERSIFIED AND BALANCED PORTFOLIO OF BUSINESSES

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



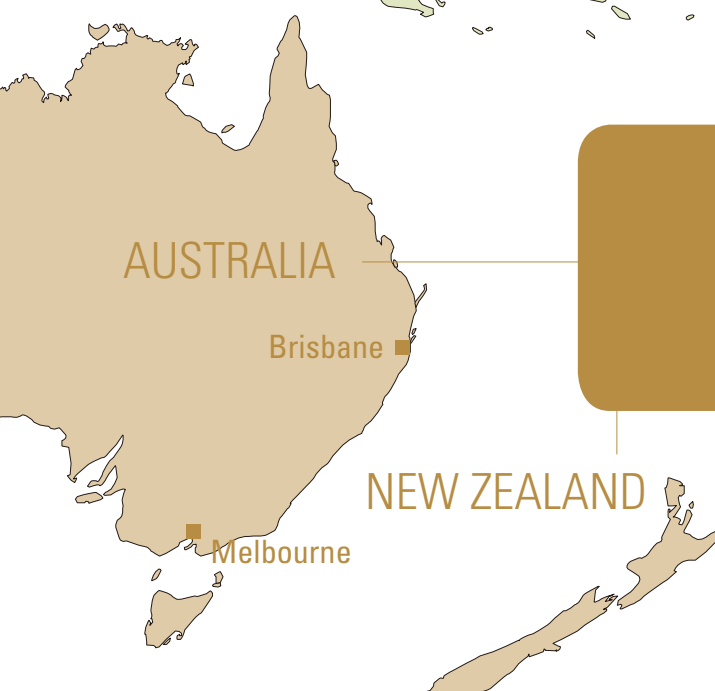
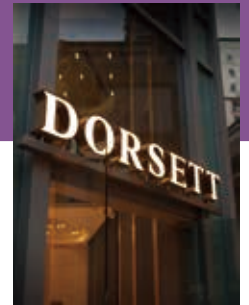
CHINA

- Property development
- Investment properties
- 4 owned operational hotels
- 2 owned hotels under development



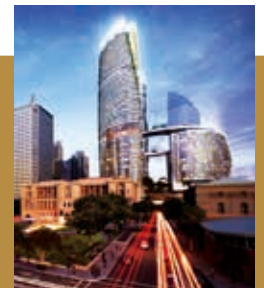
HONG KONG

- Property development
- Investment properties
- 9 owned and operational hotels
- 1 owned hotel under development



AUSTRALIA & NEW ZEALAND

- Property development
- Investment properties
- Car park operations and facilities management



CORPORATE INFORMATION

BOARD OF DIRECTORS EXECUTIVE DIRECTORS

David CHIU, Tan Sri Dato', B.Sc.
(Chairman and Chief Executive Officer)
Chris Cheong Thard HOONG, B.ENG., ACA
Denny Chi Hing CHAN, EMBA
Dennis CHIU, B.A.
Craig Grenfell WILLIAMS, B.ENG. (CIVIL)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Kwok Wai CHAN
Peter Man Kong WONG, J.P.
Kwong Siu LAM

AUDIT COMMITTEE

Kwok Wai CHAN (Chairman)
Peter Man Kong WONG
Kwong Siu LAM

NOMINATION COMMITTEE

David CHIU (Chairman)
Kwok Wai CHAN
Peter Man Kong WONG
Kwong Siu LAM

REMUNERATION COMMITTEE

Kwok Wai CHAN (Chairman)
David CHIU
Peter Man Kong WONG

EXECUTIVE COMMITTEE

David CHIU
Chris Cheong Thard HOONG
Denny Chi Hing CHAN
Dennis CHIU
Craig Grenfell WILLIAMS
Boswell Wai Hung CHEUNG

MANAGING DIRECTOR

Chris Cheong Thard HOONG

CHIEF OPERATING OFFICER

Denny Chi Hing CHAN

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Boswell Wai Hung CHEUNG

AUTHORISED REPRESENTATIVES

David CHIU
Boswell Wai Hung CHEUNG

LEGAL ADVISORS

Woo, Kwan, Lee & Lo
Reed Smith Richards Butler
Maples and Calder
HWL Ebsworth Lawyers
Lo & Lo

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

PRINCIPAL BANKERS HONG KONG

Bank of Communications Co., Ltd.
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia)
Limited
Nanyang Commercial Bank, Limited
OCBC Wing Hang Bank Limited
Public Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation
Limited

MALAYSIA

Public Bank Berhad

SINGAPORE

The Hongkong and Shanghai Banking
Corporation Limited

AUSTRALIA

Australia and New Zealand Banking Group
Limited
Bank of Western Australia
Commonwealth Bank of Australia Limited
Westpac Banking Corporation

MAINLAND CHINA

Agricultural Bank of China Limited
Bank of China Limited
China Construction Bank Corporation
China Merchants Bank
Dah Sing Bank (China) Limited
DBS Bank (China) Limited
HSBC Bank (China) Company Limited
Industrial and Commercial Bank of China Limited
Wing Hang Bank (China) Limited

UNITED KINGDOM

Oversea-Chinese Banking Corporation Limited

PLACE OF INCORPORATION

Cayman Islands

REGISTERED OFFICE

P.O. Box 1043, Ground Floor,
Caledonian House, Mary Street,
George Town,
Grand Cayman, Cayman Islands,
British West Indies

PRINCIPAL OFFICE

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

SHARE REGISTRAR

Tricor Standard Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

LISTING INFORMATION

Ordinary Shares (Code: 035)
5.875% CNY Bonds 2016 (Code: 85915)
The Stock Exchange of Hong Kong Limited

WEBSITE

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



CONTENT

- 4 Income Statement Highlights
- 5 Statement of Financial Position Highlights
- 6 Chairman and Chief Executive Officer's Statement
- 10 Managing Director's Report
- 16 Profile of Directors and Senior Management
- 19 Five-Year Financial Summary
- 20 Management Discussion and Analysis
- 37 Directors' Report
- 50 Corporate Governance Report
- 58 Independent Auditor's Report
- 59 Consolidated Statement of Profit or Loss
- 60 Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 61 Consolidated Statement of Financial Position
- 63 Consolidated Statement of Changes In Equity
- 65 Consolidated Statement of Cash Flows
- 67 Notes to the Consolidated Financial Statements
- 152 List of Principal Properties
- 174 Glossary
- 177 The Year at a Glance

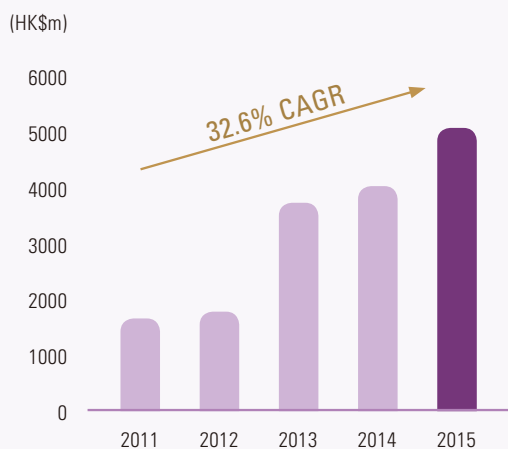


INCOME STATEMENT HIGHLIGHTS

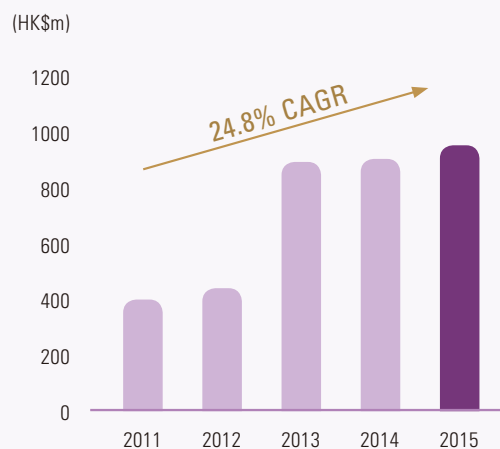
For the year ended 31 March

	2011	2012	2013	2014	2015	CAGR
Revenue (HK\$m)	1,654	1,761	3,732	4,066	5,110	32.6%
Net profit attributable to shareholders (HK\$m)	394	448	903	914	957	24.8%
Basic EPS (HK cents)	21	23	50	51	51	24.8%
Total dividend (HK cents)	7	6	13	15	16	23.0%

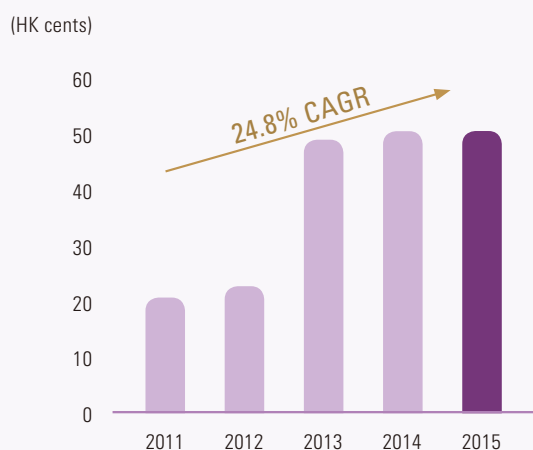
REVENUE



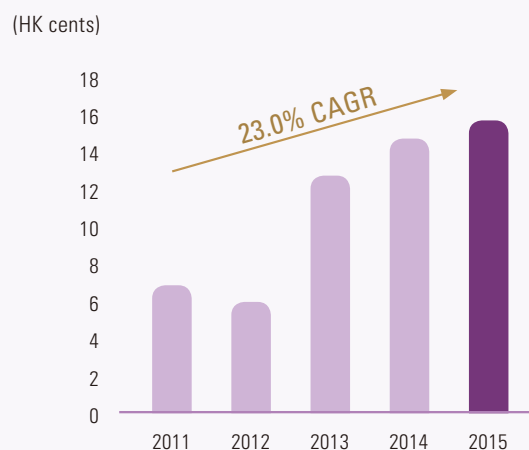
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS



BASIC EPS



TOTAL DIVIDEND

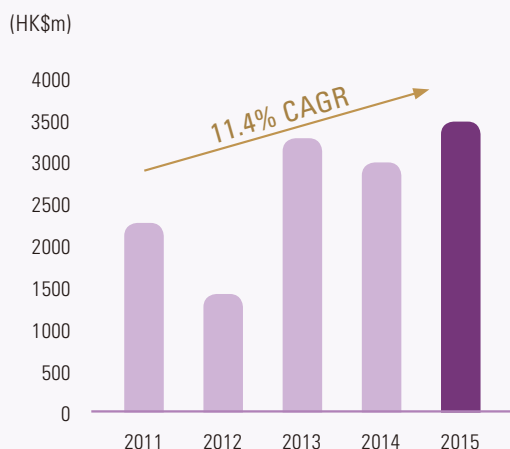


STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

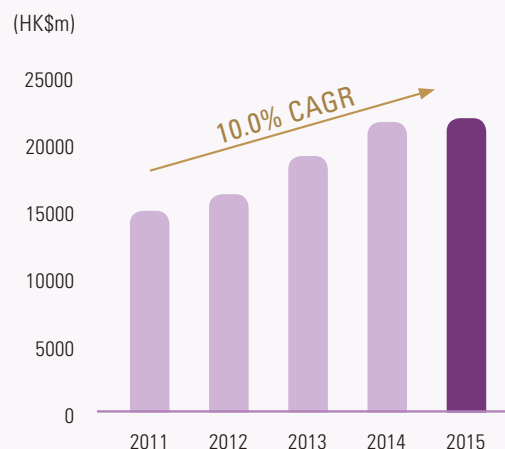
For the year ended 31 March

	2011	2012	2013	2014	2015	CAGR
Cash balance and investment securities (HK\$m)	2,263	1,419	3,275	2,994	3,487	11.4%
Total assets (HK\$m)	15,169	16,393	19,418	21,986	22,216	10.0%
Net assets value attributable to shareholder (HK\$m)	7,027	7,452	8,013	8,750	9,144	6.8%
Adjusted net assets value attributable to shareholder* (HK\$m)	11,397	13,117	14,942	16,864	17,263	10.9%

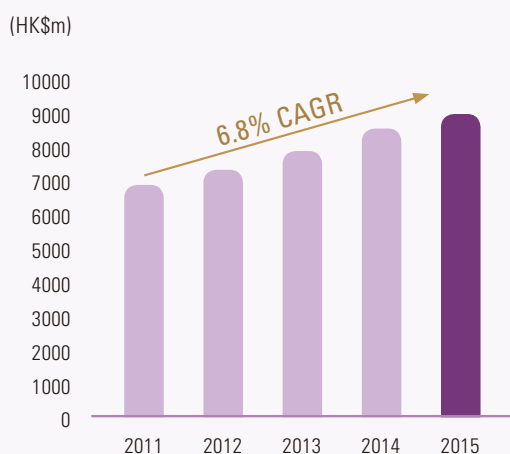
CASH BALANCE AND INVESTMENT SECURITIES



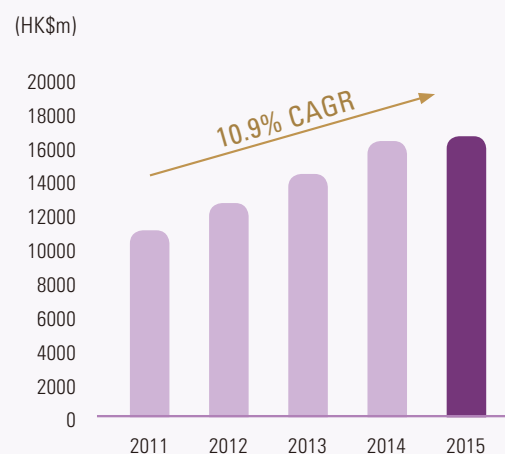
TOTAL ASSETS



NET ASSETS VALUE ATTRIBUTABLE TO SHAREHOLDER



ADJUSTED NET ASSETS VALUE ATTRIBUTABLE TO SHAREHOLDER*



* Adjusting for hotel revaluation surplus

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

We have achieved a new milestone with record financial growth for the Group last year. I am especially proud the Group has accumulated years of experience in overseas development in Hong Kong, Mainland China, Singapore, Malaysia, Australia and London and developed in-depth development skillsets and professional teams in the location of our operations and the valuable experience and expertise puts us well ahead of our peers and in a good position to consistently deliver value for our shareholders. The Group's "Chinese Wallet" strategy which targets China's growing middle class travels, migration and investment in major world cities also has helped drive the growth of the Company. Riding on the strength of diversified locations across different markets yet focused business models has also brought to the growth for the Company in terms of revenue and earnings.

In property development, the Group currently has some 20 active property development projects and total development pipeline approximately 11 million sq. ft., the Group is well-positioned for sustained growth in the coming years. Our strong presence in Hong Kong, Mainland China, Singapore, Malaysia, Australia and London allows the Group to take advantage of peaks and troughs in the different property markets. For instance, the Group was able to purchase properties in Singapore at low cost and was well positioned to sell them as property prices peaked, reaping a good return to investment. In mainland China, the land costs for residential sites in Shanghai and Guangzhou were acquired at very low base. This strengthened the Group's profitability in the coming years. In Hong Kong, I believe there will continue to be robust demand for apartments the HK\$8 million or below. The Group will continue to participate in government land tenders and actively capture development opportunities in Hong Kong. The upcoming successive completion of the Group's development projects with a total gross development value of approximately HK\$35 billion will continue to generate stable income for the Group in the coming years.

In hotel business, Dorsett's branding strategy, namely boutique hotels under "d. Collection", "Dorsett Hotels & Resorts" and economy hotels under "Silka Hotels", continues to be successful in capturing both business and leisure travelers. Despite the current challenges in the hospitality industry, the Group's hotels, namely in Singapore and London continues to perform well. With increase in newly completed hotels and increase in the number of guest rooms, the Group's hospitality business will continue to grow. As China's middle class increase their spending on travel, we are optimistic of continued growth for the Group's hospitality business. I have full confidence in the growth of the Group's hotel division as Dorsett is highly responsive to fluctuations and changes in the markets and has a clear strategy for continued expansion and network coverage.





CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

The car park operations and facilities management business has steady growth, mainly due to increase in the number of self-owned car parks and car parks under management. We expect the car park operations and facilities management business will maintain growth during financial year 2016.

Whilst we are entering into a new phase of growth and expansion, the Group continues to be committed to its social responsibility. For the financial year 2015, the Group contributed a total of more than HK\$8 million to various charitable and social causes. The Group's hotels in Hong Kong, Malaysia, Singapore and London actively participated in the annual event "Earth Hour". The Lan Kwai Fong Hotel @ Kau U Fong continues to work closely with the Environmental Protection Department to support local recycling. The Group's Cosmopolitan Hotel Hong Kong introduced a family programme which provides internship opportunities for children of our employees. I am delighted to learn that the daughter of a colleague who participated in this programme expressed how proud she felt working at a Dorsett Hotel, seeing her father

work alongside his colleagues to offer a comfortable experience for the guest who stays at our hotels.

On balance sheet management, the Group will remain prudent in its approach and seek to reduce development risk by pre-selling residential projects. The regional development strategy and the diversification, targeting the "Chinese Wallet" will continue. Standing on the solid foundation built over the years, I am fully confident of the Group's continued growth.

Last but not least, I would always cherish the memory of my dear father, Deacon Te Ken CHIU J.P., the founder and honorary chairman of the Company, who passed away on 17 March 2015 in Hong Kong Yan Chai Hospital at the age of 90. My father founded the Company in 1950 and led the listing of the Company on the Hong Kong Stock Exchange in 1972. My father was also a mentor and a role model for the Chiu's family and our colleagues. He started his business from scratch and prospered to be one of the most successful business tycoons in Hong Kong, through sheer hard work and determination. He led a legendary life of

tenacity, unremitting self-improvement and was truly a visionary. His life-long belief of perseverance will continue to inspire us to march forward courageously and unswervingly to bring to the Company's continued success.

While I believe the China growth engine have come to a mature stage, nevertheless, we are blessed that we are still positioned in the relatively high growth economic belt and the purchasing power of the burgeoning middle class Chinese is still strong. Thus, I believe that the company will continue to enjoy many years of steady growth.

The Company will grow from strength to strength and continue to deliver growth and value to its shareholders. I sincerely acknowledge the hard works, dedication and loyalty of 3,400 employees of the Company.

Thank you for your continued support and confidence in us.

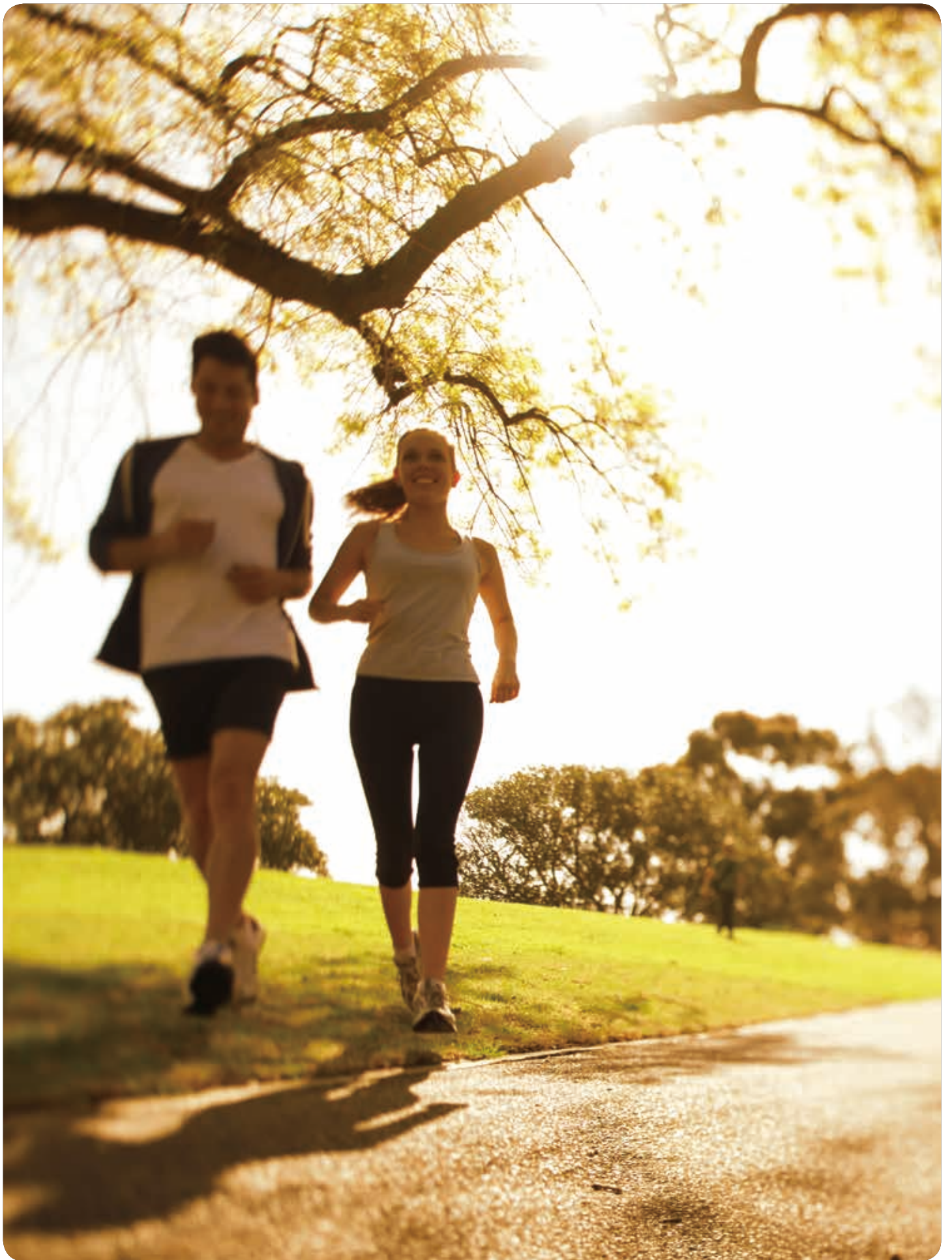
David CHIU
Chairman and Chief Executive Officer



Cosmopolitan Hotel's One Family Programme



CSR Effort by associates of Lan Kwai Fong Hotel@Kau U Fong







MANAGING DIRECTOR'S REPORT

RESULTS AND DIVIDENDS

I am pleased to report that we achieved another record year for the financial year ended 31 March 2015 with a revenue increase of 25.7% to approximately HK\$5,110 million. Such strong results demonstrate the success of the Group's geographical diversification development strategy, which has enabled the Group to generate more income streams from diversified portfolio across Asia Pacific, Australia, New Zealand and the United Kingdom. Profits attributable to shareholders increased to approximately HK\$957 million. Excluding the one-off gain of approximately HK\$259 million arising from mandatory acquisition of a property by the Singapore Government for the financial year ended 31 March 2014, the profits attributable to shareholders for the financial year ended 31 March 2015 increased by 46.1%. Earnings per share amounted to HK\$0.51.

The board of directors recommended a final dividend of HK\$0.13 per share for the financial year ended 31 March 2015. Including an interim dividend of HK\$0.03 per share, total dividend for the year will be HK\$0.16 per share, representing an increase of 6.7% from the last financial year.

As at 31 March 2015, Dorsett Group, which is 73.97% owned by the Company, recorded a significant revaluation surplus of approximately HK\$10,976 million in relation to its hotel portfolio (2014: HK\$10,954 million). Such revaluation surplus was not included in the consolidated financial statement as hotel assets are stated at cost. Adjusting for hotel revaluation surplus and minority interests, net asset value per share amounted to HK\$9.02 for the year ended 31 March 2015. Net asset value did not include the revaluation of non-hotel and non-investment properties of the Group but adjusted to reflect to the depreciation of other currencies of Australian Dollar, Malaysian Ringgit and Great British Pound against Hong Kong Dollar. The Group is carrying out a valuation exercise of its real estate assets and the updated valuation will be included in the circular for the proposed privatisation of Dorsett.

BUSINESS REVIEW

Adhering to the Group's geographical diversification and "Chinese Wallet" strategy, the Group remains focused on major world cities including Melbourne and Perth, London, Hong Kong, Shanghai, Guangzhou, Singapore and Kuala Lumpur where we continue to develop our properties. The rapid growth of middle-class Chinese who are increasingly affluent has brought continued growth for the Group, both in the property development and hotel operations.

PROPERTY DEVELOPMENT

The Group's market diversification on property development across Asia Pacific, the United Kingdom and Australia has enabled it to capture opportunities to increase its land bank at low costs in the different markets. Focused on the mass market segment, we were able to benefit from the strong demand in the various markets and revenue from property sales amounted to approximately HK\$2,962 million for the year, representing a growth of 41.9% compared to the previous financial year 2014. The contribution was mainly from the completion and sale of View Pavilion in Shanghai, Sevilla Crest and Star Ruby projects in Hong Kong, the Hudson project of Upper West Side (Stage 2) in Melbourne, Australia.

During the year, the Group launched the presale of five residential projects, totalling approximately 1.6 million sq. ft. of saleable floor area, namely the Eivissa Crest in Hong Kong, The FIFTH in Melbourne, Australia, Dorsett Bukit Bintang in Kuala Lumpur, Malaysia, King's Manor of California Garden in Shanghai and The Towers at Elizabeth Quay, Perth, Australia. As at 31 March 2015, total cumulative presale amounted to approximately HK\$6.5 billion, of which contracted presale amounted to approximately HK\$4.8 billion and registered presale amounted to approximately HK\$1.7 billion. These projects will be completed and delivered in the next four years.



The Towers at Elizabeth Quay, Perth

In Australia, 584 units in the Hudson project on Upper West Side (Stage 2), Melbourne were completed and generated revenue of approximately HK\$1,230 million for the year.

The Australian property market continues to enjoy sustained growth from local demand and increasing Chinese immigration to Australia. The Australian central bank cut its benchmark rate for the second time this year, to a record-low 2%. With the likely further relaxation of the monetary policy, we expect household consumption demand to further stimulate the Australian economy. The significant depreciation of the Australian Dollar against RMB has provided further incentive for Chinese to travel and invest in Australia and currently, immigrants from Mainland China is the biggest migrant group in Australia.

During the financial year, we saw the successful soft launch of The Towers at Elizabeth Quay, Perth, which brought overwhelming interest for the mixed-use high end residential development. The project will also include a Ritz-Carlton hotel.

The Tower at Elizabeth Quay is a significant addition to our pipeline in Australia. Besides, our Upper West Side development located in the city centre of Melbourne where the third and fourth phases recorded contracted presale of approximately HK\$688 million and HK\$1,738 million, respectively as at 31 March 2015. The FIFTH, a project neighbouring Upper West Side, Melbourne

also recorded contracted presale amounting to approximately HK\$1,029 million as at the same date.

Following the success of our Upper West Side project, the Group is planning the development of West Side Place which is a mixed-use development that will also include a Ritz-Carlton hotel. This project is expected to continue to contribute significantly to the future revenue stream in Australia.

In Hong Kong, Sevilla Crest and Star Ruby were completed during the financial year, contributing revenue of approximately HK\$613 million and HK\$441 million, respectively.



Alpha Square, London

The Hong Kong property market continues to be strong. Notwithstanding, the HKSAR government's plan to increase housing supply, prices and demand for residential units have remained strong. This lends to our continued optimism of the Hong Kong property market.

During the financial year, the Group launched the presale of Eivissa Crest, a residential project of the Group erected on 100 Hill Road, Hong Kong Island. Eivissa Crest recorded contracted presale totalling approximately HK\$586 million as at 31 March 2015.

Eivissa Crest has approximately 36,000 sq. ft. of saleable floor area and is expected to be completed in the financial year ending 31 March 2016. This will be followed by the launch, during FY2016, of the presales of the redevelopment project at Wan Fung Street in Wong Tai Sin which will house approximately 200 units and the villa project in Tan Kwai Tsuen in Hung Shui Kiu, Yuen Long comprising 24 townhouses.

In Mainland China, the Group's focus is mainly on development in first tier cities, namely Shanghai and Guangzhou. In Shanghai, View Pavillon recorded a total revenue of approximately HK\$628 million for the financial year.

The Chinese economy and real estate market have entered into a period of economic easing. In addition to lowering interest rates and deposit reserve requirement ratio, the Central Government has adopted a series of policies to help the real estate market including lowering the down-payment ratio for secondhand property. A series of "mini-stimulus" measures were also implemented in an attempt to stabilize economic growth and push for economic reform. In order to manage the property market by market-driven measures and to establish a long-term mechanism for regulating the property market, the different control measures adopted by government to distinguish the



California Garden, Shanghai

first two tier cities from other tier cities will likely bring continued population inflow in the first and second tier cities. In Shanghai and Guangzhou, where the Group's projects are located, property demand has remained strong. During the financial year, measures such as reducing the down payment ratio and raising the upper limit of mortgage lending boosted the demand for property in Shanghai.

As at 31 March 2015, View Pavillon and King's Manor in Shanghai California Garden, the Group's flagship project, recorded presale revenue of approximately HK\$149 million and HK\$176 million respectively.

In addition to Shanghai, the Group is developing Royal Riverside, in Guangzhou with a total saleable area of approximately 688,000 sq. ft., and the presales launch is scheduled for the second half of financial year 2016.

In the United Kingdom, according to statistics from the British Housing Association, there has been a shortage in housing supply not only in London, but also in the rest of the country. Overseas buyers including Asian buyers have been very active in the residential market in London. To target both the domestic as

well as international demand in London, the Group acquired two land sites and intend to develop a mixed-use development ("Alpha Square") consisting of residences and a hotel on the sites. The planning application of the Alpha Square project, located in Canary Wharf London, is currently in progress. The Alpha Square project will be a significant milestone for the Group as it expands into the residential market in London. The Group intends to continue to increase its land reserve in London and is currently exploring the feasibility of other developments.

In Malaysia, the Group launched Dorsett Bukit Bintang, a residential project with a saleable floor area of approximately 215,000 sq. ft., during the year recorded a total pre-sale of approximately HK\$397 million as at 31 March 2015.



Dorsett Shepherds Bush, London

In order to replenish its land reserves, the Group remained active in land tenders and successfully acquired additional three land sites in Hong Kong and London. As at 31 March 2015, the Group has a total property development pipeline of approximately 11 million sq. ft. which should meet its development target in the coming six to seven years.

Our regional development strategy has positioned us well to capture opportunities for land purchases. In the past, we have been able to acquire land at prime locations in different regions at relatively low prices, taking advantage of the cyclical nature in property cycles. Such regional strategy has enabled us to minimise land costs and achieve an above average profit margin compared to other players in the industry.

HOTEL OPERATIONS

As middle-class Chinese become more affluent, their spending power has increased and evidently, many major cities around the world have experienced an increase in tourist arrivals from Mainland China. The Group's "Chinese Wallet" strategy is well positioned to capture these opportunities. The three brands under Dorsett target different market segments: the d. Collection comprises a selection of upscale charismatic hotels carefully chosen for their prime locations; the Dorsett Hotels & Resorts brand has two product lines: Dorsett Grand, which offers a series of richly tasteful hotels where high quality service and excellence and inspirational experiences abound, and Dorsett which features contemporary midscale hotels in carefully chosen urban locations, and its budget hotel brand, Silka Hotels, has great appeal for value-savvy customers with the best in convenience and comfort it offers at a great value price.

Income from hotel operations and management for the year amounted to approximately HK\$1,454 million, representing a year-on-year increase of 13%, primarily driven by increase in room inventory. Affected by a slow down in arrivals of mainland tourists using the Individual Visitation Scheme and the Occupy Central movement from late-September 2014 to mid-

December 2014, the Group's hotel operations in Hong Kong recorded a decrease in both average room rate and occupancy rate. For the FY2015, income from hotels in Hong Kong contributed approximately 54.6% to the overall income from the Group's hotel operation and therefore weakness in this market has a relatively significant impact on the overall hotel performance. Elsewhere, the Group witnessed encouraging performance from certain hotel operations in Mainland China, and its hotel in Singapore and London. As at 31 March 2015, the Group owned 20 hotels with a total of 6,043 rooms. Two new hotels namely the Lushan Resort in Jiangxi province, PRC and the Dorsett Shepherds Bush Hotel in London, United Kingdom, commenced their operations. Further hotels are currently planned and we expect to continue to add room capacity in the coming years as we pursue the "Chinese Wallet" strategy.

The Group believes that the growth in new hotels will increase contributions to the Group in terms of revenue in the long term and Dorsett Group will continue to strive for strategic growth through opportunistic acquisitions and continuous development of new hotels.

CAR PARK OPERATIONS AND FACILITIES MANAGEMENT

The car park operations and facilities management business of the Group includes car parks ownership and management as well as facilities management. The Group's "Care Park" brand is one of the major chain car park brands in Australia. The Group's business has gradually expanded into facilities and building management with the development of the Australian Property Management ("APM") brand. The division generates sustainable and steady cash flows for the Group with revenue for the year posting a year-on-year increase of 0.5% to approximately HK\$616 million. Assuming constant exchange rate, gross profit contribution from the division from the year posted a year-on-year increase of 12.4%. During the year, the Group acquired two car parks in New Zealand with a total of 487 car parking bays. As at 31 March 2015, the Group managed a total of 335 car parks with approximately 65,300 car parking

bays, representing an increase of 22.2% compared to 31 March 2014.

On facility and building management, we had about 35 property management contracts as at 31 March 2015. During the year, we expanded into Johor Bahru, Malaysia providing management services for a major shopping mall. We expect that the car park operations and facilities management division will continue to grow at a steady pace in the coming year.



Car park operations and facilities management

QUEEN'S WHARF PROJECT IN BRISBANE

During the year, the Group signed a consortium bid agreement with Chow Tai Fook Enterprises Limited ("CTF") and Echo Entertainment Group Limited ("Echo") to jointly bid, under the name of "Destination Brisbane Consortium" for the development of an entertainment precinct and integrated resort in Queen's Wharf, Brisbane, Australia. Destination Brisbane Consortium brings together FEC's experience in international hospitality operation and mixed-use development and, CTF's extensive VIP customer base in



Queen's Wharf Brisbane Project

China and Asian markets, as well as Echo's operational experience in integrated resorts. If the bid is successful, both FEC and CTF will make 25% capital contribution to the development of the integrated resort while Echo will contribute 50% and act as the gaming operator under a long-term gaming operator agreement. Furthermore, FEC and CTF will jointly contribute 50% in capital for the residential component of the Queen's Wharf Brisbane project. The project is expected to contribute significantly to the recurring cashflow stream of the Group as well as add to the residential development pipeline. We expect the results of our bid to be announced shortly.



Queen's Wharf Brisbane Project

POSSIBLE PRIVATISATION OF DORSETT

On 20 May 2015, the Board of FEC requested the Board of Dorsett to put forward a proposal to the holders of Scheme Shares regarding the possible privatisation of Dorsett by Willow Bliss Limited (the Offeror), a wholly-owned subsidiary of FEC, by way of a scheme of arrangement under section 86 of the Companies Law of the Cayman Islands. Under the Proposal, the Scheme Shares will be cancelled in exchange for the payment by the Offeror to each Scheme Shareholder of the Cancellation Consideration, which would be satisfied by (i) a cash consideration of HK\$0.72 per Scheme Share; and (ii) 0.28125 new FEC Share to be issued for each Scheme Share.

The Board of FEC considers that the implementation of the above proposal will be beneficial to the respective shareholders of FEC and Dorsett. The Proposal is subject to the approval of the Dorsett shareholders and regulatory authority and the completion of all conditions as enumerated in the joint announcement. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

For more details and the capitalised terms used herein, please refer to the joint announcement made by the Company and Dorsett on 27 May 2015.

PROSPECTS

Looking ahead, the property market in Australia is expected to remain buoyant due to the current low interest rate environment and expected further interest rate cuts in the coming months, which is likely to drive demand for real estates domestically and internationally. In Mainland China, the Central Government has pushed forward reform of its economy into a sustainable "new normal" model, with stepped up efforts on growth stabilization and economic restructuring. Measures include scaling up investments in infrastructure, stabilization of real estate market, increasing domestic consumption, enhancement of urban planning and construction standards and formation and implementation of city cluster planning. By adhering to sector-based guiding instruction and implementing policies according to domestic conditions, the Government looks to cater for domestic needs of home purchase and upgrade and aiding the stable and healthy development of real estate market. In Hong Kong, until the United States begins to enter into an upward interest rate cycle, Hong Kong's low interest rate environment and strong domestic underlying demand should continue to support the residential market. In the United Kingdom, it is expected that the overall macro-economic environment will continue to be positive with the residential market remaining attractive to local and foreign buyers.

Although market conditions is expected to remain difficult in the short term, the Group expects that its hotel operations will weather the current challenging market conditions in Hong Kong. Cautiously optimistic, the Group believes that in the longer term future, the expansion of Hong Kong Disneyland Theme Park and the completion of significant infrastructure projects, such as the Hong Kong-Zhuhai-Macau Bridge and the inclusion of Hong Kong in the high-speed railway network in Mainland China, will be factors which will boost tourism in Hong Kong. The Group will also continue to grow its hotel portfolio in Asia and the United Kingdom and actively pursue suitable opportunities in new markets.

The Group's car park operations and facilities management business is expected to continue to generate steady recurring income. The Group will actively explore opportunities to grow its car park operations and facilities management business.

In the medium term, the Group's development pipeline of approximately HK\$35 billion of gross development value will provide the Group with a stable revenue stream. The Company will maintain its regionalization strategy and continue to diversify its earnings stream to achieve sustainable growth. If successful in the bidding process, the Queen's Wharf Brisbane project will transform the Group with additional recurring income source from the gaming industry. Leveraging on its solid project portfolio, the Company is well-positioned to continue to create long term value for its shareholders through regular dividend distributions and enhancement in net asset value of the Group.

Chris Cheong Thard HOONG
Managing Director

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

TAN SRI DATO' DAVID CHIU, B.SC. **(EXECUTIVE DIRECTOR, CHAIRMAN AND CHIEF EXECUTIVE OFFICER)**

Tan Sri Dato' David CHIU, aged 61, holds a double degree of Bachelor of Science in Business Administration and Economics at the University of Sophia, Japan. He is a prominent businessman with over 30 years' experience in the property development and extensive experience in the hotel development. In his business career, he established a number of highly successful business operation through organic growth and acquisitions, covering Mainland China, Hong Kong, Japan, Malaysia, Singapore and Australia. Since 1978, Tan Sri Dato' David CHIU had been the Managing Director of Far East Consortium Limited (the predecessor of the Company). He was appointed as Deputy Chairman and Chief Executive Officer of the Company on 8 December 1994 and 8 October 1997 respectively. On 8 September 2011, Tan Sri Dato' David CHIU has been appointed as the Chairman of the Company. He is also a director of various subsidiaries of the Company. Besides, he is a non-executive director of Dorsett Hospitality International Limited (formerly known as Kosmopolito Hotels International Limited, stock code: 2266, a subsidiary of the Company) and the chairman of the board of directors of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange.

In regard to his devotion to community services in China and Hong Kong, he was appointed as the member of the 12th Chinese People's Political Consultative Conference and the chairman of Mid-Autumn Festival Celebration-People and Forces' Committee in 2008. Currently, he is a trustee member of The Better Hong Kong Foundation, an honorary chairman of Mid-Autumn Festival Celebration-People and Forces' Committee, a director and a member of Concerted Efforts Resource Centre, a counsellor of China-United States Exchange Foundation, an honorary chairman of Guangdong Chamber of Foreign Investors, a member of Hong Kong General Chamber of Commerce, a member of the Constitutional Reform Synergy, a member of The Real Estate Developers Association of Hong Kong, a member of Friends of Hong Kong Association Ltd, a member of Pacific Basin Economic Council and a director of three Ju Ching Chu Schools in Hong Kong. In Malaysia, Tan Sri Dato' David CHIU was awarded an honorary award which carried the title "Dato" and a more senior honorary title of "Tan Sri" by His Majesty, King of Malaysia in 1997 and 2005 respectively. He was also awarded the WCEF Lifetime Achievement Awards by Asian Strategy & Leadership Institute in 2013. He is the brother of Mr. Dennis CHIU (Executive Director of the Company).

MR. CHRIS CHEONG THARD HOONG, B.ENG., ACA **(EXECUTIVE DIRECTOR AND MANAGING DIRECTOR)**

Mr. HOONG, aged 46, was appointed as an Executive Director of the Company in August 2012. He joined the Group in September 2008 as the Managing Director. He is responsible for the formulation and implementation of the Group overall strategies for development. He brings with him a wealth of knowledge in corporate development and extensive experience in mergers and acquisitions as well as international capital markets.

Prior to joining the Group, Mr. HOONG was the chief executive officer of China LotSynergy Holdings Limited (stock code: 1371). He was instrumental in implementing a number of important initiatives which established international relationships for the company and built solid foundations for business expansion whereas he is currently a non-executive director of the company. Mr. HOONG was an investment banker for over 12 years and had held senior positions at Deutsche Bank and UBS where he was responsible for corporate finance business in Asia. Mr. HOONG is a director of various subsidiaries of the Company. He is also a non-executive director of Dorsett Hospitality International Limited (stock code: 2266, a subsidiary of the Company), a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange and a non-independent and non-executive director of Land & General Berhad, a company listed on the Bursa Malaysia.

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

MR. DENNY CHI HING CHAN, EMBA
(EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER)

Mr. CHAN, aged 52, was appointed as an Executive Director of the Company in August 2012. He has been the Group's Chief Operating Officer since March 2004. He is responsible for the Hong Kong and the Mainland China based activities with emphasis on the commercial management, property and hotel development and investment, and project development. He also leads the sales and marketing team to oversee the strategy planning on the real estate business in Hong Kong and Mainland China. He joined the Company in 1990 as the Group Chief Accountant and promoted as the Group Financial Controller in 2002. From 1990 to 2003, he was responsible for the Group's financial, treasury and accounting functions. Mr. CHAN is a director of various subsidiaries of the Company. He is a non-executive director of Dorsett Hospitality International Limited (stock code: 2266, a subsidiary of the Company) and an independent non-executive director of Hidili Industry International Development Limited (stock code: 1393).

Prior to joining the Group, he was an audit manager of a big four international accounting firm with over ten years of audit experience. He has extensive experience in accounting and auditing of Hong Kong listed companies.

Mr. CHAN graduated from the City University of Hong Kong with an Executive Master Degree in Business Administration. He is a member of the Hong Kong Institute of Project Management and a fellow member of the Hong Kong Institute of Directors. He is also a member of China Real Estate Chamber of Commerce Hong Kong Chapter Limited.

MR. DENNIS CHIU, B.A.
(EXECUTIVE DIRECTOR)

Mr. CHIU, aged 56, was appointed as an Executive Director of Far East Consortium Limited (the predecessor of the Company) in 1978. He has been actively involved in the business development in the Mainland China, Singapore and Malaysia. Mr. CHIU is a non-executive director of Fortune Oil PLC, a company listed on the stock exchange in London and a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange. He is the brother of Tan Sri Dato' David CHIU (Executive Director of the Company).

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

Mr. WILLIAMS, aged 63, was appointed as an Executive Director of the Company in 2000. He is responsible for all property development in Australia. He resides in Melbourne, Australia. He holds a degree of Bachelor of Civil Engineering from Melbourne University. Before joining the Australian operations of the Company, he was a director of all development companies of the Lend Lease Group, Australia's largest property developer. Mr. WILLIAMS has extensive experience in all facets of property development and is the past president of the St. Kilda Road Campaign Inc. He is a director of various subsidiaries of the Company.

MR. KWOK WAI CHAN
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

Mr. CHAN, aged 56, was appointed as an Independent Non-executive Director of the Company in November 2005. He is a member of The Hong Kong Securities Institute and a member of CPA Australia. Mr. CHAN is a director of High Progress Consultants Limited and also an independent non-executive director of Chinese Estates Holdings Limited (stock code: 127), China Investments Holdings Limited (stock code: 132), Tern Properties Company Limited (stock code: 277) and National Electronics Holdings Limited (stock code: 213).

MR. PETER MAN KONG WONG, J.P. **(INDEPENDENT NON-EXECUTIVE DIRECTOR)**

Mr. WONG, aged 66, was appointed as an Independent Non-executive Director of the Company in May 2007. He graduated from the University of California at Berkeley with a Bachelor of Science Degree and was an awardee of the “Young Industrialist Award of Hong Kong” in 1988. He has over 40 years of experience in industrial, commercial and public service. Mr. WONG is the chairman of M.K. Corporation Limited, North West Development Limited, Cultural Resources Development Co. Ltd, Silk Road Hotel Management Co. Ltd. and Silk Road Travel Management Ltd. He is an independent non-executive director of China Travel International Investment Hong Kong Limited (stock code: 308), Chinney Investments, Limited (stock code: 216), Glorious Sun Enterprises Limited (stock code: 393), MGM China Holdings Limited (stock code: 2282), New Times Energy Corporation Limited (stock code: 166), Sino Hotels (Holdings) Limited (stock code: 1221) and Sun Hung Kai & Co., Limited (stock code: 86). He is also a non-executive director of Hong Kong Ferry (Holdings) Company Limited (stock code: 50). Mr. WONG is a deputy of the 12th National People’s Congress of Mainland China. Mr. WONG was awarded the HKSAR Bronze Bauhinia Star in 2003.

MR. KWONG SIU LAM **(INDEPENDENT NON-EXECUTIVE DIRECTOR)**

Mr. LAM, aged 81, was appointed as an Independent Non-executive Director of the Company in September 2011. He was the delegate of the 10th National People’s Congress. Mr. LAM currently serves as the vice chairman of BOC International Holdings Limited, the honorary chairman of Hong Kong Federation of Fujian Association, the life honorary chairman of Hong Kong Fukien Chamber of Commerce, the vice chairman of Fujian Hong Kong Economic Co-operation, the life honorary chairman of the Chinese General Chamber of Commerce, adviser of the Hong Kong Chinese Enterprises Association and the honorary president of the Chinese Bankers Club of Hong Kong. In addition, Mr. LAM has been a non-executive director of Bank of China International Limited (formerly known as “BOCI Capital Limited”) since July 2002. Currently, he is an independent non-executive director of China Overseas Land & Investment Limited (stock code: 688), Fujian Holdings Limited (stock code: 181), Xinyi Glass Holdings Limited (stock code: 868) and Yuzhou Properties Company Limited (stock code: 1628). Mr. LAM was awarded the HKSAR Silver Bauhinia Star in 2003. He has more than 50 years of banking experience.

MR. BOSWELL WAI HUNG CHEUNG **(CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY)**

Mr. CHEUNG, aged 44, joined the Company as Chief Financial Officer and Company Secretary in September 2010. He is responsible for all financial functions, company secretarial compliances and investors’ relationship of the Company. Currently, he is also a director of certain subsidiaries of the Company, and an audit committee member of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange.

Prior to joining the Company, Mr. CHEUNG was chief operating officer and company secretary of Fook Woo Group Holdings Limited (now named as Integrated Waste Solutions Group Holdings Limited, stock code: 923), senior financial strategy advisor of China Pacific Insurance (Group) Co., Ltd. (stock code: 2601), an executive director and a non-executive director of Bright International Group Limited (now named as Dejin Resources Group Company Limited, stock code: 1163), and also held audit posts in Deloitte Touche Tohmatsu and Ernst & Young.

Mr. CHEUNG graduated in Scotland with a Bachelor’s degree in Accounting in 1992, obtained a Master degree of Business Administration from University of Leicester in England in 1995 and a Master degree of Professional Accounting in 2007. Mr. CHEUNG is a Chartered Marketer of the Chartered Institute of Marketing in the United Kingdom, a non-practicing member of the HKICPA and a qualified accountant of CPA Australia.

FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 March				2015 HK\$'000
	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	
RESULTS					
Revenue	1,654,446	1,760,951	3,732,172	4,066,494	5,109,780
Profit before taxation	555,029	717,656	1,023,979	1,245,886	1,328,354
Income tax credit (expense)	(108,548)	(103,131)	54,391	(219,851)	(330,406)
Profit for the year	446,481	614,525	1,078,370	1,026,035	997,948
Earnings per Share	21 cents	23 cents	50 cents	51 cents	51 cents
	At 31 March				2015 HK\$'000
	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	
ASSETS AND LIABILITIES					
Total assets	15,168,734	16,393,315	19,418,094	21,985,291	22,215,596
Total liabilities	(7,249,941)	(7,893,306)	(10,267,634)	(12,034,461)	(11,954,667)
Minority interests	7,918,793 (892,205)	8,500,009 (1,048,389)	9,150,460 (1,137,930)	9,950,830 (1,200,927)	10,260,929 (1,117,279)
Shareholders' funds	7,026,588	7,451,620	8,012,530	8,749,903	9,143,650



MANAGEMENT DISCUSSION AND ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Revenue increased by 25.7% to approximately HK\$5.1 billion and gross profit increased by 25.3% to approximately HK\$1.9 billion. Gross profit margin was maintained at a similar level at 38.1% as compared with previous financial year.
- Net profit attributable to shareholder amounted to approximately HK\$957 million, an increase of 4.6% over the previous financial year. Adjusting for a one-time gain of approximately HK\$259 million from a compulsory acquisition of a property in Singapore in the previous financial year, net profit for the FY2015 increased by 46.1%. Earnings per share amounted to HK\$0.51.
- Cumulative presales value of properties under development amounted to approximately HK\$6.5 billion⁽ⁱ⁾ as at 31 March 2015.
- Net assets attributable to shareholders was HK\$4.78 per share as at 31 March 2015. Adjusting for hotel revaluation surplus, net assets attributable to shareholders was HK\$9.02 per share⁽ⁱⁱ⁾.
- Net gearing ratio was at 29.8%⁽ⁱⁱⁱ⁾ and total cash and investment securities balances as at 31 March 2015 was at approximately HK\$3.5 billion.
- Final dividend of HK\$0.13 per share was recommended for FY2015 (2014: HK\$0.12 per share). The full year dividend was HK\$0.16 per share (2014: HK\$0.15 per share), representing a dividend payout ratio of 31.4%.

Notes:

(i) Comprises approximately HK\$4.8 billion contracted presales and approximately HK\$1.7 billion registered presales of The Towers at Elizabeth Quay, Perth, Australia. A registered presale is an expression of interest for an apartment where a booking fee has been paid to reserve an apartment. No sale and purchase agreement has been entered into and there is no assurance that this expression of interest will lead to the eventual entering of a sale and purchase agreement for the reserved apartment.

(ii) Revaluation surplus on hotel assets of approximately HK\$10,976 million was based on independent valuation carried out as at 31 March 2015 and was not recognized in the Company's consolidated financial statements, but was adjusted for calculation of net asset value per share and net gearing ratio.

The Group is carrying out a valuation of the Group's real estate assets and the updated valuation will be included in a circular for the privatization proposal for Dorsett.

(iii) Net gearing ratio is calculated by dividing total bank loans and bonds less bank and cash balances, and investment securities by the carrying amount of total equity and revaluation surplus on hotel assets.



Dorsett Shepherds Bush, London



Dorsett Grand Chengdu, Chengdu

FINANCIAL REVIEW

1. ANNUAL RESULTS

	For the year ended 31 March		Change
	2015 HK\$ million	2014 HK\$ million	
Revenue			
Sales of properties ⁽ⁱ⁾	2,962	2,087	41.9%
Hotel operations and management	1,454	1,287	13.0%
Car park operations and facilities management	616	613	0.5%
Leasing and others	78	79	(1.3%)
Total Revenue	5,110	4,066	25.7%
Gross Profit			
Sales of properties ⁽ⁱ⁾	1,086	729	49.0%
Hotel operations and management	691	652	6.0%
Car park operations and facilities management	124	129	(3.9%)
Leasing and others	45	43	4.7%
Total Gross Profit	1,946	1,553	25.3%
Gross Profit Margin			
Sales of properties ⁽ⁱ⁾	36.7%	34.9%	
Hotel operations and management	47.5%	50.7%	
Car park operations and facilities management	20.1%	21.0%	
Leasing and others	57.7%	54.4%	
Total Gross Profit Margin	38.1%	38.2%	
Net profit attributable to shareholders	957	914	
One-time gain adjusted ⁽ⁱⁱ⁾	–	(259)	
Adjusted net profit	957	655	46.1%
Interim dividend	HK3 cents	HK3 cents	
Final dividend	HK13 cents	HK12 cents	
Total dividend	HK16 cents	HK15 cents	6.7%

Notes:

- (i) Sales of properties for the financial year ended 31 March 2014 ("FY2014") was adjusted to include sales of Dorsett Residences Singapore amounting to approximately HK\$498 million and gross profit of approximately HK\$147 million which were part of Dorsett's revenue and gross profit in FY2014.
- (ii) One-time gain of approximately HK\$259 million relating to a compulsory acquisition of a property in Singapore in the previous financial year which was not repeated in FY2015.



The FIFTH, Melbourne

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's consolidated revenue for FY2015 was approximately HK\$5.1 billion, an increase of 25.7% as compared with FY2014.

Revenue from sales of properties amounted to approximately HK\$2,962 million in FY2015, an increase of 41.9% as compared with FY2014. View Pavilion in Shanghai, Sevilla Crest and Star Ruby in Hong Kong and Upper West Side, Hudson (Stage 2) in Melbourne contributed primarily to the sales of properties in FY2015.

In FY2015, revenue from hotel operations and management amounted to approximately HK\$1,454 million, an increase of 13.0% compared to FY2014. The increase was mainly from increased room inventory and commencement of operations of 2 new owned hotels. Revenue from car park operations and facilities management amounted to approximately HK\$616 million in FY2015, an increase of 0.5% as compared to FY2014, mainly due to increase in the Group's car park management portfolio, which was offset by the depreciation of the Australian dollar against the Hong Kong dollar. Revenue from leasing of properties and others was largely unchanged, compared with FY2014, amounting to approximately HK\$78 million.

Gross profit for FY2015 was approximately HK\$1,946 million, an increase of 25.3% as compared with FY2014. Gross profit from sales of properties amounted to approximately HK\$1,086 million in FY2015, representing an increase of 49.0% from FY2014. The gross profit margin from sales of properties increased to 36.7% in FY2015 compared to 34.9% in FY2014. The increase in gross profit margin was mainly due to the high profit margin in View Pavilion, Shanghai. Gross profit from hotel operations and management amounted to approximately HK\$691 million in FY2015, representing an increase of 6.0% as compared to FY2014. The gross profit margin from hotel operations and management decreased from 50.7% in FY2014 to 47.5% in FY2015. The increase in hotel gross profit was mainly due to the contribution from additional rooms inventory of newly completed hotels within the Group. The decrease in hotel gross profit margin was mainly due to reduction in revenue per available room ("RevPar") in Hong Kong hotel operation which is a major market for Dorsett. Assuming constant exchange rate, gross profit contribution from car park operations and facilities management increased by 12.4% for FY2015. However in Hong Kong dollar term, the gross profit contribution decreased due to the weaker Australian dollar exchange rate against the Hong Kong dollar. Gross profit from leasing and others increased by approximately HK\$2 million and the segment recorded 57.7% in gross profit margin in FY2015.

Net profit attributable to shareholders of the Company for FY2015 amounted to approximately HK\$957 million. In FY2014, there was a one-time gain of approximately HK\$259 million from the Singapore Government's compulsory acquisition of Pearl's Centre, which was not repeated in FY2015. Adjusting for this one-off item, the net profit attributable to shareholders of the Company increased by 46.1% for FY2015.

Final dividend for FY2015 was HK13 cents. Total dividend for FY2015 was HK16 cents, increased by HK1 cent compared with last financial year (FY2014: HK15 cents).



Upper West Side, Melbourne



Upper West Side, Melbourne

2. LIQUIDITY, FINANCIAL RESOURCES AND NET GEARING

The following table sets out the Group's bank and cash balances, investment securities (which were considered as cash equivalent items due to its easily-monetizable nature), bank loans and borrowings and equity as at 31 March 2015.

	As at	
	31.3.2015 HK\$ million	31.3.2014 HK\$ million
Bank loans and bonds		
Due within 1 year	3,821	2,846
Due 1 – 2 years	530	2,716
Due 2 – 5 years	5,167	3,917
Due more than 5 years	301	337
Total bank loans and bonds	9,819	9,816
Investment securities	1,151	1,023
Bank and cash balances	2,336	1,970
Liquidity position	3,487	2,993
Net debts ⁽ⁱ⁾	6,332	6,823
Carrying amount of the total equity	10,261	9,951
Add: hotel revaluation surplus	10,976	10,954
Total equity adjusting for hotel revaluation surplus	21,237	20,905
Net gearing ratio (net debts to total equity)	29.8%	32.6%

Note:

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



The FIFTH, Melbourne

MANAGEMENT DISCUSSION AND ANALYSIS

To better manage the Group's liquidity position, the Group allocated a portion of its cash position in marketable fixed income securities. Investment securities shown on the consolidated statement of financial position represents primarily fixed income securities and investments in fixed income funds. Adjusting for the unrecognized hotel revaluation surplus of approximately HK\$10,976 million as at 31 March 2015, the Group's total consolidated equity as at 31 March 2015 was approximately HK\$21,237 million. The net gearing ratio of the Group was 29.8% for FY2015.

The borrowings in the Company's consolidated statement of financial position include an amount of approximately HK\$521 million (as at 31 March 2014: HK\$1,463 million) reflected as current liabilities as such sum is not repayable within one year. This sum is shown as current liabilities as the banks and/or financial institutions have discretionary rights to demand immediate repayment. There has been no demands for immediate repayment from any bank and/or financial institution.

As at 31 March 2015, the undrawn banking facilities was approximately HK\$3.5 billion, of which approximately HK\$2.2 billion were for construction and/or development purposes while the remaining balance of approximately HK\$1.3 billion was for the Group's general corporate use. The banking facilities together with the sales proceeds from the Group's upcoming property development projects places the Company in a good financial position to fund not only its existing business and operations but also further expansion of its business.

To increase the financing flexibility for the Group, the Group intends to establish a Medium Term Note ("MTN") programme in the near future. Further details will be issued upon the establishment of the MTN programme.

3. NET ASSET VALUE PER SHARE

	As at	
	31.3.2015 HK\$ million	31.3.2014 HK\$ million
Equity attributable to shareholders of the Company	9,144	8,750
Add: Hotel revaluation surplus (adjusted for minority shareholders' interests)	8,119	8,114
Total net asset value	17,263	16,864
No. of shares issued ("million")	1,914	1,850
Adjusted net asset value per share	HK\$9.02	HK\$9.12

Adjusting for revaluation surplus on hotel assets of approximately HK\$10,976 million as at 31 March 2015 (HK\$10,954 million as at 31 March 2014) and minority shareholders' interests, net asset value per share for the Company as at 31 March 2015 was approximately HK\$9.02.

4. CAPITAL EXPENDITURE

The Group's capital expenditure consists primarily of expenditure for acquisition and development of hotel properties, plant and equipment.

For FY2015, the Group's capital expenditure amounted to approximately HK\$300 million (2014: HK\$1,103 million), a decrease of approximately HK\$803 million, or 72.8%. These capital expenditure were funded by bank borrowings and internal resources. The capital expenditure was mainly attributable to the acquisition of office premises for the use of Cosmopolitan Hotel team and the construction and renovation works for Dorsett Regency Kuala Lumpur, Dorsett Tsuen Wan, Cosmopolitan Hotel, Hong Kong and Dorsett City, London. As the Group continues with the construction of existing development projects and seek new acquisition opportunities, the Group plans to incur approximately HK\$447 million in capital expenditure over the next financial year, such capital expenditure to be funded by a combination of external borrowings and internal resources.

5. CAPITAL COMMITMENTS

	As at	
	31.3.2015 HK\$'000	31.3.2014 HK\$'000
Capital expenditure contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	259,477	153,281
Others	83,761	107,679
	343,238	260,960
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	210,346	22,750
Others	11,069	16,474
	221,415	39,224
	564,653	300,184



6. POST BALANCE SHEET EVENT

On 27 May 2015, a joint announcement was made by the Company and Dorsett (the “Joint Announcement”) for the possible privatization of Dorsett by way of a scheme of arrangement under section 86 of the Companies Law (the “Proposal”). For details of the Proposal and the definitions of the capitalized terms hereunder, please refer to the Joint Announcement dated 27 May 2015.

Terms of the Proposal

Under the Proposal, Dorsett Scheme Shareholders will receive HK\$0.72 cash and 0.28125 share of the Company in exchange for the cancellation of each Scheme Share, totaling the equivalent of HK\$1.80 (based on the closing price of HK\$3.84 of the share of the Company on 20 May 2015, being the Last Trading Day), representing a premium of approximately 32.4% over the closing price of HK\$1.36 of Dorsett Share on the Last Trading Day. Subject to the fulfillment of a number of conditions, Dorsett will be delisted if the Proposal proceeds to completion. On the assumption that all outstanding Dorsett Options are exercised in full, the amount of cash required by the Company to implement the Proposal would be approximately HK\$404 million and the number of FEC Consideration Shares which may be issued pursuant to the Scheme would be approximately 157.8 million shares.

FEC Consideration Shares and the Share Capital of the Company

If no Dorsett Options are exercised, 153,772,593 FEC Consideration Shares will be issued pursuant to the Scheme, representing approximately 7.44% of the enlarged share capital of the Company upon completion of the Proposal. The amount of cash required to implement the Proposal would be approximately HK\$394 million. The Group intends to finance the cash required for implementing the Proposal from internal financial resources.

Reasons for and Expected Benefits of the Proposal

The directors of the Company are of the view that the Proposal is and will be beneficial to the Group as a whole and in the interests of shareholders of both the Company and Dorsett.

For Dorsett

In the past two years, the share price of Dorsett has traded at a level below the listing price, with a relatively low level of liquidity. Dorsett has not raised any external equity funding since its listing and the directors of the Company are of the view that the share price does not reflect the true value and fundamental strength of Dorsett. The successful implementation of the Proposal would provide the Independent Dorsett Shareholders an opportunity to dispose their shares in Dorsett at a consideration that represents a considerable premium to the historical market price of Dorsett Shares. Through the share exchange mechanism under the Proposal, the Independent Dorsett Shareholders will be able to retain an equity exposure in the hospitality business and benefit from the broader real estate business of the Company.

For the Company

The Company is the controlling shareholder of Dorsett owning 73.97% of Dorsett Shares. The directors of the Company are of the view that the Proposal should enhance value for its shareholders through the elimination of the holding Company discount and simplification of shareholding structure if the Proposal is implemented. The Group combined as a whole would be in a better and stronger position to exploit business opportunities as existing non-compete restrictions will fall away. There will also be cost savings through the rationalization of overlapped corporate functions. In addition, the Company would be able to utilise the combined liquidity resources of the enlarged Group more effectively for the benefit of shareholders of the Company. Successful implementation of the Proposal would also broaden the shareholder base of the Company and is expected to increase trading liquidity of the Company's shares.

Withdrawal of listing of Dorsett Shares

In accordance with Rule 6.15 of the Listing Rules, Dorsett will apply to the Stock Exchange for the withdrawal of the listing of Dorsett Shares on the Stock Exchange immediately following the date the Scheme becoming effective. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

BUSINESS REVIEW

1. PROPERTY DIVISION

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

Property investment comprises investments in retail and office buildings located in Shanghai, Hong Kong, Singapore and Melbourne. For FY2015, the Company had a valuation gain of approximately HK\$272 million from its investment properties. As at 31 March 2015, valuation of investment properties reached approximately HK\$3.2 billion (31 March 2014: HK\$2.7 billion). The increase in value of investment properties was mainly attributable to the completion of retail properties at Star Ruby, Hong Kong, Hudson at Upper West Side (Stage 2) in Melbourne, Australia, the shopping centre in Wuhan (held by Dorsett) and the Group's car park in Shanghai, Mainland China.

The Group has a diversified portfolio in residential property development in Australia, Shanghai, Guangzhou, Hong Kong, London and Kuala Lumpur. To carry out property development in the different markets, the Group has strong local teams in each of these markets. The regionalization approach allows the Group to take advantage of the different property cycles in the different markets. This strategy has resulted in a relatively low land cost base for the Group's development projects. The Group's property developments are largely focused on mass residential market in accordance with the Company's strategy to grow with the increasing affluence of the middle class.

Total cumulative presales value of residential properties under development amounted to approximately HK\$6.5 billion as at 31 March 2015, of which contracted presales value was approximately HK\$4.8 billion and registered presales value (see note below) was approximately HK\$1.7 billion. All developments under presale are expected to be completed and delivered within 4 years. As revenue will only be recognized when the sales of the property developments are completed, proceeds from the presales were not reflected in the consolidated income statement. The Group expects a significant cash flow when the projects are completed.

The following shows a breakdown of the total presales value of residential properties under development as at 31 March 2015.

Developments	Location	HK\$ million	Expected financial year of completion
Midtown at Upper West Side (Stage 3)	Melbourne	688	FY2016
Manhattan at Upper West Side (Stage 4)	Melbourne	1,738	FY2017
The FIFTH	Melbourne	1,029	FY2018
View Pavilion	Shanghai	149	FY2016
King's Manor	Shanghai	176	FY2017
Eivissa Crest	Hong Kong	586	FY2016
Dorsett Bukit Bintang	Kuala Lumpur	397	FY2017
Cumulative contracted presales value		4,763	
The Towers at Elizabeth Quay	Perth	1,733 ⁽ⁱ⁾	FY2019
Total presales value		6,496	

Note:

(i) The amount represents registered presales. A registered presale is an expression of interest for an apartment where a booking fee has been paid to reserve an apartment. No sale and purchase agreement has been entered into and there is no assurance that this expression of interest will lead to the eventual entering of a sale and purchase agreement for the reserved apartment.

MANAGEMENT DISCUSSION AND ANALYSIS

In FY2015, the Group launched presale of 4 residential development projects, namely (i) Eivissa Crest in Hong Kong, (ii) The FIFTH in Melbourne, Australia, (iii) Dorsett Bukit Bintang in Kuala Lumpur, Malaysia, and (iv) King's Manor, California Garden in Shanghai, Mainland China. A soft launch of The Towers at Elizabeth Quay in Perth, Australia, yielded tremendous interest of presales registration. In the first quarter of 2015, the total saleable floor area from these 5 developments was approximately 1.6 million sq. ft. and total gross development value of these 5 projects is expected to be more than HK\$8.3 billion.

In FY2015, the Group acquired 3 additional residential development sites, namely (i) Tai Wai site in Hong Kong, (ii) Hai Tan Street site, Sham Shui Po, Hong Kong (an urban renewal project with the Urban Renewal Authority), and (iii) Manilla Street site located adjacent to the Marsh Wall site in Canary Wharf, London. These sites further enhance the Group's property development pipeline and the regional replenishment focus. As at 31 March 2015, the Group had 20 active residential property development projects with total saleable floor area of approximately 5.8 million sq. ft. under various stages of development across its geographical markets. Details of the pipeline are shown below.

Developments	Saleable Floor Area ⁽ⁱ⁾ Sq. ft.	Expected Gross Development Value ⁽ⁱⁱⁱ⁾ HK\$ million	Status/ Expected launch	Expected financial year of completion
Melbourne				
– Midtown at Upper West Side (Stage 3)	167,000	688	Launched	FY2016
– Manhattan at Upper West Side (Stage 4)	388,000	1,738	Launched	FY2017
– The FIFTH	284,000	1,223	Launched	FY2018
– West Side Place				
– Phase 1	524,000	3,027	FY2016	Planning
– Phase 2	500,000	3,162	Planning	Planning
– Phase 3	400,000	2,530	Planning	Planning
– Phase 4	576,000	3,642	Planning	Planning
Perth – The Towers at Elizabeth Quay	320,000	2,762	Launched	FY2019
London – Alpha Square	387,000	4,434	FY2017/8	Planning
Guangzhou – Royal Riverside	688,000	2,150	FY2016	FY2017
Shanghai				
– View Pavilion (remaining)	110,000	371	Launched	FY2016
– King's Manor	712,000	2,652	Launched	FY2017
– The Royal Crest II	259,000	938	FY2016	FY2018



Developments	Saleable Floor Area ⁽ⁱ⁾ Sq. ft.	Expected Gross Development Value ⁽ⁱⁱ⁾ HK\$ million	Status/ Expected launch	Expected financial year of completion
Hong Kong				
– Tan Kwai Tsuen	48,000	800	FY2016	FY2016
– Eivissa Crest	36,000	757	Launched	FY2016
– Tai Wai	33,000	407	FY2017/8	FY2019
– Sha Tau Kok	99,000	795	FY2017	FY2018
– Wong Tai Sin	67,000	1,073	FY2016	FY2019
– Sham Shui Po	28,000	497	FY2017/8	FY2019
Kuala Lumpur				
– Dorsett Bukit Bintang	215,000	953	Launched	FY2017
Total	5,841,000	34,599		

Notes:

- (i) The figures represent approximate saleable residential floor areas which may vary subject to finalization of development plans.
- (ii) The amounts shown represent expected gross development value which may change subject to market conditions.

In addition to the development pipeline of approximately 5.8 million sq. ft. in saleable floor areas, the Group has a land bank of approximately 5 million sq. ft. of floor areas. These land bank comprised inter alia of residential land in Shanghai and Guangzhou, and a joint venture project in Fung Lok Wai, Yuen Long, Hong Kong. With a total property development pipeline of approximately 11 million sq. ft. the Group's development is poised for continued growth in the coming years.

Australia

Upper West Side project is a high rise residential development located in the central business district of Melbourne. This development has been phased into 4 stages. Both Stage 1 and 2 consisting of more than 1,200 apartments were completed and delivered with Stage 2 (Hudson) completed in FY2015. Stage 3 ("Midtown at Upper West Side") and Stage 4 ("Manhattan at Upper West Side") were launched for presale in the last 2 years and construction are now underway. As at 31 March 2015, contracted presales values of Stage 3 and Stage 4 were approximately HK\$688 million and HK\$1,738 million respectively. Both Stage 3 and 4 were 100% presold. Stage 3 is expected to be completed in the financial year ending 31 March 2016 and Stage 4 in the financial year ending 31 March 2017.



MANAGEMENT DISCUSSION AND ANALYSIS

The FIFTH located adjacent to the Upper West Side development in Melbourne and provides 402 high rise apartments which is expected to be completed in the financial year ending 31 March 2018. As at 31 March 2015, contracted presales value of The FIFTH reached approximately HK\$1,029 million, representing 84% of its total expected gross development value.

Located next to the Upper West Side development, 250 Spencer Street ("West Side Place") is a mixed-use residential development which is expected to provide approximately 2,500 residential apartments divided into 4 towers which will include an approximately 240 rooms luxury Ritz-Carlton hotel, upmarket retail shopping outlets and facilities. Launch of the presale of the first residential tower (consisting of approximately 600 apartments) is expected in the second half of the financial year ending 31 March 2016. Estimated gross development value of the first residential tower will be approximately HK\$3.0 billion.

The Upper West Side, The FIFTH and The West Side Place will collectively provide approximately 6,000 apartments in central Melbourne and will be the biggest mixed-use developments with residential focus in Melbourne's central business district.



The Towers at Elizabeth Quay, Perth

In June 2014, the Group was the successful bidder of a prestigious residential and hotel project in Elizabeth Quay, Perth. The mixed-use development comprising a residential units of approximately 320,000 sq. ft. in saleable floor area, a luxury Ritz-Carlton hotel with more than 200 rooms, approximately 20,000 sq. ft. commercial or retail area as well as other ancillary facilities is part of the Western Australia Government's initiative to promote and rejuvenate the waterfront areas in Perth. Soft launched in the beginning of 2015, the registered presales value for the project reached approximately HK\$1.7 billion as at 31 March 2015. This development is expected to be completed in the financial year ending 31 March 2019.

In line with the Group's strategic plan to expand its development pipeline and increase its recurring income base, the Group signed a consortium bid agreement with Chow Tai Fook Enterprises Limited ("CTF") and Echo Entertainment Group Limited ("Echo") to jointly bid for the development of an entertainment precinct and integrated resort at the Queen's Wharf, Brisbane, Australia. The 9.4 hectare integrated resort will comprise residential towers, 4 world class hotels, high end food and commercial outlets and a casino in Brisbane's prime waterfront district.

Under the terms of collaboration, the Group and CTF will each have 25% interest in the integrated resort (excluding residential towers) and Echo will have 50% interest and will be appointed as the casino operator, if the consortium's bid is successful. The residential development will be undertaken by the Group and CTF on 50:50 basis if the bid is successful. The result of the tender is expected shortly.



The Towers at Elizabeth Quay, Perth

Mainland China

The Group has been developing California Garden, a premier township in Shanghai over a number of years. The project, comprising a diversified portfolio of the Group's established brand of town houses, high and low rise apartments, provides a steady flow of revenue for the Group.

View Pavilion consists of 306 high rise apartments. Approximately 200 apartments were completed in FY2015 and the remaining is expected to be completed in the financial year ending 31 March 2016. Presales value as at 31 March 2015 was approximately HK\$149 million.



King's Manor, Shanghai

Currently, 2 phases of the residential development project (namely King's Manor and The Royal Crest II) are under construction. Both developments will produce approximately 800 residential apartments and town houses with total saleable floor area of approximately 1 million sq. ft..

King's Manor consists of 479 apartments and 90 town houses. This development was launched for presale in March 2015. Presales value as at 31 March 2015 was approximately HK\$176 million, amounting to 7% of the total presales value of the development. Completion of this phase is expected in the financial year ending 31 March 2017.

The Royal Crest II consists of 180 apartments and 42 town houses. It is expected to launch for presale in the second half of FY2016. The Royal Crest II is expected to be completed in the financial year ending 31 March 2018.

In Guangzhou, Royal Riverside, a 5 residential towers development producing approximately 600 high rise apartments of total saleable floor area of approximately 688,000 sq. ft. will be launched for presale in the second half of the financial year ending 31 March 2016. The development is expected to be completed in the financial year ending 31 March 2017.

Hong Kong

The Group has been actively building up its development pipeline in Hong Kong. The Group continues to increase its land bank through acquisition of redevelopment sites, by participating in government tender and bidding for projects with Urban Renewal Authority ("URA").

Following the acquisition of a residential redevelopment site in Wong Tai Sin and a residential development site in Sha Tau Kok through government tender in the last financial year, the Group further acquired a residential development site at Tai Wai and won a development project in Sham Shui Po with URA.

The Tai Wai site comprises a residential component of approximately 33,000 sq. ft. in saleable floor area and a commercial component of approximately 5,800 sq. ft. in gross floor area. It is expected that approximately 118 apartments consisting mainly 1-bedroom and 2-bedroom apartments will be built. Completion of the project is expected in the financial year ending 31 March 2019.



Eivissa Crest, Hong Kong

The Sham Shui Po residential site will comprise approximately 72 apartments (mainly 1-bedroom apartment) with approximately 28,000 sq. ft. in saleable floor area. Completion is expected in the financial year ending 31 March 2019.

The Sha Tau Kok site will comprise approximately 263 apartments of approximately 99,000 sq. ft. in saleable floor area. Presales launch is expected in FY2017 and completion is expected in the financial year ending 31 March 2018.

During FY2015, the residential developments namely Star Ruby and Sevilla Crest were completed. Revenue from these two projects were approximately HK\$613 million and HK\$441 million respectively.

Eivissa Crest on Hill Road, Hong Kong is a project currently being presold, consisting of 106 residential apartments with approximately 36,000 sq. ft. in saleable floor area. The presales value reached approximately HK\$586 million as at 31 March 2015, representing 77% of the total expected gross development value. Completion is expected to take place in the financial year ending 31 March 2016.

In the coming financial year ending 31 March 2016, the Group plans to launch presale of 2 projects, namely the Wong Tai Sin residential development and the Tan Kwai Tsuen development. The Wong Tai Sin residential development is a redevelopment project which is located at 68–86 Wan Fung Street, Wong Tai Sin with 234 apartments and completion is expected in the financial year ending 31 March 2019. The Tan Kwai Tsuen development is a residential development with 24 town houses located in Tan Kwai Tsuen Road, Hung Shui Kiu, Yuen Long with completion in the financial year ending 31 March 2016.

The joint venture project in Fung Lok Wai, Yuen Long is a residential development where planning approval has been obtained. This residential development consists total floor area of approximately 1.6 million sq. ft.. The Group has 25.33% interest in the development.

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to Dorsett Regency Kuala Lumpur. This development consists of 252 high rise apartments of approximately 215,000 sq. ft. in saleable floor area. As at 31 March 2015, presales value reached approximately HK\$397 million, representing 42% of the total expected gross development value. Completion is expected to take place in the financial year ending 31 March 2017.

London, United Kingdom

A residential development site in Marsh Wall, Canary Wharf was acquired in January 2014 at the price of GBP16.7 million. In June 2014, the Group acquired another site at Manilla Street adjacent to the Marsh Wall site at the price of GBP6.5 million. The Group intends to combine the 2 sites and, subject to planning approval, will develop a mixed-use development consisting of residences of approximately 387,000 sq. ft. in saleable floor area, a hotel of approximately 300 rooms with some retail outlets.



Alpha Square, London

2. HOTEL OPERATIONS AND MANAGEMENT – DORSETT HOSPITALITY INTERNATIONAL LIMITED

The Group owns 73.97% of Dorsett Hospitality International Limited. The key indicators of Dorsett's owned hotel operations for FY2015 are as follows:

	For the year ended 31 March	
	2015	2014
Hong Kong		
Occupancy rate	92.7%	93.9%
Average room rate (HK\$)	856	942
RevPAR (HK\$)	794	885
Malaysia		
Occupancy rate	64.7%	68.8%
Average room rate (HK\$)	491	519
RevPAR (HK\$)	318	357
Mainland China		
Occupancy rate	47.4%	54.3%
Average room rate (HK\$)	545	573
RevPAR (HK\$)	258	311
Singapore		
Occupancy rate	77.3%	67.2%
Average room rate (HK\$)	1,188	1,275
RevPAR (HK\$)	918	857
United Kingdom		
Occupancy rate	61.1%	–
Average room rate (HK\$)	1,185	–
RevPAR (HK\$)	724	–
Group Total		
Occupancy rate	73.6%	76.7%
Average room rate (HK\$)	762	786
RevPAR (HK\$)	561	603



Dorsett Shepherds Bush, London

In FY2015, the Group's hotel operations increased its total revenue by approximately 13.0% to HK\$1,454 million compared with FY2014, mainly attributed by increased room inventory and commencement of operations of newly completed hotels. In FY2015, 2 hotels owned by Dorsett commenced operations, namely Lushan Resort, Mainland China and Dorsett Shepherds Bush, London. The Silka Hotel, Cheras, Malaysia came under the management of Dorsett.

RevPAR for the Group came in at HK\$561, a decrease of 7.0%, mainly due to the downturn of tourism in Hong Kong.

The Group opened its first hotel in London, Dorsett Shepherds Bush in the first quarter of FY2015. Dorsett Shepherds Bush is a 317 rooms hotel located in the heart of West London.



Dorsett Shepherds Bush, London



Lushan Resort, Lushan

Lushan Resort, located within the vicinity of the famous Lushan National Park in Jiujiang, which is a 297 rooms hotel opened in June 2014.

As at 31 March 2015, Dorsett operated 20 owned hotels (9 in Hong Kong, 5 in Malaysia, 4 in Mainland China, 1 in Singapore and 1 in London) with approximately 6,000 rooms and had 5 owned hotels in the development pipeline (1 in Hong Kong, 2 in Mainland China, 2 in United Kingdom). When all the pipeline hotels become operational,

Dorsett would operate 25 owned hotels with more than 7,000 rooms. Dorsett continues to expand its hotel portfolio and its network coverage.

3. CAR PARK OPERATIONS AND FACILITIES MANAGEMENT

The Group's car park and facilities management business includes car park operations and property management services.

The car park business extends to both third party owned car parks and self-owned car parks. The car park operations achieved steady growth in FY2015. The Group acquired 2 car parks with 487 car parking bays in New Zealand in FY2015. As at 31 March 2015, the Group's carpark portfolio comprised 335 car parks with approximately 65,300 car parking bays. Of these, 23 were self-owned car parks (19 in Australia, 2 in New Zealand and 2 in Kuala Lumpur) comprising approximately 6,200 car parking bays. The remaining car park portfolio consists of approximately 59,100 car parking bays in Australia and New Zealand, which are under management contracts entered into with third party car park owners. Third party owners include local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

This division expanded its operation to include property management services in Australia (mainly in Brisbane, Melbourne and Adelaide) and Johor Bahru, Malaysia. It is expected that the car park operations and facilities management business will grow steadily. As at 31 March 2015, the Group had 35 contracts in relation to facility management services.



Car park operations and facilities management

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are engaged in property development and investment, hotel operations and management, car park operations and facilities management, and treasury management. These divisions are the basis on which the Group reports its primary segment information.

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal subsidiaries, associates and joint ventures at 31 March 2015 are set out in notes 47, 20 and 21 to the consolidated financial statements, respectively.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 59.

An interim dividend of HK3 cents per Share amounting to approximately HK\$57,018,228 was paid to the Shareholders during the year. The Directors recommended the payment of a final dividend for the year of HK13 cents (2014: HK12 cents) per Share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid to the Shareholders 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 2015 AGM; and (ii) the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. Further announcement will be made by the Company on details of the Proposed Final Dividend and the Scrip Dividend Scheme, and the period of closure of the Company's Register of Members for determining the entitlement to the Proposed Final Dividend.

CLOSURE OF REGISTER OF MEMBERS

As set out above, the 2015 AGM is scheduled to be held on Thursday, 27 August 2015. For determining the entitlement to attend and vote at the 2015 AGM, the Register of Members of the Company will be closed from Tuesday, 25 August 2015 to Thursday, 27 August 2015, 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 2015 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 branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 August 2015.

DIRECTORS' REPORT

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 19.

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to Shareholders at 31 March 2015, amounted to approximately HK\$647,953,000 (2014: HK\$651,024,000), representing the retained profits.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2015. The increase in fair value of investment properties, which has been credited directly to consolidated income statement, amounted to HK\$88,023,000.

Details of these and other movements during the year in the investment properties of the Group are set out in note 16 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$637,307,000 on development and refurbishment of hotel properties.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 17.

MAJOR PROPERTIES

Details of the major properties of the Group at 31 March 2015 are set out on pages 152 to 173.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 35 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

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

EXECUTIVE DIRECTORS

Tan Sri Dato' David CHIU (Chairman and Chief Executive Officer)
Mr. Chris Cheong Thard HOONG
Mr. Denny Chi Hing CHAN
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS

NON-EXECUTIVE DIRECTOR

Mr. Daniel Tat Jung CHIU (Retired on 28 August 2014)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Wai CHAN
Mr. Peter Man Kong WONG
Mr. Kwong Siu LAM

Pursuant to the provisions of the Articles and the Listing Rules, Mr. Chris Cheong Thard HOONG, Mr. Denny Chi Hing CHAN and Mr. Kwok Wai CHAN shall retire at the 2015 AGM and are eligible to offer themselves for re-election in the 2015 AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2015 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

CONNECTED TRANSACTION

AGREEMENT FOR APPOINTMENT OF EXCLUSIVE SALES AND MARKETING CONSULTANT

On 26 June 2014, Dorsett Bukit Bintang Sdn Bhd ("Dorsett Bukit Bintang") entered into an agreement ("Agreement") with Mayland Century Sdn Bhd ("Mayland Century") pursuant to which Mayland Century was appointed the exclusive sales and marketing consultant for all the units of serviced apartments ("Apartments") of a 30-storey residential building to be built on the land known as Lot No.470 Section 67, Kuala Lumpur, Malaysia ("Project").

Dorsett Bukit Bintang is a wholly-owned subsidiary of the Company. Mayland Century is a wholly-owned subsidiary of Malaysia Land Properties which is wholly-owned by Prestige Aspect Sdn Bhd (a company owned by Tan Sri Dato' David CHIU as to approximately 63.57%). Tan Sri Dato' David CHIU is an Executive Director, Chief Executive Officer and Controlling Shareholder of the Company, Mayland Century is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Under the Agreement, Mayland Century is responsible for the sales, marketing, promotion, advertising and administration of sale of all the Apartments. Dorsett Bukit Bintang will pay the following fees to Mayland Century:

- Marketing consultancy fees – 1.0% on the net selling price of each Apartment
- Administration fees – 0.5% of the gross development value of the Project

Marketing consultancy fees will be payable upon achieving successful sales as defined in the Agreement ("Successful Sales"). The estimated aggregate amount of marketing consultancy and administration fees payable to Mayland Century when all Apartments are sold will be approximately RM5,705,700.

The appointment of Mayland Century shall expire, cease and/or be terminated upon Successful Sales of all units of the Apartments and shall be subject to parties' right of early termination by two weeks prior written notice.

For details, please refer to the announcement of the Company dated 26 June 2014.

CONTINUING CONNECTED TRANSACTIONS HOTEL MANAGEMENT CONTRACT

On 26 November 2013, Subang Jaya Hotel Development Sdn Bhd ("Subang Jaya"), an indirect wholly-owned subsidiary of Dorsett has entered into hotel management contracts with (i) Mayland Century, (ii) Mayland Avenue Sdn Bhd ("Mayland Avenue") and (iii) Mayland Universal Sdn Bhd ("Mayland Universal") ("Transactions"), to manage the hotels owned by the respective parties in Malaysia.

The contracts have an initial term of three years commencing from the date of the hotel opening and ending on its third anniversary. Subang Jaya has the right to renew the hotel management contract for another consecutive three years provided that the entire term of the hotel management contract as renewed shall not be more than 15 years. The Company will comply with the relevant requirements under the Listing Rules if the hotel management contract is renewed.

The annual fees receivable by Subang Jaya pursuant to the terms and conditions of the above hotel management contracts comprise:

- Base management fees – 1.5% on the annual adjusted gross revenues of the hotels
- Incentive fees – 6% on the annual gross operating profit of the hotels

The Company is the Controlling Shareholder of Dorsett. Each of (i) Mayland Century, (ii) Mayland Avenue and (iii) Mayland Universal is an Associate of Tan Sri Dato' David CHIU, who is an executive Director, Chairman and Controlling Shareholder of the Company. Hence, each of these entities is deemed to be a Connected Person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the aggregate estimated Annual Cap of fees receivable by the Group from the Transactions exceeded the de minimis transactions of the then Listing Rules, the Transactions are subject to reporting, announcement and annual review requirements but exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

Relevant details in relation to the Transactions were disclosed in the announcement of the Company dated 26 November 2013.

The Independent Non-executive Directors have reviewed the continuing connected transactions and confirmed that the Transaction has been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreement governing them on the Transactions that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter will be provided by the Company to the Stock Exchange.

Save as disclosed above, related party transactions that did not constitute connected transactions or continuing connected transactions of the Company made during the Year are disclosed in note 43 to the consolidated financial statements. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS

As at 31 March 2015, the interests of the Directors in the shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of SFO; or as otherwise notified to the Company and the Model Code were as follows:

A. THE COMPANY

A.1 Long position in the ordinary shares

Name of director	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital*
David CHIU	Beneficial owner	15,103,101	0.79%
	Interest of spouse	582,830 ⁽ⁱ⁾	0.03%
	Interest of controlled corporations	920,706,327 ⁽ⁱ⁾	48.11%
Chris Cheong Thard HOONG	Beneficial owner	3,343,033	0.17%
	Joint interest	404,245 ⁽ⁱⁱ⁾	0.02%
Denny Chi Hing CHAN	Beneficial owner	2,010,000	0.11%
Dennis CHIU	Beneficial owner	3,266	0.00%
	Interest of controlled corporations	5,537,593 ⁽ⁱⁱⁱ⁾	0.29%

Notes:

- (i) 920,692,654 shares were held by Sumptuous Assets Limited and 13,673 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 582,830 shares were held by Ms. Nancy NG, spouse of Tan Sri Dato' David CHIU.
- (ii) 404,245 shares were held by Mr. Chris Cheong Thard HOONG jointly with his wife.
- (iii) 1,660,375 shares were held by Chiu Capital N V Limited, a company controlled by Mr. Dennis CHIU, and 3,877,218 shares were held by First Level Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.

* The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2015.

DIRECTORS' REPORT

A.2 Long position in the underlying shares – physically settled unlisted equity derivatives

Name of director	Capacity	Number of underlying shares in respect of the share options granted	Approximate % of the Company's issued share capital*
Chris Cheong Thard HOONG	Beneficial owner	8,400,000	0.44%
Denny Chi Hing CHAN	Beneficial owner	3,500,000	0.18%

Details of the above share options as required to be disclosed by the Listing Rules are disclosed in the below section headed "Share Option Scheme".

* The percentage represents the number of underlying shares interested divided by the Company's issued shares as at 31 March 2015.

A.3 Debentures

As at 31 March 2015, Tan Sri Dato' David CHIU was interested in the 5.875% CNY Bonds 2016 issued by the Company in the principal amount of CNY37,700,000 of which CNY30,700,000 was held by his controlled corporation, Precious Stone Properties Limited and CNY7,000,000 was held by his spouse, Ms. Nancy NG.

B. ASSOCIATED CORPORATIONS

B.1 Long position in the ordinary shares

Name of director	Name of associated corporation	Capacity	Number of ordinary shares interested	Approximate % of the relevant issued share capital*
David CHIU	Dorsett	Interest of spouse	8,861 ⁽ⁱ⁾	0.00%
		Interest of controlled corporations	1,562,531,011 ⁽ⁱ⁾	74.38%
Chris Cheong Thard HOONG	Dorsett	Joint Interest	4,242 ⁽ⁱⁱ⁾	0.00%
Denny Chi Hing CHAN	Dorsett	Beneficial owner	3,000	0.00%
Dennis CHIU	Dorsett	Beneficial owner	32	0.00%
		Interest of controlled corporations	79,698 ⁽ⁱⁱⁱ⁾	0.00%
Craig Grenfell WILLIAMS	Care Park	Beneficiary of a discretionary trust	825 ^(iv)	8.25%

Notes:

- (i) 8,651,361 shares in Dorsett were held by Sumptuous Assets Limited, a company controlled by Tan Sri Dato' David CHIU. 1,553,879,650 shares in Dorsett were held by Ample Bonus Limited, a wholly owned subsidiary of the Company in which Tan Sri Dato' David CHIU owned approximately 48.9% interest in the issued share capital of the Company and was therefore deemed to have an interest in the shares in Dorsett. 8,861 shares in Dorsett were held by Ms. Nancy NG, spouse of Tan Sri Dato' David CHIU.
- (ii) These shares were held by Mr. Chris Cheong Thard HOONG jointly with his wife.
- (iii) 21,540 shares in Dorsett were held by Chiu Capital N V Limited, a company controlled by Mr. Dennis CHIU, and 58,158 shares in Dorsett were held by First Level Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.
- (iv) These shares in Care Park were held by Chartbridge Pty Ltd in its capacity as the trustee of The Craig Williams Family Trust, and Mr. Craig Grenfell WILLIAMS, as a beneficiary of The Craig Williams Family Trust, was deemed to be interested in these shares.

* The percentage represents the number of ordinary shares interested divided by the respective associated corporations' issued shares as at 31 March 2015.

B.2 Long position in the underlying shares of Dorsett – physically settled unlisted equity derivatives

Name of director	Capacity	Number of underlying shares in respect of the share options granted	Approximate % of Dorsett's issued share capital*
Chris Cheong Thard HOONG	Beneficial owner	2,269,091	0.11%
Denny Chi Hing CHAN	Beneficial owner	2,836,364	0.14%

Details of the above share options as required to be disclosed by the Listing Rules are disclosed in the below section headed "Share Option Scheme".

* The percentage represents the number of underlying shares interested divided by Dorsett's issued shares as at 31 March 2015.

B.3 Debentures of Dorsett

As at 31 March 2015, Tan Sri Dato' David CHIU was interested in the 6.0% CNY Bonds 2018 issued by Dorsett in the principal amount of CNY7,000,000 through his spouse, Ms. Nancy NG.

Save as disclosed above, none of the directors of the Company had registered an interest and short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2015.

SHARE OPTION SCHEME

(A) FECIL SHARE OPTION SCHEMES

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

The Company's old share option scheme adopted on 28 August 2002 was expired on 28 August 2012. In order to continue to provide incentives and rewards to the eligible employees and participants, the Company adopted a new share option scheme pursuant to a resolution passed by the shareholders of the Company on 31 August 2012 for a period of 10 years commencing on the adoption date.

The following table discloses movements in the Company's share options during the year:

Category of grantee	Date of grant	Exercise price per share HK\$	Number of share options				Outstanding at 31.03.2015	Exercise period*	
			Outstanding at 01.04.2014	Granted during the year	Exercised during the year	Lapsed/cancelled during the year			
Directors									
Chris Cheong Thard HOONG	08.05.2009	1.500	1,700,000	-	(1,700,000)	-	-	16.09.2010-15.09.2019	
			1,850,000	-	(300,000)	-	1,550,000	16.09.2011-15.09.2019	
			1,850,000	-	-	-	1,850,000	16.09.2012-15.09.2019	
	27.03.2013	2.550	750,000	-	-	-	750,000	01.03.2014-28.02.2020	
			1,000,000	-	-	-	1,000,000	01.03.2015-28.02.2020	
			1,250,000	-	-	-	1,250,000	01.03.2016-28.02.2020	
			2,000,000	-	-	-	2,000,000	01.03.2017-28.02.2020	
				10,400,000	-	(2,000,000)	-	8,400,000	
	Denny Chi Hing CHAN	27.03.2013	2.550	525,000	-	-	-	525,000	01.03.2014-28.02.2020
				700,000	-	-	-	700,000	01.03.2015-28.02.2020
875,000				-	-	-	875,000	01.03.2016-28.02.2020	
1,400,000				-	-	-	1,400,000	01.03.2017-28.02.2020	
				3,500,000	-	-	-	3,500,000	

Category of grantee	Date of grant	Exercise price per share HK\$	Number of share options				Outstanding at 31.03.2015	Exercise period*
			Outstanding at 01.04.2014	Granted during the year	Exercised during the year	Lapsed/cancelled during the year		
Other employees in aggregate	21.10.2004	2.075	250,000	-	(250,000)	-	-	01.11.2004-20.10.2014
			325,000	-	(325,000)	-	-	01.01.2006-20.10.2014
			475,000	-	(475,000)	-	-	01.01.2007-20.10.2014
			1,575,000	-	(1,575,000)	-	-	01.01.2008-20.10.2014
			2,475,000	-	(2,475,000)	-	-	01.01.2009-20.10.2014
	25.08.2006	3.290	450,000	-	-	-	450,000	01.01.2009-24.08.2016
			500,000	-	-	-	500,000	01.01.2010-24.08.2016
	27.03.2013	2.550	1,125,000	-	-	-	1,125,000	01.03.2014-28.02.2020
			1,500,000	-	-	-	1,500,000	01.03.2015-28.02.2020
			1,875,000	-	-	-	1,875,000	01.03.2016-28.02.2020
			3,000,000	-	-	-	3,000,000	01.03.2017-28.02.2020
				13,550,000	-	(5,100,000)	-	8,450,000
Total			27,450,000	-	(7,100,000)	-	20,350,000	

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

As at the date of this annual report, the total number of Shares available for issue under FECIL Share Option Schemes is 156,975,707, representing approximately 8.20% of the issued share capital of the Company as at the date of this annual report. Further information on FECIL Share Option Schemes and the options granted by the Company is set out in note 45 to the consolidated financial statements.

(B) DORSETT SHARE OPTION SCHEME

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

Details of the movement of share options under Dorsett Share Option Scheme during the year were as follows:

Category of grantee	Date of grant	Exercise price per share HK\$	Number of share options				Outstanding at 31.03.2015	Exercise period*
			Outstanding at 01.04.2014	Granted during the year	Exercised during the year	Lapsed/cancelled during the year		
Directors of Dorsett								
Winnie Wing Kwan CHIU	11.10.2010	2.20	454,545	-	-	(454,545)	-	11.10.2011-10.10.2014
			454,545	-	-	-	454,545	11.10.2012-10.10.2015
			454,545	-	-	-	454,545	11.10.2013-10.10.2016
			454,545	-	-	-	454,545	11.10.2014-10.10.2017
			454,547	-	-	-	454,547	11.10.2015-10.10.2018
			2,272,727	-	-	(454,545)	1,818,182	
Wai Keung LAI	11.10.2010	2.20	318,181	-	-	(318,181)	-	11.10.2011-10.10.2014
			318,181	-	-	-	318,181	11.10.2012-10.10.2015
			318,181	-	-	-	318,181	11.10.2013-10.10.2016
			318,181	-	-	-	318,181	11.10.2014-10.10.2017
			318,185	-	-	-	318,185	11.10.2015-10.10.2018
			1,590,909	-	-	(318,181)	1,272,728	
Chris Cheong Thard HOONG	11.10.2010	2.20	567,272	-	-	(567,272)	-	11.10.2011-10.10.2014
			567,272	-	-	-	567,272	11.10.2012-10.10.2015
			567,272	-	-	-	567,272	11.10.2013-10.10.2016
			567,272	-	-	-	567,272	11.10.2014-10.10.2017
			567,275	-	-	-	567,275	11.10.2015-10.10.2018
			2,836,363	-	-	(567,272)	2,269,091	

Category of grantee	Date of grant	Exercise price per share HK\$	Number of share options				Outstanding at 31.03.2015	Exercise period*
			Outstanding at 01.04.2014	Granted during the year	Exercised during the year	Lapsed/cancelled during the year		
Denny Chi Hing CHAN	11.10.2010	2.20	709,090	-	-	(709,090)	-	11.10.2011-10.10.2014
			709,090	-	-	-	709,090	11.10.2012-10.10.2015
			709,090	-	-	-	709,090	11.10.2013-10.10.2016
			709,090	-	-	-	709,090	11.10.2014-10.10.2017
			709,094	-	-	-	709,094	11.10.2015-10.10.2018
			3,545,454	-	-	(709,090)	2,836,364	
Other employees in aggregate	11.10.2010	2.20	1,554,541	-	-	(1,554,541)	-	11.10.2011-10.10.2014
			1,554,541	-	-	-	1,554,541	11.10.2012-10.10.2015
			1,554,541	-	-	-	1,554,541	11.10.2013-10.10.2016
			1,554,541	-	-	-	1,554,541	11.10.2014-10.10.2017
			1,554,557	-	-	-	1,554,557	11.10.2015-10.10.2018
			7,772,721	-	-	(1,554,541)	6,218,180	
Total			18,018,174	-	-	(3,603,629)	14,414,545	

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

No share options were cancelled during the year. Further information on Dorsett Share Option Scheme and the options granted by Dorsett is set out in note 45 to the consolidated financial statements.

As at the date of this annual report, the total number of shares of Dorsett available for issue under Dorsett Share Option Scheme is 185,585,455, representing approximately 8.83% of the issued share capital of Dorsett as at the date of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2015, according to the register of interests in shares or short positions as recorded in the register, required to be kept under Section 336 of the SFO (other than the interests of Directors as set out above) and as far as the Directors are aware, the following persons had interests of 5% or more or short positions in the shares of the Company:

Name of substantial shareholder	Capacity	Number of ordinary shares interested	Approximate % of the relevant issued share capital*
Sumptuous Assets Limited	Beneficial owner	920,692,654 ⁽ⁱ⁾ (long position)	48.11%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.68%
	Interest of controlled corporations	140,942,693 ⁽ⁱⁱ⁾ (long position)	7.36%
	Interest of spouse	1,624,301 ⁽ⁱⁱ⁾ (long position)	0.08%

Notes:

- (i) The interests of Sumptuous Assets Limited were also disclosed as the interests of Tan Sri Dato' David CHIU in the above section headed "Directors' Interests". Tan Sri Dato' David CHIU is a director of Sumptuous Assets Limited.
- (ii) 140,942,693 shares were held by various companies controlled by Mr. Deacon Te Ken CHIU and 1,624,301 shares were held by Mrs. Ching Lan JU CHIU, spouse of Mr. Deacon Te Ken CHIU. Mr. Deacon Te Ken CHIU passed away on 17 March 2015 and his interests in the ordinary shares of the Company forms part of his estate.

* The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2015.

Save as disclosed above, as at 31 March 2015, the Company has not been notified of any persons (other than directors or chief executives of the Company) who had an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$8,197,000.

MAJOR CUSTOMERS AND SUPPLIERS

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

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. As at 31 March 2015, the number of employees of the Group was approximately 3,400.

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

The Company has adopted FECIL Share Option Schemes as an incentive to Directors and eligible participants, details of the schemes are set out in note 45 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 50 to 57.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2015.

PRE-EMPTIVE RIGHTS

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

AUDITOR

A resolution will be submitted to the 2015 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

CHANGES IN INFORMATION OF DIRECTORS

The Company has been informed of the following change in Directors' information pursuant to Rule 13.51B(1) of the Listing Rules:

- retirement of Mr. Craig Grenfell WILLIAMS (an Executive Director of the Company) as a director of AGORA Hospitality Group Co., Ltd. ("Agora", a company listed on the Tokyo Stock Exchange) with effect from the conclusion of the Agora's annual general meeting held on 16 June 2015.

On behalf of the Board

David CHIU

Chairman and Chief Executive Officer

24 June 2015

CORPORATE GOVERNANCE REPORT

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2015.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

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

The Company has applied the principles as set out in the CG Code. In the opinion of the Board, the Company has complied with the code provisions (the "Code Provisions") set out in the CG Code during the year ended 31 March 2015, except for the deviation from Code Provision A.2.1. Key corporate governance principles and practices of the Company as well as details of the foregoing deviation of Code Provision are summarized below.

A. THE BOARD

A.1 RESPONSIBILITIES AND DELEGATION

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

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

A.2 BOARD COMPOSITION

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

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

Throughout the year ended 31 March 2015, the Company has met the Listing Rules requirements of having three Independent Non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications and accounting and related financial management expertise. In addition, the Company has received from each of the three Independent Non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of them are independent.

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

A.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

A.4 APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

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

In accordance with clauses 106 and 107 of the Articles, Mr. Denny Chi Hing CHAN (Executive Director) and Mr. Kwok Wai CHAN (Independent Non-executive Director) shall retire by rotation at the 2015 AGM. Both of the above retiring Directors, being eligible, will offer themselves for re-election at the 2015 AGM.

In accordance with the second part of clause 115(B) of the Articles, a Director appointed as an Executive Chairman or as Managing Director or Joint Managing Director shall not while holding such office be subject to retirement by rotation or taken into account in determining the rotation retirement of Directors. In order to uphold good corporate governance practices, Mr. Chris Cheong Thard HOONG, the Managing Director of the Company, voluntarily retires from his office and offers himself for re-election at the 2015 AGM notwithstanding that he is not required to do so by clause 115(B).

The Board recommended the re-appointment of the above three retiring Directors standing for re-election at the 2015 AGM. The Company's circular, sent together with this annual report, contains detailed information of the above three retiring Directors, as required by the Listing Rules.

A.5 TRAINING AND CONTINUING DEVELOPMENT FOR DIRECTORS

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

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

During the year ended 31 March 2015, the Company has provided (i) reading materials on regulatory updates to all its Directors, namely, Tan Sri Dato' David CHIU, Mr. Chris Cheong Thard HOONG, Mr. Denny Chi Hing CHAN, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM; and (ii) regular briefing to its Directors on corporate governance and updates on the Listing Rules. Besides, Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM attended other seminars and training sessions arranged by other professional firms/institutions.

A.6 BOARD MEETINGS

A.6.1 Board Practices and Conduct of Meetings

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

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

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

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

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

A.6.2 Directors' Attendance Records

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 March 2015 are set out below:

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Tan Sri Dato' David CHIU	5/7	N/A	1/1	1/1	1/1
Mr. Chris Cheong Thard HOONG	7/7	N/A	N/A	N/A	1/1
Mr. Denny Chi Hing CHAN	7/7	N/A	N/A	N/A	1/1
Mr. Dennis CHIU	5/7	N/A	N/A	N/A	0/1
Mr. Craig Grenfell WILLIAMS	6/7	N/A	N/A	N/A	0/1
Mr. Daniel Tat Jung CHIU (Note)	1/3	N/A	N/A	N/A	0/1
Mr. Kwok Wai CHAN	7/7	2/2	1/1	1/1	1/1
Mr. Peter Man Kong WONG	6/7	2/2	1/1	1/1	0/1
Mr. Kwong Siu LAM	7/7	2/2	N/A	1/1	1/1

Note: Mr. Daniel Tat Jung CHIU retired as a Non-executive Director on 28 August 2014. Before his retirement, 3 Board meetings and 1 annual general meeting were held during the year ended 31 March 2015.

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

A.7 MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions in the Company. Following specific enquiry made by the Company, all the Directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2015.

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

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

A.8 CORPORATE GOVERNANCE FUNCTIONS

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

B. BOARD COMMITTEES

As at 31 March 2015, the Board has established 4 Board committees, namely, the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (except for the written terms of reference of the Executive Committee). All the Board committees should report to the Board on their decisions or recommendations made.

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

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

B.1 EXECUTIVE COMMITTEE

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

B.2 AUDIT COMMITTEE

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

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

During the year ended 31 March 2015, the Audit Committee has performed the following major works:

- Review and discussion of the annual financial statements and annual results for the year ended 31 March 2014, the related accounting principles and practices adopted by the Company and the relevant audit findings;
- Review and discussion of the interim financial statements and interim results for the six months ended 30 September 2014 and the related accounting principles and practices adopted by the Company;
- Review and discussion of financial reporting and internal control system of the Group;
- Discussion and recommendation of the re-appointment of external auditor; and
- Review of the arrangements for employees to raise concerns about possible improprieties.

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

The attendance records of each Committee member at the Audit Committee meetings held during the year ended 31 March 2015 are set out in section A.6.2 above.

B.3 REMUNERATION COMMITTEE

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

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

During the year ended 31 March 2015, the Remuneration Committee has reviewed the remuneration packages of the Executive Directors and senior management and made recommendation to the Board. The attendance records of each Committee member at the Remuneration Committee meeting held during the year ended 31 March 2015 are set out in section A.6.2 above.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the senior management for the year ended 31 March 2015 falls within the band from HK\$1,000,000 to HK\$2,000,000.

Details of the remuneration of each of the Directors of the Company for the year ended 31 March 2015 are set out in note 15 to the consolidated financial statements.

B.4 NOMINATION COMMITTEE

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

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

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

The Company also recognizes and embraces the benefit of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board diversity. To comply with the provision of A.5.6 of the CG Code, a Board diversity policy was adopted by the Company in 2013, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board diversity policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

During the year ended 31 March 2015, the Nomination Committee has performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company;
- Recommendation of the re-appointment of those Directors standing for re-election at the 2014 annual general meeting of the Company; and
- Assessment of the independence of all the Independent Non-executive Directors of the Company.

The attendance records of each Committee member at the Nomination Committee meeting held during the year ended 31 March 2015 are set out in section A.6.2 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Company's Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2015.

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

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

D. INTERNAL CONTROLS

The Board is responsible for maintaining an adequate internal control system to safeguard the interests of Shareholders and the Group's assets and for reviewing the effectiveness of such system on an annual basis. The senior management reviews and evaluates the control process, monitors any risk factors on a regular basis and reports to the Audit Committee on any findings and measures to address the variances and identified risks. During the year ended 31 March 2015, the Board has conducted a review of the effectiveness of the internal control system of the Company.

E. COMPANY SECRETARY

During the year ended 31 March 2015, Mr. Boswell Wai Hung CHEUNG, the Company Secretary, has taken no less than 15 hours of relevant professional training. Biographical details of Mr. CHEUNG are set out in the section headed "Profile of Directors and Senior Management" in this annual report.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, about its reporting responsibilities for the Company's financial statements for the year ended 31 March 2015 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to Deloitte Touche Tohmatsu in respect of audit services and non-audit services for the year ended 31 March 2015 are analyzed below:

Type of services provided by the external auditor	Fees paid/payable HK\$
Audit services – audit fee for the year ended 31 March 2015	11,942,000
Non-audit services	
– professional fee in connection with the review of interim account and tax advisory services	2,380,000
TOTAL:	14,322,000

G. COMMUNICATION WITH SHAREHOLDERS

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

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

Address: 16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong
(For the attention of Head of Investor Relations and Corporate Finance)

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

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

H. SHAREHOLDER RIGHTS

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

- (i) Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may request the Board to convene an extraordinary general meeting by sending a written requisition to the Board at the Company's principal place of business in Hong Kong. The objects of the meeting must be stated in the written requisition.
- (ii) If a Shareholder wishes to propose a person other than a retiring Director for election as a Director of the Company at a general meeting, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's registered office or principal place of business in Hong Kong. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

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

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

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

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF FAR EAST CONSORTIUM INTERNATIONAL LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Far East Consortium International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 59 to 151, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	8	5,109,780	4,066,494
Cost of sales and services		(2,884,377)	(2,298,312)
Depreciation and amortisation of hotel and car park assets		(278,985)	(215,210)
Gross profit		1,946,418	1,552,972
Other income		38,794	41,176
Gain on disposal of a subsidiary	37	–	66,652
Other gains and losses	9	289,549	484,767
Administrative expenses			
– Hotel operations and management		(402,857)	(317,335)
– Others		(239,140)	(221,092)
Pre-operating expenses			
– Hotel operations and management		(14,080)	(13,596)
Selling and marketing expenses		(92,661)	(69,714)
Share of results of associates		16,746	6,360
Share of results of joint ventures		9,627	(2,904)
Finance costs	10	(224,042)	(281,400)
Profit before tax		1,328,354	1,245,886
Income tax expense	11	(330,406)	(219,851)
Profit for the year	12	997,948	1,026,035
Attributable to:			
Shareholders of the Company		956,539	914,057
Non-controlling interests		41,409	111,978
		997,948	1,026,035
Earnings per share	13		
Basic (HK cents)		51	51
Diluted (HK cents)		51	51

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Profit for the year	997,948	1,026,035
Other comprehensive (expense) income for the year		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(446,089)	(162,406)
Revaluation increase on available-for-sale investments	7	694
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	(117,029)	51,550
Reclassification to profit or loss on disposal of available-for-sale investments	235	2,768
Reclassification of hedging reserve to profit or loss	–	(27,329)
Other comprehensive expense for the year	(562,876)	(134,723)
Total comprehensive income for the year	435,072	891,312
Total comprehensive income attributable to:		
Shareholders of the Company	481,724	782,291
Non-controlling interests	(46,652)	109,021
	435,072	891,312

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Non-current Assets			
Investment properties	16	3,154,315	2,677,607
Property, plant and equipment	17	7,491,993	7,406,966
Prepaid lease payments	18	541,476	579,274
Goodwill	19	68,400	68,400
Interests in associates	20	326,510	316,184
Interests in joint ventures	21(a)	40,708	43,956
Investment securities	22	692	11,477
Derivative financial instruments designated as hedging instruments	30	–	35,122
Deposits for acquisition of property, plant and equipment		130,385	391,826
Amounts due from associates	23	70,734	70,774
Amounts due from joint ventures	44	27,248	27,295
Amount due from an investee company	44	119,995	119,995
Other receivables	24	25,319	17
Pledged deposits	25	2,564	2,831
Deferred tax assets	34	30,537	33,644
		12,030,876	11,785,368
Current Assets			
Properties for sale	26		
Completed properties		200,730	56,734
Properties for/under development		5,251,611	5,598,333
Other inventories		8,936	9,896
Prepaid lease payments	18	15,519	15,947
Debtors, deposits and prepayments	27	809,999	653,594
Other receivables	24	121,985	685,751
Tax recoverable		14,461	21,312
Investment securities	22	1,150,244	1,011,640
Derivative financial instruments	30	2,058	2,238
Pledged deposits	25	272,982	173,989
Restricted bank deposits	25	51,158	62,568
Deposit in a financial institution	25	11,303	78,591
Bank balances and cash	25	2,273,734	1,829,330
		10,184,720	10,199,923

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Current Liabilities			
Creditors and accruals	28	737,344	1,137,842
Customers' deposits received		575,482	515,027
Obligations under finance leases	29	4,038	3,159
Amounts due to related companies	44	45,785	45,785
Amounts due to associates	44	10,009	11,358
Amounts due to non-controlling shareholders of subsidiaries	44	28,286	29,422
Convertible bonds	32	–	32,978
Bonds	33	1,250,000	–
Derivative financial instruments	30	31,542	1,841
Tax payable		333,053	208,502
Secured bank borrowings	31	3,087,051	4,252,487
		6,102,590	6,238,401
Net Current Assets		4,082,130	3,961,522
Total Assets less Current Liabilities		16,113,006	15,746,890
Non-current Liabilities			
Secured bank borrowings	31	4,467,939	3,270,918
Obligations under finance leases	29	4,622	4,001
Bonds	33	1,005,274	2,252,691
Derivative financial instruments	30	58,939	–
Deferred tax liabilities	34	315,303	268,450
		5,852,077	5,796,060
Net Assets		10,260,929	9,950,830
Capital and Reserves			
Share capital	35	191,374	184,951
Share premium		2,982,364	2,802,276
Reserves		5,969,912	5,762,676
Equity attributable to shareholders of the Company		9,143,650	8,749,903
Non-controlling interests	36	1,117,279	1,200,927
Total Equity		10,260,929	9,950,830

The consolidated financial statements on pages 59 to 151 were approved and authorised for issue by the Board of Directors on 24 June 2015 and are signed on its behalf by:

DIRECTOR

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to equity holders of the Company												
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Assets revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Hedging reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2013	176,891	2,617,925	25,500	13,808	(3,704)	444,511	14,559	(13,593)	1,475,804	3,260,829	8,012,530	1,137,930	9,150,460
Profit for the year	-	-	-	-	-	-	-	-	-	914,057	914,057	111,978	1,026,035
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(159,042)	-	-	-	-	(159,042)	(3,364)	(162,406)
Revaluation increase on available-for-sale investments	-	-	-	-	694	-	-	-	-	-	694	-	694
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	-	-	-	-	-	-	-	44,057	-	-	44,057	7,493	51,550
Reclassify to profit or loss on disposal of available-for-sale investments	-	-	-	-	2,768	-	-	-	-	-	2,768	-	2,768
Reclassification from hedging reserve to profit or loss	-	-	-	-	-	-	-	(20,243)	-	-	(20,243)	(7,086)	(27,329)
Other comprehensive income (expense) for the year	-	-	-	-	3,462	(159,042)	-	23,814	-	-	(131,766)	(2,957)	(134,723)
Total comprehensive income for the year	-	-	-	-	3,462	(159,042)	-	23,814	-	914,057	782,291	109,021	891,312
Shares issued in lieu of cash dividend	7,240	169,306	-	-	-	-	-	-	-	-	176,546	-	176,546
Shares issued upon exercise of share options	820	15,045	-	-	-	-	-	-	-	-	15,865	-	15,865
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	6,149	-	-	-	6,149	1,599	7,748
Lapse of share options transferred to retained profits	-	-	-	-	-	-	-	-	-	249	249	(249)	-
Dividends recognised as distribution (note 14)	-	-	-	-	-	-	-	-	-	(250,142)	(250,142)	-	(250,142)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	6,415	-	6,415	(6,415)	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	15,105	15,105
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(56,064)	(56,064)
At 31 March 2014	184,951	2,802,276	25,500	13,808	(242)	285,469	20,708	10,221	1,482,219	3,924,993	8,749,903	1,200,927	9,950,830

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to equity holders of the Company											Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Assets revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Hedging reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
Profit for the year	-	-	-	-	-	-	-	-	-	956,539	956,539	41,409	997,948
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(378,590)	-	-	-	-	(378,590)	(67,499)	(446,089)
Revaluation increase on available-for-sale investments	-	-	-	-	7	-	-	-	-	-	7	-	7
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	-	-	-	-	-	-	-	(96,467)	-	-	(96,467)	(20,562)	(117,029)
Reclassify to profit or loss on disposal of available-for-sale investments	-	-	-	-	235	-	-	-	-	-	235	-	235
Other comprehensive income (expense) for the year	-	-	-	-	242	(378,590)	-	(96,467)	-	-	(474,815)	(88,061)	(562,876)
Total comprehensive income for the year	-	-	-	-	242	(378,590)	-	(96,467)	-	956,539	481,724	(46,652)	435,072
Shares issued in lieu of cash dividend	5,692	166,625	-	-	-	-	-	-	-	-	172,317	-	172,317
Shares issued upon exercise of share options	710	12,873	-	-	-	-	-	-	-	-	13,583	-	13,583
Share issued upon conversion of convertible bonds	21	590	-	-	-	-	-	-	-	-	611	-	611
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	4,014	-	-	-	4,014	896	4,910
Lapse of share options transferred to retained profits	-	-	-	-	-	-	-	-	-	1,978	1,978	(1,978)	-
Dividends recognised as distribution (note 14)	-	-	-	-	-	-	-	-	-	(279,734)	(279,734)	-	(279,734)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	3,764	3,764
Deemed disposal of interest in a subsidiary without losing of control	-	-	-	-	-	-	-	-	(746)	-	(746)	746	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(40,424)	(40,424)
At 31 March 2015	191,374	2,982,364	25,500	13,808	-	(93,121)	24,722	(86,246)	1,481,473	4,603,776	9,143,650	1,117,279	10,260,929

Other reserve mainly arises from (a) group reorganisation in 1991 representing the excess of the value of the net assets of the subsidiaries acquired and the nominal value of the shares issued by the Company for the acquisition; (b) gain on decrease in interest in a non-wholly owned listed subsidiary, Dorsett Hospitality International Limited ("Dorsett"); (c) excess of the consideration paid over the net assets attributable to the additional interest in an indirect subsidiary, Care Park Group Pty Limited, acquired; and (d) excess of the net assets attributable to the additional interest in an indirect subsidiary, Dorsett, acquired over the consideration.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Operating activities		
Profit before tax	1,328,354	1,245,886
Adjustments for:		
Share of results of joint ventures	(9,627)	2,904
Share of results of associates	(16,746)	(6,360)
Depreciation and amortisation	294,213	231,113
Dividend from listed and unlisted investments	(4,874)	(12,230)
Interest income	(6,100)	(5,875)
Finance costs	224,042	281,400
Gain on disposal of a subsidiary	–	(66,652)
Gain on partial repurchase of bonds	–	(2,067)
Gain on compensation from relevant government authority of Singapore	–	(258,960)
Gain on reclassification of hedging reserve to profit or loss upon recognition of the hedged item to profit or loss	–	(27,329)
Change in fair value of investment properties	(271,841)	(29,994)
Gain arising on transfer of completed properties for sale to investment properties	(88,023)	(204,258)
Amortisation of issue expenses on convertible bonds	522	771
Loss on disposal of available-for-sale investments	235	2,768
Change in fair value of investments held for trading	10,401	35,733
Change in fair value of derivative financial instruments	7,903	(7,784)
Recognition of share-based payment expenses	4,910	7,748
Loss on disposal of property, plant and equipment	48	474
Allowance for bad and doubtful debts	634	3,067
Operating cash flows before movements in working capital	1,474,051	1,190,355
Decrease (increase) in properties for sale	64,599	(1,359,796)
Decrease (increase) in other inventories	960	(862)
Decrease (increase) in other receivables	533,259	(37,013)
Increase in debtors, deposits and prepayments	(168,569)	(266,552)
Increase in financial assets at fair value through profit or loss	(141,255)	(921,957)
(Increase) decrease in derivative financial instruments	(915)	1,286
(Decrease) increase in creditors and accruals	(300,322)	356,129
Increase (decrease) in customers' deposits received	60,455	(443,319)
Cash from (used in) operations	1,522,263	(1,481,729)
Income tax paid	(139,951)	(109,875)
Net cash from (used in) operating activities	1,382,312	(1,591,604)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	Note	2015 HK\$'000	2014 HK\$'000
Investing activities			
Acquisition and development expenditures of property, plant and equipment		(402,352)	(929,954)
Development expenditures and additional cost of investment properties		(53,687)	(25,332)
Deposit paid for acquisition of property, plant and equipment		–	(232,774)
Net cash inflow from disposal of a subsidiary	37	–	173,597
Proceeds from disposal of investments properties		1,100	–
Proceeds from disposal of property, plant and equipment		1,773	480
Proceeds from disposal of other assets		–	41,464
Purchase of available-for-sale investments		–	(726,581)
Proceeds from disposal of available-for-sale investments		3,042	869,423
Placement of pledged bank deposits and restricted bank deposits		(98,726)	(27,882)
Release of pledged bank deposits and restricted bank deposits		11,410	221,915
Release of time deposit with maturity over 3 months		–	12,500
Repayment from a joint venture		12,474	–
Dividend and distribution received from associate and joint venture		6,821	6,039
Dividend received from listed and unlisted investments		4,874	12,230
Bank interest received		6,100	5,875
Net cash used in investing activities		(507,171)	(599,000)
Financing activities			
Proceeds from issue of bonds		–	1,050,172
Repurchase of bonds		–	(48,172)
Redemption of convertible bonds		(32,889)	–
Proceeds from issue of shares		13,583	15,865
New bank and other borrowings raised		2,775,605	4,640,103
Repayments of bank and other borrowings		(2,660,348)	(3,676,643)
Payments of finance lease obligation		(391)	(405)
Repayments to related companies		(1,349)	(17,970)
Dividends paid		(107,417)	(73,596)
Dividends paid to non-controlling shareholders of subsidiaries		(36,660)	(40,959)
Interest paid		(393,256)	(419,074)
Net cash (used in) from financing activities		(443,122)	1,429,321
Net increase (decrease) in cash and cash equivalents		432,019	(761,283)
Cash and cash equivalents brought forward		1,907,921	2,720,653
Effect of foreign exchange rate changes		(54,903)	(51,449)
Cash and cash equivalents carried forward		2,285,037	1,907,921
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		2,273,734	1,829,330
Deposit in a financial institution		11,303	78,591
		2,285,037	1,907,921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL

Far East Consortium International Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands. The shares of the Company have been 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. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2015 annual report issued by the Company.

The principal activities of the Group are property development, property investment, hotel operations and management, car park operations and securities and financial product investments. The details of the principal subsidiaries are set out in note 47.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”):

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKAS 1	Disclosure Initiative ⁴
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁴
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ⁴
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ³
Amendments to HKAS 27	Equity Method in Separate Financial Statements ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ⁴
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle ⁵
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle ⁴

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 July 2014

⁴ Effective for annual periods beginning on or after 1 January 2016

⁵ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 9 *FINANCIAL INSTRUMENTS*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The Directors of the Company are in the process of assessing the impact on the application of HKFRS 9. For the moment, it is not practicable to provide a reasonable estimate of that effect of HKFRS 9 until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Except as described above, the Directors of the Company anticipate that the application of other new and revised HKFRSs issued but not yet effective will have no material impact on the Group’s financial performance and the Group’s financial positions for the future and/or on the disclosures set out in the financial statements of the Group.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

BASIS OF PREPARATION

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF CONSOLIDATION

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

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) BUSINESS COMBINATIONS

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOODWILL

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

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

Transfer from investment property to property, plant and equipment will be made when there is a change in use, evidenced by commencement of owner occupation. The fair value at the date of transfer becomes the deemed cost for subsequent accounting as property, plant and equipment.

Property inventory is transferred to investment properties when it is evidenced by the commencement of an operating lease to another party. The difference between the fair value and the carrying amount at the date of transfer is recognised in profit or loss.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (other than buildings and hotel under development and construction-in-progress) are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

When owner occupation of property, plant and equipment ceased from use and are developed for sale in the course of ordinary activities, the property, plant and equipment was transferred to properties held for sale at their carrying amount.

PROPERTIES FOR/UNDER DEVELOPMENT

Hotel under development held for owner's operation are stated at cost less any impairment loss recognised. Cost comprises development expenditure including professional charges directly attributable to the development and interest capitalised during the development period. No depreciation is provided on the cost of the buildings until hotel operation commences.

When the building on the leasehold land is in the course of development and the leasehold land component is accounted for as operating lease, the amortisation charge for the leasehold land is included as part of the costs of the buildings under construction during the construction period. If the leasehold land is accounted for as finance lease, the cost of land is included within hotel properties under development.

Properties which are intended for sale after completion of development within the Group's normal operating cycle are stated at the lower of cost and net realisable value. Cost includes costs of land, development expenditure, borrowing costs capitalised and other direct costs attributable to such properties. Such properties are recorded as properties for sales under current assets. Net realisable value represents the estimated selling price less all anticipated costs of completion and costs to incur in marketing and selling the properties.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on straight-line basis over the terms of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease terms, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease terms on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

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

The results, assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

INTERESTS IN JOINT OPERATIONS

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

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) INVENTORIES

Properties for sale

Properties for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for properties for sale less all estimated costs necessary to make the sale.

Other inventories

Other inventories comprising food and beverage are stated at the lower of cost and net realisable value. Costs of other inventories are determined on a first-in-first-out basis.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into “financial assets at fair value through profit or loss” (“FVTPL”), “available-for-sale financial assets” and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instruments and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item. Fair value is determined in the manner described in note 6.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified as any of the other categories.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including amounts due from associates, an investee company and joint ventures, debtors, pledged deposits, restricted bank deposits, deposits in financial institutions and bank balances) are measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognised by applying effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade debtors, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When such debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

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

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 *Financial instrument: Recognition and Measurement* permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item. Fair value is determined in the manner described in note 6.

Other financial liabilities

Other financial liabilities (including creditors, amounts due to related companies, associates and non-controlling shareholders of subsidiaries, bonds and secured bank borrowings) are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible bonds using the effective interest method.

When an entity extinguishes a convertible instrument before maturity through repurchase in which the original conversion privileges are unchanged, the entity allocates the consideration paid and any transaction costs for the repurchase to the liability and equity components of the instrument at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued.

Once the allocation of the consideration is made, any resulting gain or loss is treated in accordance with accounting principles applicable to the related component, as follows:

- (a) the amount of gain or loss relating to the liability component is recognised in profit or loss; and
- (b) the amount of consideration relating to the equity component is recognised in equity.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) FINANCIAL INSTRUMENTS (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedge item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in hedge reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or services provided in the normal course of business, net of discounts and sales related taxes as follows:

- Revenue from sale of properties is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the revenue recognition criteria are recorded as sales deposits under current liabilities.
- Revenue from hotel operations and hotel management service fee are recognised when the relevant services are provided.
- Revenue from car park operations is recognised when the relevant facilities are provided.
- Building management fee income is recognised when the relevant services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably).

The Group's policy for recognition of revenue from operating leases is described in the accounting policy for "Leasing" above.

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies under "Hedge accounting" above).

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rate of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

RETIREMENT BENEFITS SCHEMES

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

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Share options granted to employees after 7 November 2002 and vested on or after 1 April 2005

The fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in share options reserve.

At the end of each reporting period, the Group revises its estimates of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Share options granted to employees on or before 7 November 2002, or granted after 7 November 2002 and vested before 1 April 2005

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the profit or loss in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION

Taxation represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) IMPAIRMENT LOSSES ON TANGIBLE ASSETS

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

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of giving rise to a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

FAIR VALUE MEASUREMENT AND VALUATION PROCESSES

Certain of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the management of the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The management of the Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the management of the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Directors of the Company.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 6 and 16 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

DEFERRED TAX

The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the foreseeable future such that the deferred tax assets can be utilised. The management of the Group determine whether deferred tax assets would be recognised based on profit projections of the respective group entities and the expected reversal of taxable temporary differences in the coming years. The Group reviews the probability of utilising tax losses in future at the end of each reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the year in which such a recognition or reversal takes place.

For the year ended 31 March 2015

5. CAPITAL RISK MANAGEMENT

It is the Group's policy to maintain a strong capital base so as to safeguard the Group's ability to continue as a going concern and to sustain future development of the Group's business. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which includes bank borrowings and bonds, net of bank balances and cash, restricted bank deposits, pledged deposits and deposit in a financial institution), and equity attributable to shareholders of the Company, comprising issued share capital, share premium, reserves, and non-controlling interests.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall structure through issuance of new shares, raising new debts and repayment of existing debts, if necessary.

6. FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL INSTRUMENTS

	2015 HK\$'000	2014 HK\$'000
Financial assets		
Fair value through profit or loss (FVTPL)		
Designated at FVTPL	52,740	7,750
Held for trading	1,097,504	1,011,640
Derivative financial instruments	2,058	37,360
Available-for-sale investments	692	3,727
Loans and receivables (including cash and cash equivalents)	3,300,622	3,064,054
	4,453,616	4,124,531
Financial liabilities		
Fair value through profit or loss (FVTPL)	90,481	1,841
Amortised cost	10,439,388	10,832,637
	10,529,869	10,834,478

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Group's financial instruments are disclosed above and in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits, interest bearing receivable and variable-rate bank and other borrowings. The Group has entered into certain interest rate swaps contracts to mitigate the risk of the fluctuation of interest rate on its future interest payments on the bank borrowing which carry interest at Hong Kong Interbank Offered Rates ("HIBOR"), London Interbank Offered Rate ("LIBOR"), HK\$ Prime Lending Rate, People's Bank of China ("PBOC") Prescribed Interest Rate, Singapore Swap Offered Rate ("S\$ SOR"), Malaysia Base Lending Rates ("Malaysia BLR") and Australia Bank Bill Swap Reference Rate ("BBSW"). It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section.

Interest rate sensitivity analysis

The sensitivity analysis considers only borrowings which have significant impact on the consolidated financial statements. The analysis is prepared assuming that the borrowings outstanding at the end of the reporting periods were outstanding for the whole year. 50 basis points represent the best estimation of the possible change in the interest rates over the period until the end of next reporting period.

If interest rates had been increased/decreased by 50 basis points (2014: 50 basis points) and all other variables were held constant, the Group's profit after tax would decrease/increase by HK\$17,005,000 (2014: HK\$19,369,000) and the interest capitalised would increase/decrease by HK\$16,540,000 (2014: HK\$13,603,000).

In the management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Foreign currency risk

Certain group entities have transactions denominated in foreign currencies which exposure the Group to foreign currency risk. The Group manages the foreign currency risk by entering certain forward foreign exchange contracts closely monitoring the movement of the foreign currency rate.

The carrying amount of the Group's foreign currency denominated monetary items, (other than bonds and derivative financial instruments designated as hedging instruments) at the end of the reporting period are as follows:

	2015 HK\$'000	2014 HK\$'000
Assets		
Australian Dollar ("A\$")	81,512	62,466
Japanese Yen ("JPY")	6,090	8,131
Renminbi ("RMB")	128,924	92,814
United States Dollar ("US\$")	6,986	15,046
Euro ("EUR")	23,297	6,764
Singapore Dollars ("S\$")	61,393	14,895
Great Britain Pound ("GBP")	206,437	713

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk is mainly on currencies other than US\$ for the individual group entity in Hong Kong since Hong Kong dollars are pegged to US\$ under the Linked Exchange Rate System and the management does not expect any significant exposure in relation to the exchange rate fluctuation between HK\$ and US\$. The following table details the Group's sensitivity to a 10% (2014: 10%) weakening in the HK\$ against the relevant foreign currencies other than US\$, while all other variables are held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and adjusts their translation at the year end if HK\$ weakens 10% against the relevant foreign currency. For a 10% strengthens in HK\$ against the relevant foreign currencies, these would be an equal and opposite impact on profit.

	Increase in profit after tax	
	2015 HK\$'000	2014 HK\$'000
A\$	6,806	5,216
JPY	508	679
RMB	10,765	7,750
US\$	524	1,128
EUR	1,945	564
S\$	5,126	1,244
GBP	17,237	60

In the management's opinion, the sensitivity analysis is unrepresentative of the foreign, currency risk as the year end exposure does not reflect the exposure during the year.

Price risk

The Group is exposed to equity price risk and market price risk arising from investment in equity securities and other financial products classified under available-for-sale investments, investment held for trading and derivative financial instruments.

Price risk sensitivity analysis

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

If the price of the respective equity securities have been 10% (2014: 10%) higher/lower:

- profit after tax would increase/decrease by HK\$96,045,000 (2014: HK\$85,119,000) as a result of the changes in fair value of held-for trading investments.
- investment revaluation reserve would increase/decrease by HK\$69,000 (2014: HK\$372,000) as a result of the changes in fair value of available-for-sale investments.

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties failure to discharge their obligations in relation to each class of recognised financial asset are the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers, except for the amounts due from an investee company, associates and joint ventures and other receivables, which in aggregate, constitute over 5% (2014: 9%) of the total financial assets. The Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In determining the recoverability of the amounts due from an investee company, associates and joint ventures, the Group takes into consideration the fair values of the underlying assets of the investee company, associates and joint ventures and the future operation and expected operating cashflows of these investee company, associates and joint ventures. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk for pledged deposits, restricted bank deposits, deposit in a financial institution, time deposits and bank deposits are limited because the counterparties are banks or financial institutions with high credit ratings.

Liquidity risk

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Company, to ensure that it maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and external borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Weighted average interest rate %	On demand or within one year HK\$'000	Over due one to three years HK\$'000	Three to five years HK\$'000	Over five years HK\$'000	Total undiscounted cash flow HK\$'000	Carrying amount HK\$'000
<i>At 31 March 2015</i>							
Creditors and accruals	N/A	545,044	–	–	–	545,044	545,044
Amounts due to related companies	N/A	45,785	–	–	–	45,785	45,785
Amounts due to associates	N/A	10,009	–	–	–	10,009	10,009
Amounts due to non-controlling shareholders of subsidiaries	N/A	28,286	–	–	–	28,286	28,286
Bank and other borrowing							
Variable interest rate instruments	2.92	3,182,825	2,039,847	2,603,508	187,784	8,013,964	7,554,990
Obligations under finance leases	2.70	4,448	4,938	–	–	9,386	8,660
Bonds	5.875	1,383,614	121,551	1,043,313	–	2,548,478	2,255,274
		5,200,011	2,166,336	3,646,821	187,784	11,200,952	10,448,048
<i>At 31 March 2014</i>							
Creditors and accruals	N/A	936,998	–	–	–	936,998	936,998
Amounts due to related companies	N/A	45,785	–	–	–	45,785	45,785
Amounts due to associates	N/A	11,358	–	–	–	11,358	11,358
Amounts due to non-controlling shareholders of subsidiaries	N/A	29,422	–	–	–	29,422	29,422
Bank and other borrowing							
Variable interest rate instruments	2.73	4,410,523	3,245,029	2,276,675	245,399	10,177,626	7,523,405
Convertible bonds	3.63	35,322	–	–	–	35,322	32,978
Obligations under finance leases	2.70	3,165	4,286	–	–	7,451	7,160
Bonds	5.93	133,600	1,443,761	1,092,933	–	2,670,294	2,252,691
		5,606,173	4,693,076	3,369,608	245,399	13,914,256	10,839,797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or within one year" time band in the above maturity analysis. As at 31 March 2015 and 31 March 2014, the aggregate discounted principal amounts of these bank borrowings amounted to HK\$1,460,621,000 and HK\$1,623,614,000. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the bank will exercise their discretionary rights to demand immediate repayment. The Directors believe that such term loans are expected to be repaid in accordance with the loan repayment schedule which are repayable by yearly instalment up to September 2033 (2014: March 2018). On this basis, the interest and principal cashflows for the Variable interest rate instruments would be as follows:

	On demand or within one year HK\$'000	One to three years HK\$'000	Three to five years HK\$'000	Over five years HK\$'000	Total undiscounted cashflow HK\$'000	Carrying amount HK\$'000
<i>At 31 March 2015</i>						
Variable interest rate instruments	2,689,602	2,389,894	2,718,087	344,618	8,142,201	7,554,990
<i>At 31 March 2014</i>						
Variable interest rate instruments	3,020,339	4,399,894	2,506,849	413,449	10,340,531	7,523,405

The cashflows presented above for variable interest rate financial liabilities is subject to change if changes in interest rates differ from those at the end of the reporting period adopted in the above calculation.

C. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)

C. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31/3/2015 HK\$'000	31/3/2014 HK\$'000		
1a) Listed equity securities classified as available-for-sale investments	–	3,035	Level 1	Quoted bid prices in an active market
1b) Listed equity securities classified as financial assets at fair value through profit or loss	–	5,429	Level 1	Quoted bid prices in an active market
2a) Listed debt securities classified as financial assets at fair value through profit or loss	576,837	245,616	Level 1	Quoted bid prices in an active market
2b) Unlisted debt securities classified as financial assets at fair value through profit or loss	64,468	–	Level 2	Discounted cash flows Future cash flows are estimated based on applying the interest yield curves of different types of bonds as the key parameter
3) Investment funds classified as financial assets at fair value through profit or loss	456,199	760,595	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities) of the funds
4) Structured deposits classified as financial assets at fair value through profit or loss	52,740	7,750	Level 3	Discounted cash flows Future cash flows are estimated based on applying the expected yields of money market instruments and debt instruments invested by banks and a discount rate that reflects the credit risk of the bank
5) Call/put options in listed equity securities and foreign currencies classified as derivative financial instruments	Assets – 790 Liabilities – (3,737)	Assets – 2,238 Liabilities – (1,841)	Level 2	Discounted cash flows Future cash flows are estimated based on applying the expected yields of foreign currency and equity security by banks and a discount rate that reflects the credit risk of the bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued) C. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31/3/2015 HK\$'000	31/3/2014 HK\$'000		
6) Foreign currency forward contracts classified as derivative financial instruments	Assets – 1,268 Liabilities – (394)	–	Level 2	Discounted cash flow analysis Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties
7) Interest rate swap contracts classified as derivative financial instruments	(4,518)	–	Level 2	Discounted cash flow analysis Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rate, discounted at a rate that reflects the credit risk of various counterparties
8) Cross currency swaps classified as derivative financial instruments designated as hedging instruments	(81,832)	35,122	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange and interest rates (from observable forward exchange and interest rates at the end of the reporting period) and contracted forward exchange and interest rates, discounted at a rate that reflects the credit risk of various counterparties

There were no transfers between Levels 1, 2 and 3 during the year ended 31 March 2015 and 31 March 2014.

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (Continued)**C. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

Reconciliation of Level 3 fair value measurements of financial assets

	HK\$'000
At 1 April 2013 and 31 March 2014	7,750
Purchase	171,000
Transfer out	(126,010)
At 31 March 2015	52,740

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable data under discounted cash flow in respect of structured deposits classified as financial assets at fair value through profit or loss, as the management consider that the exposure is insignificant to the Group.

7. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision maker. Information reported to the Group's chief operating decision makers, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the property development, property investment, hotel operations and management, and car park operations in each of the geographical locations as stated below, securities and financial product investments and other operations, which mainly include provision of engineering services and second mortgage loans.

The accounting policies adopted in preparing the segment information are the same as the accounting policies described in note 3. Segment profit (loss) represents the pre-tax earned (incurred) by each segment without allocation of central administrative costs, directors' salaries and certain finance costs.

(A) SEGMENT REVENUE AND RESULTS

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

	Segment revenue		Segment profit (loss)	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Property development				
– Australia	1,243,825	958,509	261,025	268,444
– Hong Kong ("HK")	1,073,583	14,573	465,545	46,112
– Malaysia	–	86	(3,967)	(2,813)
– Other regions in People's Republic of China excluding HK ("PRC")	644,707	615,660	481,884	351,558
– United Kingdom ("UK")	–	–	1,885	(365)
	2,962,115	1,588,828	1,206,372	662,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. SEGMENT INFORMATION (Continued) (A) SEGMENT REVENUE AND RESULTS (Continued)

	Segment revenue		Segment profit (loss)	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Property investment				
– HK	36,747	33,548	92,147	56,531
– PRC	14,014	13,662	(26,490)	(27,716)
– Singapore	5,355	12,031	(13,068)	256,119
	56,116	59,241	52,589	284,934
Operations of Dorsett Hospitality International Limited (“Dorsett”) and its subsidiaries, including hotel operations and management, property development and investments and securities and financial product investments				
– HK	815,603	733,388	146,248	174,638
– Malaysia	264,399	310,003	46,485	58,890
– PRC	196,968	169,959	(37,210)	(69,913)
– Singapore (note)	102,606	572,500	31,256	262,647
– UK	74,451	–	(20,295)	(11,571)
	1,454,027	1,785,850	166,484	414,691
Car park operations				
– Australia	600,349	595,752	51,149	57,697
– Malaysia	15,774	16,776	6,241	6,772
	616,123	612,528	57,390	64,469
Securities and financial product investments	21,075	19,937	(20,618)	17,914
Other operations	324	110	5,733	(5,822)
Segment revenue/segment profit	5,109,780	4,066,494	1,467,950	1,439,122
Unallocated corporate expenses			(80,035)	(79,097)
Finance costs			(59,561)	(114,139)
Profit before tax			1,328,354	1,245,886
Income tax expense			(330,406)	(219,851)
Profit for the year			997,948	1,026,035

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.

note: The segment revenue and segment profit (loss) of this segment for the year ended 31 March 2014 include the sale of properties in Singapore amounting to HK\$498,392,000 and HK\$131,506,000, respectively.

For the year ended 31 March 2015

7. SEGMENT INFORMATION (Continued)**(B) SEGMENT ASSETS**

The following is an analysis of the Group's assets by reportable segment as at the end of the reporting period. Segment assets represent assets held by each segment without allocation of corporate assets which are mainly bank balances and cash and deposit in a financial institution.

	2015 HK\$'000	2014 HK\$'000
Property development		
– Australia	1,845,047	2,197,602
– HK	1,405,863	1,632,401
– Malaysia	394,732	383,806
– PRC	2,626,878	2,261,219
– UK	300,056	223,138
	6,572,576	6,698,166
Property investment		
– HK	2,751,823	2,149,237
– PRC	4,578	4,657
– Singapore	86,638	507,150
	2,843,039	2,661,044
Operations of Dorsett and its subsidiaries, including hotel operations and management, property development and investments and securities and financial product investments		
– HK	4,868,673	5,082,139
– Malaysia	968,052	1,071,002
– PRC	2,223,323	2,286,087
– Singapore	827,573	880,293
– UK	942,576	934,554
	9,830,197	10,254,075
Car park operations		
– Australia	559,266	683,177
– Malaysia	143,847	149,807
	703,113	832,984
Securities and financial product investments	468,957	507,243
Other operations	179,811	315,136
Segment assets	20,597,693	21,268,648
Unallocated corporate assets	1,617,903	716,643
Total assets	22,215,596	21,985,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. SEGMENT INFORMATION (Continued)

(C) GEOGRAPHICAL INFORMATION

The following table sets out information about the geographical location of (i) the Group's revenue from external customers determined based on the operating location and (ii) the Group's non-current assets by location of assets.

	Revenue from external customers		Non-current assets	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
HK	1,948,978	801,557	5,819,482	5,400,498
PRC	855,689	799,281	2,671,696	2,594,886
Australia	1,842,528	1,554,261	687,864	742,872
Malaysia	280,173	326,864	1,018,956	1,112,146
Singapore	107,961	584,531	666,647	749,602
UK	74,451	—	889,142	884,209
	5,109,780	4,066,494	11,753,787	11,484,213

(D) OTHER INFORMATION

The following table sets out amounts included in the measure of segment profit or loss or segment assets:

	2015						Consolidated HK\$'000
	Property development HK\$'000	Property investment HK\$'000	Hotel operations and management HK\$'000	Car park operations HK\$'000	Securities and financial product investments HK\$'000	Other operations HK\$'000	
Allowance for bad and doubtful debts	(364)	(252)	(18)	—	—	—	(634)
Depreciation and amortisation	(719)	(7,913)	(259,850)	(20,106)	—	(5,625)	(294,213)
Change in fair value of investment properties	116,097	89,997	65,747	—	—	—	271,841
Change in fair value of investments held for trading	—	—	—	—	(10,401)	—	(10,401)
Loss on disposal of available-for-sale investments	—	—	—	—	(235)	—	(235)
Change in fair value of derivative financial instruments	—	—	(4,131)	—	(3,772)	—	(7,903)
Gain (loss) on disposal of property, plant and equipment	—	—	794	(842)	—	—	(48)
Share of results of associates	—	16,746	—	—	—	—	16,746
Share of results of joint ventures	—	—	—	—	—	9,627	9,627
Interests in associates	—	266,547	59,963	—	—	—	326,510
Interests in joint venture	32,339	2,561	—	—	—	5,808	40,708

For the year ended 31 March 2015

7. SEGMENT INFORMATION (Continued)

(D) OTHER INFORMATION (Continued)

	2014						Consolidated HK\$'000
	Property development HK\$'000	Property investment HK\$'000	Hotel operations and management HK\$'000	Car park operations HK\$'000	Securities and financial product investments HK\$'000	Other operations HK\$'000	
Allowance for bad and doubtful debts	(2,362)	(372)	(333)	–	–	–	(3,067)
Depreciation and amortisation	(841)	(10,995)	(196,474)	(19,878)	–	(2,925)	(231,113)
Increase in fair value of investment properties	58,010	45,372	130,870	–	–	–	234,252
Change in fair value of investments held for trading	–	–	(18,242)	–	(17,491)	–	(35,733)
Loss on disposal of available-for-sale investments	–	–	–	–	(2,768)	–	(2,768)
Increase in fair value of derivative financial instruments	–	–	676	–	15,943	–	16,619
Gain on reclassification from hedge reserve to profit or loss upon recognition of the hedged item to profit or loss	–	–	27,329	–	–	–	27,329
Gain (loss) on disposal of property, plant and equipment	–	6	(233)	(99)	–	(148)	(474)
Gain on disposal of a subsidiary	66,652	–	–	–	–	–	66,652
Gain on partial repurchase bonds	–	–	2,067	–	–	–	2,067
Gain on compensation from relevant government authority of Singapore	–	258,960	–	–	–	–	258,960
Share of results of associates	–	6,321	–	–	–	39	6,360
Share of results of joint ventures	–	–	–	–	–	(2,904)	(2,904)
Interests in associates	–	256,221	59,963	–	–	–	316,184
Interests in joint venture	32,339	–	–	–	–	11,617	43,956
(Disposal) addition of non-current assets (excluding of financial instrument)	(258)	33,439	873,182	63,958	–	1,567	971,888

Information about segment liabilities are not regularly reviewed by chief operating decision makers. Accordingly, segment liability information is not presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

8. REVENUE

Revenue represents the aggregate amount of proceeds from sale of properties, gross rental from leasing of properties, income from hotel operations and management, car park operations and provision of property management services, interest income and dividend income from financial instruments and other operations as set out as follows:

	2015 HK\$'000	2014 HK\$'000
Sale of properties	2,930,316	2,060,217
Leasing of properties	132,779	121,561
Hotel operations and management	1,372,422	1,221,814
Car park operations	617,351	612,528
Provision of property management services	13,690	13,302
Interest income and dividend income from financial instruments	42,898	36,962
Other operations	324	110
	5,109,780	4,066,494

9. OTHER GAINS AND LOSSES

	2015 HK\$'000	2014 HK\$'000
Change in fair value of investment properties	271,841	29,994
Loss on disposal of available-for-sale investments	(235)	(2,768)
Change in fair value of investments held for trading	(10,401)	(35,733)
Gain arising on transfer of completed properties for sale to investment properties	88,023	204,258
Change in fair value of derivative financial instruments	(7,903)	16,619
Gain on reclassification of hedging reserve to profit or loss upon recognition of the hedged item to profit or loss	–	27,329
Gain on compensation from relevant government authority of Singapore (note)	–	258,960
Gain on partial repurchase of bonds	–	2,067
Net foreign exchange loss	(51,094)	(12,418)
Allowance for bad and doubtful debts	(634)	(3,067)
Loss on disposal of property, plant and equipment	(48)	(474)
	289,549	484,767

note: On 24 April 2013, the Group accepted compensation totalling S\$88,900,000 (equivalent to HK\$554,736,000) offered by the relevant government authority of Singapore (the "Singapore Government") in connection with compulsory acquisition of certain properties of the Group located in Singapore. The carrying amount of such properties being derecognised amounted to HK\$295,776,000 at 24 April 2013. The difference between the compensation amount accepted by the Group and the carrying amount was recognised in the profit or loss. Up to 31 March 2015, the Group received compensation of S\$73,844,000 (equivalent to HK\$454,776,000) (2014: S\$6,645,000 (equivalent to HK\$40,601,000)) from the Singapore Government and the remaining balance of S\$15,056,000 (equivalent to HK\$84,791,000) (2014: S\$82,255,000 (equivalent to HK\$505,868,000)) to be received by the Group is included in other receivables (note 24).

For the year ended 31 March 2015

10. FINANCE COSTS

	2015 HK\$'000	2014 HK\$'000
Interest on:		
Bank borrowings		
– wholly repayable within five years	254,610	274,681
– not wholly repayable within five years	19,632	29,290
Other loans wholly repayable within five years	1,017	2,897
Convertible bonds	1,128	2,252
Finance leases	9	15
Interest on bonds	136,618	136,978
Less: Net interest income from cross currency swap contracts	(24,030)	(26,303)
Amortisation of front-end fee	5,257	17,881
Others	3,576	2,431
Total interest costs	397,817	440,122
Less: Amounts capitalised to properties under development:		
– investment properties	(14,672)	(4,054)
– properties for owners' occupation	(28,531)	(31,354)
– properties for sale	(127,240)	(123,314)
– construction-in-progress	(3,332)	–
	224,042	281,400

Borrowing costs capitalised during the year which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 5.875% to 6% (2014: nil) per annum to expenditure on the qualifying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

11. INCOME TAX EXPENSE

	2015 HK\$'000	2014 HK\$'000
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	74,241	35,445
PRC Enterprise Income Tax ("PRC EIT")	95,585	81,993
PRC Land Appreciation Tax ("PRC LAT")	33,262	31,912
Australia Income Tax	69,002	37,409
Malaysia Income Tax	6,050	5,786
Singapore Income Tax	95	24,889
	278,235	217,434
(Over) underprovision in prior years:		
Hong Kong Profits Tax	(235)	3,273
Australia Income Tax	(297)	(17,516)
Malaysia Income Tax	165	122
Singapore Income Tax	(1,825)	(521)
	(2,192)	(14,642)
Deferred taxation (note 34)	54,363	17,059
	330,406	219,851

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year of each individual company comprising the Group less tax losses brought forward where applicable.

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

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 and Singapore is 30%, 25% and 17% of the estimated assessable profit for the year.

For the year ended 31 March 2015

11. INCOME TAX EXPENSE (Continued)

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

	Hong Kong HK\$'000	PRC HK\$'000	Australia HK\$'000	Malaysia HK\$'000	Singapore HK\$'000	Other HK\$'000	Consolidated HK\$'000
2015							
Profit before tax	591,072	426,600	227,867	47,013	30,317	5,485	1,328,354
Applicable income tax rate	16.5%	25%	30%	25%	17%	16.5% to 35%	
Tax at the applicable income tax rate	97,527	106,650	68,360	11,753	5,154	1,725	291,169
Tax effect of expenses not deductible for tax purpose	29,142	17,770	34,949	4,643	4,675	(438)	90,741
Tax effect of income not taxable	(38,476)	(20,230)	(17,731)	(3,970)	(2,293)	(1,287)	(83,987)
PRC LAT	–	33,262	–	–	–	–	33,262
Tax effect of PRC LAT	–	(8,316)	–	–	–	–	(8,316)
Tax effect of deductible temporary difference not recognised	3,448	16,026	–	(1,379)	–	–	18,095
Tax effect of tax losses not recognised	9,343	25,354	4	–	491	–	35,192
Utilisation of tax losses not previously recognised	(21,738)	(4,770)	–	(4,765)	(2,213)	–	(33,486)
Tax effect of share of results of associates	(2,763)	–	–	–	–	–	(2,763)
Tax effect of share of results of joint ventures	(422)	(1,666)	–	–	–	–	(2,088)
Underprovision in prior years	(235)	–	(297)	165	(1,825)	–	(2,192)
Others	(4,024)	(300)	(736)	547	(708)	–	(5,221)
Income tax expense for the year	71,802	163,780	84,549	6,994	3,281	–	330,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

11. INCOME TAX EXPENSE (Continued)

	Hong Kong HK\$'000	PRC HK\$'000	Australia HK\$'000	Malaysia HK\$'000	Singapore HK\$'000	Other HK\$'000	Consolidated HK\$'000
2014							
Profit before tax	108,228	255,785	308,465	60,944	518,534	(6,070)	1,245,886
Applicable income tax rate	16.5 %	25%	30%	25%	17%	16.5% to 35%	
Tax at the applicable income tax rate	17,858	63,946	92,539	15,236	88,151	(696)	277,034
Tax effect of expenses not deductible for tax purpose	41,233	10,700	67,020	3,464	3,396	2,766	128,579
Tax effect of income not taxable	(37,407)	(1,586)	(19,670)	(1,567)	(66,502)	(2,070)	(128,802)
Utilisation of deductible temporary difference not recognised	–	–	–	–	(161)	–	(161)
PRC LAT	–	31,912	–	–	–	–	31,912
Tax effect of PRC LAT	–	(7,978)	–	–	–	–	(7,978)
Tax effect of deductible temporary difference not recognised	7,085	–	–	482	–	–	7,567
Tax effect of tax losses not recognised	12,034	17,100	4	–	–	–	29,138
Tax effect of tax losses recognised	–	–	–	(26,817)	–	–	(26,817)
Utilisation of tax losses not previously recognised	(5,205)	–	(56,889)	(12,571)	–	–	(74,665)
Tax effect of share of results of associates	(1,049)	–	–	–	–	–	(1,049)
Tax effect of share of results of joint ventures	–	(639)	–	–	–	–	(639)
Underprovision in prior years	3,273	–	(17,516)	122	(521)	–	(14,642)
Others	838	(464)	–	–	–	–	374
Income tax expense (credit) for the year	38,660	112,991	65,488	(21,651)	24,363	–	219,851

Details of the deferred taxation are set out in note 34.

For the year ended 31 March 2015

12. PROFIT FOR THE YEAR

	2015 HK\$'000	2014 HK\$'000
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense	1,866,590	1,332,282
Auditor's remuneration	11,942	11,400
Depreciation		
– Operations of Dorsett and its subsidiaries	249,685	187,003
– Car park operations	20,106	19,878
– Others	13,662	14,164
	283,453	221,045
Amortisation of prepaid lease payments	10,760	10,632
Less: amount capitalised to properties under development for owners' occupation	–	(564)
	10,760	10,068
Amortisation of investment in a joint venture (included in share of results of joint ventures)	2,904	2,904
Allowance for bad and doubtful debts	634	3,067
Staff costs		
– Directors' emolument (note 15(a))	24,430	18,918
– Other staff	588,539	549,370
– Share-based payment expense	2,410	3,791
	615,379	572,079
Share of taxation of associates (included in share of results of associates)	1,473	1,196
and after crediting:		
Rental income, net of outgoings of HK\$23,407,000 (2014: HK\$49,524,000)	109,372	72,037
Dividend income from:		
– Investment held for trading	4,787	12,086
– Available-for-sale investments	87	144
	4,874	12,230
Bank interest income	6,100	5,875

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

13. 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\$956,539,000 (2014: HK\$914,057,000) and the number of shares calculated as follows:

	2015 '000	2014 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,874,579	1,800,908
Effect of dilutive potential ordinary shares – Company's share options	4,841	4,776
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,879,420	1,805,684

The computations of diluted earnings per share for both years did not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in an increase in earnings per share. In addition, the computations for both years did not assume the exercise of its indirect subsidiary Dorsett's share options as the exercise prices of those options are higher than the average market prices of the Dorsett's shares for both years.

14. DIVIDENDS

	2015 HK\$'000	2014 HK\$'000
Dividends recognised as distribution during the year:		
2015 interim dividend of HK3 cents per share (2014: 2014 interim dividend of HK3 cents per share)	57,018	55,133
2014 final dividend of HK12 cents per share (2014: 2013 final dividend of HK11 cents per share)	222,716	195,009
	279,734	250,142

A final dividend for the year ended 31 March 2015 of HK13 cents (2014: HK12 cents) per share has been proposed by the Directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

Shareholders have an option to elect cash in lieu of new shares of the Company for the dividend proposed and paid during the year. Shares issued during the year on the shareholders' election for shares are set out in note 35.

For the year ended 31 March 2015

15. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(A) DIRECTORS' AND CHIEF EXECUTIVE EMOLUMENTS

The emoluments paid and payable to each of the Directors of the Company were as follows:

Name of directors	Fees HK\$'000	Salaries, bonuses and other benefits HK\$'000	Retirement benefit scheme contributions HK\$'000	Share-based payment expenses HK\$'000	Total HK\$'000
<i>For the year ended 31 March 2015</i>					
<i>Executive Directors:</i>					
David CHIU	25	2,283	18	–	2,326
Dennis CHIU	25	1,248	56	–	1,329
Craig Grenfell WILLIAMS	25	7,164	228	–	7,417
Denny Chi Hing CHAN	25	2,575	18	1,072	3,690
Chris Cheong Thard Hoong	25	7,527	18	1,428	8,998
<i>Non-executive Directors:</i>					
Daniel Tat Jung CHIU (note)	10	–	–	–	10
<i>Independent Non-executive Directors:</i>					
Kwok Wai CHAN	220	–	–	–	220
Peter Man Kong WONG	220	–	–	–	220
Kwong Siu LAM	220	–	–	–	220
	795	20,797	338	2,500	24,430

note: Daniel Tat Jung CHIU resigned as non-executive Director on 28 August 2014.

Name of directors	Fees HK\$'000	Salaries, bonuses and other benefits HK\$'000	Retirement benefit scheme contributions HK\$'000	Share-based payment expenses HK\$'000	Total HK\$'000
<i>For the year ended 31 March 2014</i>					
<i>Executive Directors:</i>					
David CHIU	25	2,268	15	–	2,308
Dennis CHIU	25	1,257	71	–	1,353
Craig Grenfell WILLIAMS	25	4,473	231	–	4,729
Denny Chi Hing CHAN	25	1,732	15	1,705	3,477
Chris Cheong Thard Hoong	25	4,134	15	2,252	6,426
<i>Non-executive Directors:</i>					
Daniel Tat Jung CHIU	25	–	–	–	25
<i>Independent Non-executive Directors:</i>					
Kwok Wai CHAN	200	–	–	–	200
Peter Man Kong WONG	200	–	–	–	200
Kwong Siu LAM	200	–	–	–	200
	750	13,864	347	3,957	18,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

(A) DIRECTORS' AND CHIEF EXECUTIVE EMOLUMENTS (Continued)

Mr. David CHIU is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as Chief Executive.

Performance related incentive payment was paid/payable to Craig Grenfell WILLIAMS of HK\$4,574,500 (2014: HK\$1,525,000) and Chris Cheong Thard Hoong of HK\$3,923,000 (2014: nil), and included in salaries and other benefits, which is determined with reference to his performance.

Neither the chief executive nor any of the directors waived any emoluments in the years ended 31 March 2015 and 31 March 2014.

(B) Certain executive and non-executive directors of the Company were granted options to subscribe for shares in the Company and Dorsett under the share option schemes adopted by the Company and Dorsett. Details of the share option schemes are disclosed in note 45.

(C) EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2014: three) were directors whose emoluments are disclosed above. The remuneration of the remaining one (2014: two) individuals was as follows:

	2015 HK\$'000	2014 HK\$'000
Salaries and other benefits	2,765	9,360
Retirement benefit scheme contributions	18	15
Share-based payment expenses	104	187
	2,887	9,562

Their emoluments were within the following bands:

	2015 Number of employee	2014 Number of employees
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,000,001 to HK\$4,000,000	–	1
HK\$6,000,001 to HK\$6,500,000	–	1
	1	2

No emolument was paid to the directors and the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

For the year ended 31 March 2015

16. INVESTMENT PROPERTIES

	Completed properties HK\$'000	Properties under development HK\$'000	Total HK\$'000
At 1 April 2013	1,901,917	530,000	2,431,917
Additions	513	28,873	29,386
Transfer to property, plant and equipment (note 17)	(74,802)	–	(74,802)
Transfer from completed properties for sales	270,069	–	270,069
Increase (decrease) in fair value	86,867	(56,873)	29,994
Exchange alignment	(8,957)	–	(8,957)
At 31 March 2014	2,175,607	502,000	2,677,607
Additions	4,522	63,837	68,359
Disposals	(1,100)	–	(1,100)
Reclassify from properties for sales	169,000	–	169,000
Increase in fair value	244,678	27,163	271,841
Exchange alignment	(31,392)	–	(31,392)
At 31 March 2015	2,561,315	593,000	3,154,315

	2015 HK\$'000	2014 HK\$'000
The carrying amount of investment properties which are stated at fair value are on land located:		
In Hong Kong:		
Long leases	703,976	612,827
Medium-term leases	1,261,003	991,268
Outside Hong Kong:		
Freehold	69,146	76,791
Long leases	169,764	188,496
Medium-term leases	950,426	808,225
	3,154,315	2,677,607

The Group is in the process of obtaining the title of certain completed investment properties located in the PRC with carrying amount of HK\$50,000,000 (2014: nil).

During the year ended 31 March 2015, the Group changed the intention of use of certain properties under development and reclassified as investment properties at fair value.

For the year ended 31 March 2015

16. INVESTMENT PROPERTIES (Continued)

During the year ended 31 March 2014, the Group transferred certain completed properties for sales to investment properties at fair value HK\$270,069,000 upon change in use, which was evidenced by commencement of operating leases.

During the year ended 31 March 2014, the Group changed the use of certain investment properties, which were accordingly transferred from investment properties to property, plant and equipment at their fair value on the date of transfer.

The fair value of the completed investment properties and investment properties under development in HK and outside HK at 31 March 2015, 31 March 2014 and at the date of transfer have been arrived at on the basis of a valuation carried out on that date based on the following independent firm of qualified professional valuers not connected to the Group:

Location of the investment properties	Independent qualified professional valuers	Qualification
Australia	CBRE Valuations Pty Limited DTZ Australia (VIC) Pty Limited	Member of the Australian Property Institute
Hong Kong/PRC	DTZ Debenham Tie Leung Limited	Member of the Hong Kong Institute of Surveyors
Malaysia	Raine & Horne International Zaki + Partners Sdn. Bhd.	Registered valuer in Malaysia
Singapore	Savills Valuation and Professional Services (S) Pte Ltd	Member of the Singapore Institute of Surveyors and Valuers

The valuation of the completed investment properties, which falls under level 3 of the fair value hierarchy, was arrived at by reference to market evidence of transaction prices for similar properties at similar locations or by capitalisation of future rental which is estimated by reference to comparable rental as available in the relevant markets. In the valuation, the market rentals of all lettable units of the properties are made reference to the rentals achieved by the Group in the lettable units as well as those of similar properties in the neighbourhood. The capitalisation rate adopted is by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted for the valuer's knowledge of factors specific to the respective properties.

The valuation of the investment properties under development, which falls under level 3 of the fair value hierarchy, has been arrived at by using direct comparison approach with reference to comparable properties as available in the market with adjustments made to account for the differences and with due allowance for development costs, and indirect costs that will be expended to complete the development as well as developer's risks associated with the development of the property at the valuation date and the return that the developer would require for bringing them to the completion status, which is determined by the valuers, based on its analyses of recent land transactions and market value of similar completed properties in the relevant locations.

The carrying amounts of investment properties under development at the end of the reporting period includes capitalised interest expense of HK\$28,457,000 (2014: HK\$13,785,000).

For the year ended 31 March 2015

16. INVESTMENT PROPERTIES (Continued)

The fair value measurement of Group's major investment properties and information about the fair value hierarchy at 31 March 2015 and 31 March 2014 are as follows:

The key inputs used in valuing the investment properties under the income capitalisation approach were the capitalisation rates used and market rent. A slight increase in the capitalisation rate used would result in a significant decrease in the fair value of the investment properties, and vice versa. A significant increase in the monthly unit rent would result insignificant increase in the fair value and vice versa.

Details of the significant unobservable input under the income capitalisation approach are as follows:

Class of property	Capitalisation rates	Market rent
Office portion in Hong Kong	3% to 3.75% per annum (2014: 3% to 3.75% per annum)	HK\$35 to HK\$37 per square feet (2014: HK\$26 to HK\$40 per square feet)
Shops in Hong Kong	3% to 5% per annum (2014: 3% to 5% per annum)	HK\$11.5 to HK\$240 per square feet (2014: HK\$10 to HK\$234 per square feet)
Retail portion in the PRC	6% to 8.5% per annum (2014: 6% to 8.5% per annum)	RMB33 to RMB197 per square metre (2014: RMB33 to RMB197 per square metre)
Office portion in the PRC	4.5% per annum (2014: 4.5% per annum)	RMB41 to RMB45 per square metre (2014: RMB41 to RMB45 per square metre)
Shops in Australia	5.75% to 10.5% per annum (2014: 7% to 10.5% per annum)	A\$601 to A\$1,906 per square metre (2014: A\$610 to A\$1,844 per square metre)

Shops in Singapore were valued under direct comparison approach, market unit rate is one of the key inputs. The adopted market unit rate for shops in Singapore is S\$46,885 (2014: S\$47,664) per square metre. A significant increase in market unit rate would result in a significant increase in the fair value and vice versa.

The key inputs used in valuing the investment properties under development under direct comparison approach were the gross development value and developer's profit. The adopted gross development value is HK\$17,000 (2014: HK\$16,500) per square feet with the developer's profit of 10% (2014: 10%). If the gross development value is higher, the fair value increase. If estimated cost of complete or the developer's estimated profit margin for risk is higher, the fair value decreases.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

17. PROPERTY, PLANT AND EQUIPMENT

	Properties		Leasehold improvements, furniture, fixtures and equipment HK\$'000	Construction in-progress HK\$'000	Total HK\$'000
	Completed HK\$'000	Under development HK\$'000			
COST					
At 1 April 2013	4,428,310	2,371,285	571,214	–	7,370,809
Additions	63,618	818,123	60,761	–	942,502
Transfer upon completion of development	1,685,087	(2,055,150)	370,063	–	–
Transfer from investment properties (note 16)	28,442	46,360	–	–	74,802
Disposals	–	–	(8,245)	–	(8,245)
Exchange alignment	(114,373)	63,088	(23,083)	–	(74,368)
At 31 March 2014	6,091,084	1,243,706	970,710	–	8,305,500
Additions	349,844	171,548	151,542	24,604	697,538
Transfer upon completion of development	604,901	(608,233)	3,332	–	–
Disposals	–	–	(5,363)	–	(5,363)
Exchange alignment	(276,133)	(71,899)	(46,882)	–	(394,914)
At 31 March 2015	6,769,696	735,122	1,073,339	24,604	8,602,761
DEPRECIATION AND IMPAIRMENT					
At 1 April 2013	537,381	–	180,309	–	717,690
Provided for the year	136,759	–	84,286	–	221,045
Eliminated on disposals	–	–	(7,291)	–	(7,291)
Exchange alignment	(20,621)	–	(12,289)	–	(32,910)
At 31 March 2014	653,519	–	245,015	–	898,534
Provided for the year	173,603	–	109,850	–	283,453
Eliminated on disposals	–	–	(3,542)	–	(3,542)
Exchange alignment	(45,951)	–	(21,726)	–	(67,677)
At 31 March 2015	781,171	–	329,597	–	1,110,768
CARRYING VALUES					
At 31 March 2015	5,988,525	735,122	743,742	24,604	7,491,993
At 31 March 2014	5,437,565	1,243,706	725,695	–	7,406,966

For the year ended 31 March 2015

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amounts of hotels, other properties and car parks shown above comprise:

	2015 HK\$'000	2014 HK\$'000
Leasehold land and building in Hong Kong		
Long leases	468,598	480,619
Medium-term leases	2,858,576	2,803,209
Freehold land and building outside Hong Kong	2,125,783	2,260,132
Building on leasehold land outside Hong Kong		
Long leases	320,965	371,063
Medium-term leases	949,725	766,248
	6,723,647	6,681,271

Leasehold lands are depreciated over the term of the lease of land. Completed buildings are depreciated on a straight-line basis over their useful lives ranging from 25 to 50 years or the remaining term of the lease of land of 25 to 65 years, whichever is the shorter. Other items of property, plant and equipment are depreciated on a straight-line basis at the rates of 10% to 20% per annum. No depreciation is provided on freehold land and buildings under development.

The carrying amounts of properties under development at the end of the reporting period includes capitalised interest expense of HK\$18,432,000 (2014: HK\$20,584,000).

The Group is in the process of obtaining the title of certain completed hotel properties located outside Hong Kong with carrying amount of HK\$292,688,000 (2014: HK\$305,306,000).

Included in leasehold improvements, furniture, fixtures and equipment is an aggregate carrying amount of HK\$1,104,000 (2014: HK\$1,482,000) in respect of assets held under finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

18. PREPAID LEASE PAYMENTS

	2015 HK\$'000	2014 HK\$'000
Balance at beginning of the year	595,221	611,070
Amortisation	(10,760)	(10,632)
Exchange alignment	(27,466)	(5,217)
Balance at end of the year	556,995	595,221
The carrying value represents leasehold land outside Hong Kong:		
Long-term leases with lease period of 99 years	285,538	310,335
Medium-term leases with lease period of 35 years	271,457	284,886
	556,995	595,221
Analysed for reporting purposes as:		
Non-current asset	541,476	579,274
Current asset	15,519	15,947
	556,995	595,221

19. GOODWILL

Goodwill arose from the acquisition of 73.75% equity interest in certain subsidiaries, which are engaged in car park operations, in previous year.

The management determines that there is no impairment on the carrying amount of the goodwill based on the estimated cash generated from the car park operations. The calculation uses cash flow projections based on financial budgets approved by the management covering a 5-years period, and at a discount rate of 17%. The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeding its recoverable amount.

For the year ended 31 March 2015

20. INTERESTS IN ASSOCIATES

	2015 HK\$'000	2014 HK\$'000
Unlisted investments, at cost	86,539	86,539
Share of post-acquisition results, net of dividends received	239,971	229,645
	326,510	316,184

Particulars of principal associates, which are incorporated and operating in Hong Kong except otherwise indicated, at the end of the reporting period are as follows:

Name of associate	Class of shares held	Registered capital/Proportion of nominal value of issued capital held by the Company indirectly		Principal activities
		2015	2014	
Bermuda Investments Limited	Ordinary	25	25	Property investment
Cosmopolitan Resort (Zhuji) Limited ("Zhuji") [*]	N/A	18	18	Property development
Kanic Property Management Limited	Ordinary	50	50	Building management
Omicron International Limited [*]	Ordinary	30	30	Investment holding
Peacock Estates Limited	Ordinary	25	25	Property investment

^{*} Sino-foreign joint venture established and operating in the PRC
 · Incorporated in British Virgin Islands

The above table lists the associates of the Group which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

20. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information in respect of the associates that are not individually material to the Group at and for each of the year ended 31 March 2015 and 31 March 2014 attributable to the Group's interest, is as follows:

	2015 HK\$'000	2014 HK\$'000
The Group's share of profit after tax	16,746	6,360
The Group's share of total comprehensive income	16,746	6,360

The Group has discontinued to recognise its share of losses of certain associates. The amounts of unrecognised share of losses of those associates, extracted from the relevant management accounts of the associates, both for the year and cumulatively, are as follows:

	2015 HK\$'000	2014 HK\$'000
The unrecognised share of losses for the year	(26)	(28)
Cumulative unrecognised share of losses	(50,321)	(50,295)

21. INTERESTS IN JOINT VENTURES

(A) JOINT VENTURES

	2015 HK\$'000	2014 HK\$'000
Unlisted investments, at cost	49,764	52,668
Share of post-acquisition results, net of dividends/distributions received	31,895	32,239
Less: Impairment	(40,951)	(40,951)
	40,708	43,956

For the year ended 31 March 2015

21. INTERESTS IN JOINT VENTURES (Continued)

(A) JOINT VENTURES (Continued)

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

Name of entity	Country of registration/ incorporation and operation	Proportion of registered capital held by the Company indirectly		Principal activities
		2015	2014	
商丘永遠公路有限公司 Shangqiu Yongyuan Development Company Limited ("Shangqiu Yongyuan") (note)	PRC	68%	68%	Operation of highway
Guangdong Xin Shi Dai Real Estate Limited	PRC	50%	50%	Property development
Raeon International Limited	HK	25%	—	Real estate agency

note: The entity is established, under a joint venture agreement, for the construction and operation of a highway for a term of 21 years commencing from 31 July 1997. The Group is entitled to 85% of the profits from operation of the highway until the Group has recouped in full its investment cost from the distribution by the entity. Thereafter, the Group is entitled to 25% of the profits whereas the PRC joint venture partner is entitled to the remaining 75% until the joint venture partner has recouped in full its investment cost, which is the agreed fair value of the land contributed to the entity. Thereafter, both parties' entitlement to the share of profit is in proportion to their respective contribution. On expiry of the joint venture period, the joint venture will be dissolved and all remaining undistributed assets will be surrendered to the PRC party. Accordingly, the Group's cost of investment in the joint venture is amortised over the joint venture period.

The entity is accounted for as joint venture although the Group's interest is more than 50% as the Group and the other equity owner jointly control the operating and financial policies of the entity under a contractual arrangement.

The summarised financial information in respect of the joint ventures that are not individually material to the Group at and for each of the year ended 31 March 2015 and 31 March 2014 attributable to the Group's interest is as follows:

	2015 HK\$'000	2014 HK\$'000
The Group's share of profit (loss) after tax	9,627	(2,904)
The Group's share of total comprehensive income (expense)	9,627	(2,904)

The Directors of the Company assessed the expected future cash flows expected to be generated by joint ventures and an impairment loss of HK\$40,951,000 was provided against the interests in joint ventures.

For the year ended 31 March 2015

21. INTERESTS IN JOINT VENTURES (Continued)

(B) JOINT OPERATION

- (i) During the year ended 31 March 2015, a subsidiary of the Group as developer (the "Developer") has entered into development agreement ("Agreement") with Urban Renewal Authority ("URA") in form of joint operation to engage in residential/commercial property development and sales in Hong Kong. Under the Agreement, the Developer is mainly responsible for the development of the project. Units in the development will be sold or disposed of by URA in accordance with the terms and conditions of the Agreement and sales proceeds arising therefrom will be distributed between URA and the Developer pursuant to the terms and conditions of the Agreement.
- (ii) Assets with a carrying value of HK\$69,705,746 (2014: Nil) recognised in the consolidated financial statements as at 31 March 2015 in relation to the joint operation, representing the upfront payment to URA, and included in properties for development under current assets. Income and expenses of the joint operation for the year are insignificant.
- (iii) During the year ended 31 March 2012, the Group entered into an agreement with a related company to jointly develop certain portion of the Group's freehold land with fair value, as agreed between the parties, of Malaysian Ringgit ("RM\$") 65,000,000 (equivalent to HK\$165,000,000). The related company is responsible for the provision of technical, commercial and financial management of the development on the land and marketing the properties on completion of their development and bears all the related cost and expenses of the development. The development activities and the sales of the completed properties are directed by the related company's board of directors, of which the Group and the related company have equal number of representatives throughout the joint operation period. The Group and the related company will share the profit or loss (representing revenue from sale less the fair value of the land, development costs and marketing expenses of the completed properties) from the development on a 50:50 basis.

Assets with a carrying amount of RM\$8,800,000, equivalent to HK\$18,392,000 (2014: RM\$8,800,000, equivalent to HK\$21,030,000) recognised in the consolidated financial statements as at 31 March 2015 in relation to the joint operations, representing the cost of the freehold land and included in properties for development under current assets. Income and expenses of the joint operation for the year are insignificant.

For the year ended 31 March 2015

22. INVESTMENT SECURITIES

(I) AVAILABLE-FOR-SALE INVESTMENTS

	2015 HK\$'000	2014 HK\$'000
Listed equity securities (note 6.c.):		
Hong Kong	–	3,035
Unlisted:		
Equity securities	4	4
Club membership	688	688
	692	692
	692	3,727

(II) FINANCIAL ASSETS AT FVTPL

	2015 HK\$'000	2014 HK\$'000
Investments held for trading		
Equity securities listed overseas	–	5,429
Listed debt securities	576,837	245,616
Unlisted debt securities	64,468	–
Investment funds	456,199	760,595
	1,097,504	1,011,640
Financial assets designated at fair value through profit or loss		
Structured deposits	52,740	7,750
	1,150,244	1,019,390
Total	1,150,936	1,023,117
Analysed for reporting purposes as:		
Non-current assets	692	11,477
Current assets	1,150,244	1,011,640
	1,150,936	1,023,117

Investment in investment funds represent pool investments, comprising equity and debts securities in various markets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

23. AMOUNTS DUE FROM ASSOCIATES

The amounts due from associates are unsecured, interest-free and the Group does not expect for repayment within the next twelve months from the end of the reporting period.

In determining the recoverability of the amounts due from associates, the Group takes into consideration the fair values of the underlying assets, the future operation and cashflows of the associates.

24. OTHER RECEIVABLES

	2015 HK\$'000	2014 HK\$'000
Compensation receivable (note 9)	84,791	505,868
Promissory notes receivable and accrued interest	–	149,626
Loans receivables	62,513	30,303
	147,304	685,797
Less: Amount due within one year and classified under current assets		
– Other receivables	(121,985)	(685,751)
– Debtors, deposits and prepayments	–	(29)
	(121,985)	(685,780)
Amount due after one year	25,319	17

Promissory notes with aggregate principal amount of US\$17,500,000 (equivalent to HK\$135,625,000) as at 31 March 2014 represents the balance of the consideration receivable in connection with the disposal of certain properties located outside Hong Kong to an independent third party in February 2010. The notes, together with interest being accrued at the rate of 2% per annum in the first year and 4% per annum thereafter, were due on maturity in February 2014 and were received in May 2014.

The loan receivables mainly represented the second mortgage loans with carrying amount of HK\$33,551,000 (2014: nil) and secured by the properties of the borrowers. The second mortgage loans bear interest at prime rate minus 1.5% for first two years and prime rate plus 0.5% for the remaining loan period. The remaining loans of HK\$28,962,000 (2014: HK\$30,303,000) are secured, interest-free and repayable on demand.

In determining the recoverability of loans receivable, the Group considers any change in the credit quality of the borrowers and the value of the underlying properties under mortgage. The Directors of the Company believe that there is no further provision required.

For the year ended 31 March 2015

25. BANK DEPOSITS, DEPOSIT IN A FINANCIAL INSTITUTION, BANK BALANCES AND CASH

Pledged deposits included in non-current assets carry interest at rates ranging from 0.00% to 0.43% (2014: 0.05% to 0.50%) per annum. These deposits are pledged to secure bank loans repayable after one year.

The pledged deposits shown under current assets carry interest at market rates ranging from 0.06% to 3.10% (2014: 0.05% to 0.50%) per annum. These deposits, with maturity dates ranging from 1 to 6 months, are pledged to secure bank borrowings repayable within one year.

Restricted bank deposits represents custody deposits paid in banks in relation to certain banking facility arrangements of the Group and deposits can be solely applied for settlement of development cost of designated property projects.

Deposit in a financial institution carries interest at rates ranging from 0.00% to 0.10% (2014: 0.00% to 0.10%).

Bank deposits with maturity of less than three months and bank balances carry interest at market rates ranging from 0.00% to 3.90% (2014: 0.00% to 3.40%) per annum.

26. PROPERTIES FOR SALE

Included in properties for sale are properties with carrying value of HK\$4,266,620,000 (2014: HK\$3,716,383,000) which are not expected to be realised within the next twelve months.

27. DEBTORS, DEPOSITS AND PREPAYMENTS

	2015 HK\$'000	2014 HK\$'000
Trade debtors	154,654	162,886
Advance to contractors	9,139	5,909
Utility and other deposits	35,153	69,145
Receivable from stakeholders	417,096	242,164
Prepayment and other receivables	193,957	173,490
	809,999	653,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

The following is an aged analysis of trade debtors based on the invoice date which approximated the respective revenue recognition date, at the end of the reporting period:

	2015 HK\$'000	2014 HK\$'000
0 - 60 days	76,427	77,229
61 - 90 days	4,388	3,776
Over 90 days	73,839	81,881
	154,654	162,886

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

Trade debtors mainly represent receivable 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. Included in trade debtors is an amount of S\$12,040,000 (equivalent to HK\$67,906,000) (2014: S\$12,040,000 (equivalent to HK\$74,169,000)) which represents the portion of the proceeds that have been settled by the buyers and are being held in escrow account. The funds were remitted to the Group upon the issuance of relevant certificate by the government authorities in Singapore, which is expected to be taken place within one year after the end of the reporting period.

In determining the recoverability of trade debtors, the Group considers the subsequent settlement and any change in the credit quality of the debtors from the date credit was initially granted up to the end of each of the reporting period. There is no concentration of credit risk due to the large and unrelated customer base. The management believes that there is no further credit provision required in excess of the allowance already made.

Allowance for doubtful debts on the trade debtors and the movements during the year are as follows:

	2015 HK\$'000	2014 HK\$'000
Balance at beginning of the year	10,774	10,055
Impairment losses recognised	634	1,134
Amount written off as uncollectible	(363)	(415)
Balance at end of the year	11,045	10,774

For the year ended 31 March 2015

28. CREDITORS AND ACCRUALS

	2015 HK\$'000	2014 HK\$'000
<i>Creditors and accruals</i>		
Trade creditors		
– Construction cost and retention payable	205,746	115,442
– Others	70,857	67,488
	276,603	182,930
Construction cost and retention payable for capital assets	104,937	145,661
Rental and reservation deposits and receipts in advance	49,389	50,928
Payable to brokers for the purchase of securities	10,540	2,085
Balance of consideration for the acquisition of properties for development in Australia	–	360,903
Other payable and accrued charges	295,875	395,335
	737,344	1,137,842

The following is an aged analysis of the trade creditors:

	2015 HK\$'000	2014 HK\$'000
0 – 60 days	198,730	146,821
61 – 90 days	1,590	1,832
Over 90 days	76,283	34,277
	276,603	182,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

29. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Amounts payable under finance leases:				
Within one year	4,448	3,162	4,038	3,159
In more than one year but not more than five years	4,938	4,286	4,622	4,001
Less: Future finance charges	9,386 (726)	7,448 (288)	8,660 —	7,160 —
Present value of lease obligations	8,660	7,160	8,660	7,160
Less: Amount due within one year shown under current liabilities			(4,038)	(3,159)
Amount due after one year			4,622	4,001

It is the Group's policy to lease certain of its motor vehicles and equipment under finance leases. The average lease terms range from 1 to 5 years. The average borrowing rates for the year is 2.70% (2014: 2.70%) per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's finance lease obligations, determined based on the present value of the estimated future cash flow discounted using the prevailing market rate, at the end of the reporting period approximates to their carrying amount.

For the year ended 31 March 2015

30. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Designated under hedge accounting				
Cross currency swap contracts (note 1)	–	35,122	(81,832)	–
Designated not under hedge accounting				
Interest rate swap contracts (note 2)	–	–	(4,518)	–
Call/put options in listed equity securities and foreign currencies (note 3)	790	2,238	(3,737)	(1,841)
Forward foreign exchange contracts (note 4)	1,268	–	(394)	–
	2,058	37,360	(90,481)	(1,841)
Analysed for reporting purpose as:				
Current	2,058	2,238	(31,542)	(1,841)
Non-current	–	35,122	(58,939)	–
	2,058	37,360	(90,481)	(1,841)

notes:

(1) Cross currency swap contracts

The Group has entered into cross currency swap contracts to reduce its exposure to the current exchange rate fluctuation in relation to 2016 Bonds and 2018 Bonds issued by the Group as set out in note 33. Upon issuance of the bonds, these cross currency swap contracts were designated as hedging instruments against the variability of cash flows arising from the bonds.

During the year, the fair value losses arising from the cross currency swap contracts of HK\$117,029,000 (2014: fair value gain of HK\$51,550,000) were recognised in other comprehensive income. During the year ended 31 March 2014, an amount of gain of HK\$27,329,000 was reclassified from hedge reserve to profit or loss in the periods when the hedged item is recognised to profit or loss.

Major terms of cross currency swap contracts at 31 March 2015 and 31 March 2014 are set out below:

(i)	Date of contract:	26 February 2013
	Effective date:	4 March 2013
	Notional amount:	RMB250,000,000
	Maturity:	4 March 2016
	Interest payment:	Receive interest at a fixed rate of 5.875% per annum based on the RMB notional amount and pay interest at fixed rate of 4.65% per annum on USD40,178,075 semi-annually
	Principal exchanged amount:	USD40,178,075
(ii)	Date of contract:	25 February 2013
	Effective date:	4 March 2013
	Notional amount:	RMB750,000,000
	Maturity:	4 March 2016
	Interest payment:	Receive interest at a fixed rate of 5.875% per annum based on the RMB notional amount and pay interest at fixed rate of 4.675% per annum on USD120,365,912 semi-annually
	Principal exchanged amount:	USD120,365,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

30. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

notes: (Continued)

(1) *Cross currency swap contracts (Continued)*

(iii)	<i>Date of contract:</i>	25 March 2013
	<i>Effective date:</i>	3 April 2013
	<i>Notional amount:</i>	RMB476,500,000
	<i>Maturity:</i>	3 April 2018
	<i>Interest payment:</i>	Receive interest at a fixed rate of 6% per annum on the RMB notional amount and pay interest at a fixed rate of 4.97% per annum on USD76,817,669 semi-annually
	<i>Principal exchanged amount:</i>	USD76,817,669
(iv)	<i>Date of contract:</i>	27 March 2013
	<i>Effective date:</i>	3 April 2013
	<i>Notional amount:</i>	RMB333,500,000
	<i>Maturity:</i>	3 April 2018
	<i>Interest payment:</i>	Receive interest at a fixed rate of 6% per annum on the RMB notional amount and pay interest at a fixed rate of 4.952% per annum on USD53,738,318 semi-annually
	<i>Principal exchanged amount:</i>	USD53,738,318

(2) *Interest rate swap contracts*

The interest rate swap contracts were entered into by the Group for the purpose of reducing its exposure to the risk of interest rate fluctuation of the bank borrowings outstanding at the end of the reporting period. The interest rate swap contracts were not accounted for under hedge accounting. The major terms of the interest rate swap contracts at 31 March 2015 are set out below:

(i)	<i>Date of contract:</i>	15 May 2014
	<i>Effective date:</i>	19 May 2014
	<i>Notional amount:</i>	US\$10,000,000
	<i>Maturity:</i>	19 May 2024 with an option of early termination by the Group
	<i>Interest payment:</i>	Pay interest at a fixed rate of 2.65% and receive interest at 3 months LIBOR
(ii)	<i>Date of contract:</i>	12 February 2015
	<i>Effective date:</i>	17 February 2015
	<i>Notional amount:</i>	US\$2,000,000
	<i>Maturity:</i>	2 July 2017
	<i>Interest payment:</i>	Pay interest at a fixed rate of 1.20% and receive interest at 3 months LIBOR
(iii)	<i>Date of contract:</i>	12 February 2015
	<i>Effective date:</i>	17 February 2015
	<i>Notional amount:</i>	US\$2,000,000
	<i>Maturity:</i>	24 January 2018
	<i>Interest payment:</i>	Pay interest at a fixed rate of 1.282% and receive interest at 3 months LIBOR

(3) *Call and put options represent rights to purchase or sell listed equity securities or foreign currencies with predetermined prices on maturity. Duration of these contracts ranges from one to three months.*

(4) *The forward foreign exchange contracts were entered into by the Group for the purpose of reducing its exposure to foreign currency. These forward foreign exchange contracts were not accounted for under hedge accounting. The major terms of the contracts at 31 March 2015 are set out below:*

(i)	<i>Notional amount:</i>	Aggregate amount of US\$8,641,569
	<i>Maturity:</i>	April 2015
	<i>Forward contract rate:</i>	Buy US\$/sell EUR at 0.895 to 0.921
(ii)	<i>Notional amount:</i>	EUR5,364,510
	<i>Maturity:</i>	April 2015
	<i>Forward contract rate:</i>	Buy EUR/sell US\$ at 0.923
(iii)	<i>Notional amount:</i>	US\$712,462
	<i>Maturity:</i>	April 2015
	<i>Forward contract rate:</i>	Buy US\$/sell S\$ at 0.726

For the year ended 31 March 2015

31. SECURED BANK BORROWINGS

	2015 HK\$'000	2014 HK\$'000
Bank loans	7,572,750	7,543,836
Less: front-end fee	(17,760)	(20,431)
	7,554,990	7,523,405
Analysed for reporting purpose as:		
Current liabilities	3,087,051	4,252,487
Non-current liabilities	4,467,939	3,270,918
	7,554,990	7,523,405
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:		
On demand or within one year	2,566,620	2,809,980
More than one year, but not exceeding two years	525,747	1,462,728
More than two years, but not exceeding five years	4,179,277	2,915,286
More than five years	301,106	355,842
	7,572,750	7,543,836

The carrying amounts of the borrowings include an amount of HK\$521,021,000 (2014: HK\$1,462,938,000) which is not repayable within one year based on scheduled repayment dates has, however, been shown under current liabilities as the counterparties have a discretionary rights to demand immediate repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

31. SECURED BANK BORROWINGS (Continued)

Bank loans which are denominated in various currencies are analysed below:

Currencies	Interest rates	2015 HK\$'000	2014 HK\$'000
HK\$	HIBOR plus 1.55% to 3.00% (2014: HIBOR plus 0.80% to 3.00%)	4,627,086	4,731,362
RMB	100% of 1 years PBOC Prescribed Interest rate to 130% of 1 to 3 years PBOC Prescribed Interest Rate (2014: 100% of 1-year PBOC Prescribed Interest Rate to 130% of 1 to 3 years PBOC Prescribed Interest Rate)	1,122,080	1,119,022
S\$	S\$ SOR plus 1.20% (2014: S\$ SOR plus 1.25% to 1.85%)	366,600	398,100
RM\$	Malaysia BLR minus 1.50% to Malaysia BLR plus 1.25% to 1.50% (2014: Malaysia BLR minus 1.50%, Malaysia BLR plus 1.25% to 1.50%)	280,636	325,938
A\$	Australia BBSW plus 1.45% to 2.50% (2014: Australia BBSW plus 1.45% to 2.50%)	892,378	712,054
GBP	LIBOR plus 2.80% (2014: LIBOR plus 2.80%)	255,567	257,360
US\$	0.6% per annum above Bank's Cost of Funds	28,403	–
		7,572,750	7,543,836

32. CONVERTIBLE BONDS

	2015 HK\$'000	2014 HK\$'000
At 1 April	32,978	31,169
Amortised interest charged to profit or loss	1,128	2,252
Payment of coupon interest	(1,128)	(1,214)
Amortisation of issue expenses	522	771
Converted into shares	(611)	–
Redemption	(32,889)	–
At 31 March	–	32,978
Analysed for reporting purpose as:		
Current liabilities	–	32,978

The convertible bonds carry interest at 3.625% and are convertible, at the option of the holders, into ordinary shares of HK\$0.10 each of the Company at an adjusted conversion price of HK\$2.94 per share.

During the year, an aggregate principal amount of HK\$611,000 (2014: nil) of the convertible bonds were converted into ordinary share of the Company. The remaining outstanding convertible bonds has redeemed at the principal value together with accrued interests on 5 March 2015.

For the year ended 31 March 2015

33. BONDS

	2016 Bonds HK\$'000	2018 Bonds HK\$'000	Total HK\$'000
At 1 April 2013	1,250,000	–	1,250,000
Issue of bonds	–	1,062,500	1,062,500
Transaction cost	–	(12,328)	(12,328)
Repurchase during the year	–	(50,239)	(50,239)
Interest charged during the year	74,699	62,279	136,978
Interest paid during the year	(74,030)	(61,263)	(135,293)
Exchange adjustments	(669)	1,742	1,073
At 31 March 2014	1,250,000	1,002,691	2,252,691
Interest charged during the year	73,647	62,971	136,618
Interest paid during the year	(75,472)	(61,852)	(137,324)
Exchange adjustments	1,825	1,464	3,289
At 31 March 2015	1,250,000	1,005,274	2,255,274

2016 BONDS

On 4 March 2013, the Company issued bonds with aggregate principal amount of RMB1,000,000,000 (equivalent to HK\$1,250,000,000) at the issue price of 100% of the principal amount with a maturity of three years due on 4 March 2016 (the "2016 Bonds") to independent third parties. The 2016 Bonds bear interest at rate of 5.875% per annum payable semi-annually. As at 31 March 2015 and 31 March 2014, the aggregate principal amount of 2016 Bonds outstanding was RMB1,000,000,000 (equivalent to HK\$1,250,000,000 as at 31 March 2015 and 31 March 2014).

For the year ended 31 March 2015

33. BONDS (Continued) 2018 BONDS

On 3 April 2013, Dorsett issued bonds with aggregate principal amount of RMB850,000,000 (equivalent to HK\$1,062,500,000) at issue price of 100% of the principal amount with maturity date on 3 April 2018 (the "2018 Bonds") to independent third parties. The 2018 Bonds bear interest at 6% per annum payable semi-annually. As at 31 March 2015 and 31 March 2014, the aggregate principal amount of 2018 bonds outstanding was RMB810,340,000 (equivalent to HK\$1,012,925,000 as at 31 March 2015 and 31 March 2014).

The principal terms of 2016 Bonds and 2018 Bonds:

- a) Other than during the closed period and subject to the terms of the paying agency agreement in respect of the 2016 Bonds and 2018 Bonds, the bonds are transferable without restrictions.
- b) Unless previously redeemed or purchased and cancelled, the Company and Dorsett will redeem each 2016 Bonds and 2018 Bonds at 100% at its principal amount together with unpaid accrued interest on the maturity date.
- c) At any time the Company and Dorsett may, having given not less than 30 nor more than 60 days' notice to the bondholders in accordance with the terms and conditions of the 2016 Bonds and 2018 Bonds (which notice shall be irrevocable) redeem all, and not some only, of the 2016 Bonds and 2018 Bonds at their principal amount together with interest accrued to the date fixed for redemption on the redemption date as a result of any change in, or amendment to, the applicable tax laws or regulations of the Cayman Islands or Hong Kong.
- d) When a change of control occurs with respect to the Company and Dorsett, the bond holder of each 2016 Bonds and 2018 Bonds will have the right at such holder's option, to require the Company and Dorsett to redeem all or some only of that holder's 2016 Bonds and 2018 Bonds at 101% of their principal amount together with interest accrued to the date fixed for redemption.
- e) The 2016 Bonds and 2018 Bonds will constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the 2016 Bonds and 2018 Bonds) unsecured obligations of the Company and Dorsett and shall at all times rank pari passu and without any preference or priority among themselves.

Details of the issue of the 2016 Bonds and 2018 Bonds were disclosed in the Company's circular dated 25 February 2013 and Dorsett's circular dated 25 March 2013, respectively.

During the year ended 31 March 2014, Dorsett partially repurchased a principal amount of RMB39,660,000 (equivalent to HK\$49,972,000) of the 2018 Bonds with carrying amount of RMB39,832,000 (equivalent to HK\$50,239,000) at a consideration of HK\$48,172,000. The gain on partial repurchase of the 2018 Bonds of HK\$2,067,000 was recognised in profit or loss.

For the year ended 31 March 2015

34. DEFERRED TAXATION

The major deferred tax (assets) liabilities recognised by the Group, and movements thereon during the current and prior years are as follows:

	Accelerated tax depreciation HK\$'000	Revaluation of investment properties HK\$'000	Revaluation of assets HK\$'000	Fair value adjustments on business combination HK\$'000	Tax losses HK\$'000	Others HK\$'000	Total HK\$'000
At 1 April 2013	63,133	82,147	85,691	40,486	(19,207)	(4,008)	248,242
Charge (credit) to profit or loss	10,856	7,815	(1,701)	(1,245)	(31,182)	32,516	17,059
Exchange alignment	–	(10,258)	(15,813)	–	60	(4,484)	(30,495)
At 31 March 2014	73,989	79,704	68,177	39,241	(50,329)	24,024	234,806
Charge (credit) to profit or loss	2,171	22,671	(149)	(1,245)	11,653	19,262	54,363
Exchange alignment	–	(1,063)	(6,182)	–	9,063	(6,221)	(4,403)
At 31 March 2015	76,160	101,312	61,846	37,996	(29,613)	37,065	284,766

For the purposes of presentation of the consolidated statement of financial position, certain deferred tax (assets) liabilities have been offset. The following is the analysis of the deferred tax balances for financing reporting purposes:

	2015 HK\$'000	2014 HK\$'000
Deferred tax assets	(30,537)	(33,644)
Deferred tax liabilities	315,303	268,450
	284,766	234,806

The Group recognises deferred tax in respect of the change in fair value of the investment properties located in the PRC, as these properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in these investment properties over the time, i.e. through usage of such properties for rental purpose.

At 31 March 2015, the Group has unused tax losses of HK\$1,164,537,000 (2014: HK\$1,145,956,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$150,198,000 (2014: HK\$237,019,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$1,014,339,000 (2014: HK\$908,937,000) due to the unpredictability of future profit streams.

At 31 March 2015, the Group has deductible temporary difference of HK\$419,060,000 (2014: HK\$352,200,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for on the temporary differences attributable to profits of the PRC subsidiaries of HK\$1,091,085,000 (2014: HK\$773,629,000) generated after 1 January 2008 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

35. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Nominal value HK\$'000
Authorised:	4,000,000,000	400,000
Issued and fully paid:		
At 1 April 2013	1,768,909,536	176,891
Issue of shares in lieu of cash dividends	72,404,902	7,240
Issue upon exercise of share option at HK\$2.075 per share	6,200,000	620
Issue upon exercise of share option at HK\$1.50 per share	2,000,000	200
At 31 March 2014	1,849,514,438	184,951
Issue of shares in lieu of cash dividends	56,918,279	5,692
Issue upon exercise of share option at HK\$2.075 per share	5,100,000	510
Issue upon exercise of share option at HK\$1.50 per share	2,000,000	200
Issue of share in lieu of convertible bond at HK\$2.94 per share	204,081	21
At 31 March 2015	1,913,736,798	191,374

On 27 February 2015, the Company issued and allotted 12,925,110 new fully paid shares of HK\$0.10 each at HK\$3.018 to the shareholders who elected to receive shares in the Company in lieu of cash for the 2015 interim dividend pursuant to the scrip dividend scheme announced by the Company on 26 November 2014. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

On 24 October 2014, the Company issued and allotted 43,993,169 new fully paid shares of HK\$0.10 each at HK\$3.03 to the shareholders who elected to receive shares in the Company in lieu of cash for the 2014 final dividend pursuant to the scrip dividend scheme announced by the Company on 26 June 2014. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

On 14 February 2014, the Company issued and allotted 8,813,915 new fully paid shares of HK\$0.10 each at HK\$2.917 to the shareholders who elected to receive shares in the Company in lieu of cash for the 2014 interim dividend pursuant to the scrip dividend scheme announced by the Company on 27 November 2013.

On 24 October 2013, the Company issued and allotted 63,590,987 new fully paid shares of HK\$0.10 each at HK\$2.372 to the shareholders who elected to receive shares in the Company in lieu of cash for the 2013 final dividend pursuant to the scrip dividend scheme announced by the Company on 19 June 2013.

All the shares issued during the two years ended 31 March 2015 rank pari passu in all respects with the existing shares in the Company.

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

For the year ended 31 March 2015

36. NON-CONTROLLING INTERESTS

	2015 HK\$'000	2014 HK\$'000
Share of net assets of subsidiaries	1,128,970	1,190,567
Share options reserve of subsidiaries	8,871	9,953
Hedging reserve	(20,562)	407
	1,117,279	1,200,927

37. DISPOSAL OF A SUBSIDIARY

- (a) On 8 October 2013, the Group disposed of its entire equity interest in Far East Golf International Ltd to an independent third party (the "Purchaser") for the consideration of HK\$160,017,000.

The net assets disposed of were as follows:

	HK\$'000
Assets classified as held for sale	91,410
Deposits and prepayment	547
Accruals	(12)
Net assets disposed of	91,945
Gain on disposal:	
Consideration	160,017
Transaction and other direct cost incurred	(1,420)
Consideration received	158,597
Net assets disposed of	(91,945)
Gain on disposal	66,652
Net cash inflow arising from disposal of a subsidiary	
Consideration received, net of transaction cost	158,597

- (b) In prior years, the Group disposed of its entire equity interest in Hong Kong (SAP) Hotel Limited to an independent third party for consideration of HK\$801,532,000. During the year ended 31 March 2014, the group has received the consideration of HK\$15,000,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

38. MAJOR NON-CASH TRANSACTIONS

The Company issued shares in lieu of cash dividend payable to the Company's shareholders totalling HK\$172,317,000 (2014: HK\$176,546,000).

During the year, the Group entered into finance lease arrangements for acquisition of asset with a total capital value at the inception of the leases of HK\$1,882,000 (2014: HK\$6,382,000).

39. CHARGE ON ASSETS

Bank and other loans with aggregate amount of HK\$7,572,750,000 (2014: HK\$7,543,836,000) outstanding at the end of the reporting period are secured by a fixed charge over the following assets of the Group and together with a floating charge over other assets of the property owners and benefits accrued to those properties:

	2015 HK\$'000	2014 HK\$'000
Investment properties	2,619,115	2,083,704
Property, plant and equipment	5,336,021	5,482,237
Prepaid lease payments	551,288	588,919
Properties for sale	3,132,363	2,571,939
Bank deposits	275,546	176,820
	11,914,333	10,903,619

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

40. CONTINGENT LIABILITIES

- (1) During the year ended 31 March 2014, Management Corporation Strata Title No. 512 ("MCST 512") filed the notice of appeal to High Court in Singapore against Tang City Holdings Pte. Ltd., a subsidiary of the Company in Singapore, claiming for the benefit and/or revenue relating to the unauthorised additions to the floor area in the Singapore Properties under Compulsory Acquisition amounted to S\$23,492,000 (equivalent to HK\$144,710,000). There is no final judgement up to the date of this report. In the opinion of the Directors of the Company, after consultation with the lawyer, MCST 512's appeal is not premised upon any strong basis and it is unlikely to succeed. As such, no provision for potential liability has been made in the consolidated financial statements.
- (2) During the year ended 31 March 2010, HKSAR Hotel initiated a lawsuit against the contractor for the unsatisfactory performance in relation to the construction of a hotel in an amount of HK\$14,356,000. In response to the claim, the contractor has filed counterclaims against HKSAR Hotel for an amount of HK\$25,841,000. HKSAR Hotel was disposal of during the year ended 31 March 2013 but the Group undertakes to use all reasonable endeavours to procure the full and final settlement of the litigation. The trial commenced on 30 July 2012 and further adjourned to August 2013. Both HKSAR Hotel and the Contractor have filed the closing submissions and the reply submissions in September 2013 and October 2013. There is no final judgement up to the date of this report. In the opinion of the Directors of the Company, there is a fair chance of winning the lawsuit after consultation with the lawyer. Accordingly, no provision for potential liability has been made in the consolidated financial statements.

For the year ended 31 March 2015

41. CAPITAL COMMITMENTS

	2015 HK\$'000	2014 HK\$'000
Capital expenditure contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	259,477	153,281
Others	83,761	107,679
	343,238	260,960
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	210,346	22,750
Others	11,069	16,474
	221,415	39,224
	564,653	300,184

42. OPERATING LEASE ARRANGEMENTS**THE GROUP AS LESSOR:**

At the end of the reporting period, investment properties and properties for sale with carrying amount of HK\$2,560,885,000 (2014: HK\$2,175,607,000) and HK\$71,345,000 (2014: HK\$23,788,000) respectively were let out under operating leases. Gross rental income earned during the year is HK\$132,779,000 (2014: HK\$121,561,000) of which HK\$128,116,000 (2014: HK\$110,810,000) was derived from letting of investment properties.

At the end of the reporting period, the Group had contracted with tenants for the future minimum lease payments under non-cancellable operating leases which fall due:

	2015 HK\$'000	2014 HK\$'000
Within one year	88,907	89,719
In the second to fifth year inclusive	189,793	165,859
More than five years	113,578	77,481
	392,278	333,059

Leases are negotiated and rentals are fixed for terms ranging from one to twenty years (2014: one to twenty years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

42. OPERATING LEASE ARRANGEMENTS (Continued) THE GROUP AS LESSEE:

Minimum lease payments paid under operating leases during the year.

	2015 HK\$'000	2014 HK\$'000
Premises	385,760	355,471
Equipment	29	32
	385,789	355,503

At the end of the reporting period, the Group had commitments for future minimum lease payments for premises under non-cancellable operating leases which fall due:

	2015 HK\$'000	2014 HK\$'000
Within one year	48,799	57,636
In the second to fifth year inclusive	48,056	85,458
Over five years	61,714	10,314
	158,569	153,408

Leases are negotiated for an average term of two years and rentals are fixed over the lease period.

43. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2015 HK\$'000	2014 HK\$'000
Provision of building management service by associates	4,303	4,066

Details of the balances with associates, joint ventures, non-controlling shareholders of subsidiaries, an investee company and related companies as at the end of the reporting period are set out in the consolidated statement of financial position and the relevant notes.

The related companies are companies controlled by certain executive directors or their close family members who have significant influence over the Group through their direct and indirect equity interest in the Company.

- (b) During the year, the Group has entered into four hotel management services contracts for the provision of hotel management services to certain companies in Malaysia which are controlled by a director of the Company. During the year ended 31 March 2015, hotel management services income of HK\$234,000 (2014: nil) was received under these contracts.
- (c) Remuneration paid and payable to the members of key management, who are the directors and the five highest paid individuals, during the year are disclosed in note 15.

For the year ended 31 March 2015

44. AMOUNT DUE FROM/TO RELATED PARTIES

The amounts due from/to associates, joint ventures, an investee company, related companies and non-controlling shareholders of subsidiaries are set out in the consolidated statement of financial position. The amounts are unsecured, interest-free and either repayable on demand or without fixed terms of repayment.

The Group does not expect for repayment in respect of the amounts due from joint ventures and an investee company within the next twelve months from the end of the reporting period and, accordingly, the amounts are classified under non-current assets.

The related companies are companies controlled by certain executive directors or their close family members who have significant influence over the Group through their direct and indirect equity interest in the Company.

45. SHARE OPTION SCHEME

(A) SHARE OPTION SCHEME OF FAR EAST CONSORTIUM INTERNATIONAL LIMITED (THE "FECIL SHARE OPTION SCHEME")

On 31 August 2012, the Company adopted a share option scheme to replace the share option scheme adopted on 28 August 2002, which has expired on 28 August 2012. The share option scheme of the Company was approved by the Company for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the FECIL Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Without prior approval from the Company's shareholders, the total number of shares to be issued under the FECIL Share Option Scheme is not permitted to exceed 10% of the shares of the Company then in issue; and the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue.

Options granted will be taken up upon payment of HK\$1 by the grantee. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the Directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Share options were granted by the Company on 21 October 2004, 25 August 2006, 8 May 2009 and 27 March 2013, at an initial exercise price at HK\$2.075, HK\$3.290, HK\$1.500 and HK\$2.550 per share to directors and employees of the Company and its subsidiaries.

At 31 March 2015, the number of options which remained outstanding under the Share Option Scheme was 20,350,000 (2014: 27,450,000) which, if exercised in full, would represent 1.06% (2014: 1.48%) of the enlarged capital of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

45. SHARE OPTION SCHEME (Continued)

(A) SHARE OPTION SCHEME OF FAR EAST CONSORTIUM INTERNATIONAL LIMITED (THE "FECIL SHARE OPTION SCHEME") (Continued)

Details of options granted are as follows:

Option type	Vesting period	Exercisable period	Exercise price HK\$
Options granted on 21 October 2004			
Tranche 1	21.10.2004 to 31.10.2004	1.11.2004 to 20.10.2014	2.075
Tranche 2	21.10.2004 to 31.12.2005	1.1.2006 to 20.10.2014	2.075
Tranche 3	21.10.2004 to 31.12.2006	1.1.2007 to 20.10.2014	2.075
Tranche 4	21.10.2004 to 31.12.2007	1.1.2008 to 20.10.2014	2.075
Tranche 5	21.10.2004 to 31.12.2008	1.1.2009 to 20.10.2014	2.075
Options granted on 25 August 2006			
Tranche 3	25.8.2006 to 31.12.2007	1.1.2008 to 24.8.2016	3.290
Tranche 4	25.8.2006 to 31.12.2008	1.1.2009 to 24.8.2016	3.290
Tranche 5	25.8.2006 to 31.12.2009	1.1.2010 to 24.8.2016	3.290
Options granted on 8 May 2009			
Tranche 1	8.5.2009 to 15.9.2009	16.09.2009 to 15.09.2019	1.500
Tranche 2	8.5.2009 to 15.9.2010	16.09.2010 to 15.09.2019	1.500
Tranche 3	8.5.2009 to 15.9.2011	16.09.2011 to 15.09.2019	1.500
Tranche 4	8.5.2009 to 15.9.2012	16.09.2012 to 15.09.2019	1.500
Options granted on 27 March 2013			
Tranche 1	27.3.2013 to 28.2.2014	2.3.2014 to 28.2.2020	2.550
Tranche 2	27.3.2013 to 28.2.2015	2.3.2015 to 28.2.2020	2.550
Tranche 3	27.3.2013 to 29.2.2016	2.3.2016 to 28.2.2020	2.550
Tranche 4	27.3.2013 to 28.2.2017	2.3.2017 to 28.2.2020	2.550

For the year ended 31 March 2015

45. SHARE OPTION SCHEME (Continued)

(A) SHARE OPTION SCHEME OF FAR EAST CONSORTIUM INTERNATIONAL LIMITED
(THE "FECIL SHARE OPTION SCHEME") (Continued)

The movements in the options granted to employees in aggregate during the two years ended 31 March 2014 and 31 March 2015 are as follows:

Option type	Date of grant	At 1.4.2013	Exercised during the year	At 31.3.2014	Exercised during the year	At 31.3.2015
Tranche 1	21.10.2004	250,000	–	250,000	(250,000)	–
Tranche 2	21.10.2004	425,000	(100,000)	325,000	(325,000)	–
Tranche 3	21.10.2004	1,575,000	(1,100,000)	475,000	(475,000)	–
Tranche 4	21.10.2004	4,075,000	(2,500,000)	1,575,000	(1,575,000)	–
Tranche 5	21.10.2004	4,975,000	(2,500,000)	2,475,000	(2,475,000)	–
		11,300,000	(6,200,000)	5,100,000	(5,100,000)	–
Tranche 4	25.8.2006	450,000	–	450,000	–	450,000
Tranche 5	25.8.2006	500,000	–	500,000	–	500,000
		950,000	–	950,000	–	950,000
Tranche 1	8.5.2009	1,850,000	(1,850,000)	–	–	–
Tranche 2	8.5.2009	1,850,000	(150,000)	1,700,000	(1,700,000)	–
Tranche 3	8.5.2009	1,850,000	–	1,850,000	(300,000)	1,550,000
Tranche 4	8.5.2009	1,850,000	–	1,850,000	–	1,850,000
		7,400,000	(2,000,000)	5,400,000	(2,000,000)	3,400,000
Tranche 1	27.3.2013	2,400,000	–	2,400,000	–	2,400,000
Tranche 2	27.3.2013	3,200,000	–	3,200,000	–	3,200,000
Tranche 3	27.3.2013	4,000,000	–	4,000,000	–	4,000,000
Tranche 4	27.3.2013	6,400,000	–	6,400,000	–	6,400,000
		16,000,000	–	16,000,000	–	16,000,000
		35,650,000	(8,200,000)	27,450,000	(7,100,000)	20,350,000
Weighted average exercisable price		2.201	1.935	2.281	1.913	2.409
Number of options exercisable at the end of the year				13,850,000		9,950,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

45. SHARE OPTION SCHEME (Continued)

(A) SHARE OPTION SCHEME OF FAR EAST CONSORTIUM INTERNATIONAL LIMITED (THE "FECIL SHARE OPTION SCHEME") (Continued)

Total consideration received by the Group for exercising the options granted amount to approximately HK\$13,582,500 (2014: HK\$15,865,000).

The weighted average closing price of the Company's share immediately before the date(s) on which the options were exercised is HK\$2.98 (2014: HK\$2.75).

The estimated fair value of the options granted during the year ended 31 March 2013 determined at the date of grant using the Binominal model was approximately HK\$14,169,000.

The following assumptions were used to calculate the fair value of share options granted on 27 March 2013:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Exercise price	2.550	2.550	2.550	2.550
Risk free rate	0.887%	0.887%	0.887%	0.887%
Dividend yield	2.549%	2.549%	2.549%	2.549%
Value of option at grant date	0.77	0.82	0.86	0.88
Expected life of option	6.9	6.9	6.9	6.9
Volatility	44.029%	44.029%	44.029%	44.029%

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Total share option expense in relation to the options granted by the Company recognised during the year amounted to HK\$4,014,000 (2014: HK\$6,149,000).

(B) SHARE OPTION SCHEME OF DORSETT

On 10 September 2010, a share option scheme of Dorsett (the "Dorsett Share Option Scheme") was approved by Dorsett for the purpose of providing incentives or rewards to directors of the Company and Dorsett and any of their subsidiaries and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters and service providers of any member of the Group who the board of directors of Dorsett considers, in its sole discretion, have contributed or will contribute to the Company and Dorsett or any of its subsidiaries. Under the Dorsett Share Option Scheme, the board of directors of Dorsett may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in Dorsett.

Without prior approval from Dorsett's shareholders, (i) the total number of shares to be issued under the Dorsett Share Option Scheme is not permitted to exceed 10% of the shares of the Dorsett then in issue; (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of Dorsett then in issue.

For the year ended 31 March 2015

45. SHARE OPTION SCHEME (Continued)

(B) SHARE OPTION SCHEME OF DORSETT (Continued)

Options granted will be taken up upon payment of HK\$1 as consideration for the grant of option. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options are accepted. The exercise price is determined by the directors of Dorsett, and will not be less than the highest of (i) the closing price of Dorsett's shares on the date of grant, which must be a business day; (ii) the average closing price of Dorsett's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of Dorsett's share.

As at 31 March 2015, the number of options which remained outstanding under the Dorsett Share Option scheme was 14,414,545 (2014: 18,018,145) which, if exercise in full, represents 0.68% (2014: 0.85%) of the enlarged capital of Dorsett. 10,810,887 (2014: 10,810,887) share option were exercisable at the end of the reporting period.

Details of the share options, which were granted on 11 October 2010 at an exercise price of HK\$2.20 per share, to employees are as follows:

Option type	Vesting period	Exercisable period	Exercise price HK\$	At 1.4.2013	Lapsed during the year	At 31.3.2014	Lapsed during the year	At 31.3.2015
Tranche 1	11.10.2010 to 10.10.2011	11.10.2011 to 10.10.2014	2.20	3,712,719	(109,090)	3,603,629	(3,603,629)	–
Tranche 2	11.10.2010 to 10.10.2012	11.10.2012 to 10.10.2015	2.20	3,712,719	(109,090)	3,603,629	–	3,603,629
Tranche 3	11.10.2010 to 10.10.2013	11.10.2013 to 10.10.2016	2.20	3,712,719	(109,090)	3,603,629	–	3,603,629
Tranche 4	11.10.2010 to 10.10.2014	11.10.2014 to 10.10.2017	2.20	3,712,719	(109,090)	3,603,629	–	3,603,629
Tranche 5	11.10.2010 to 10.10.2015	11.10.2015 to 10.10.2018	2.20	3,712,752	(109,094)	3,603,658	–	3,603,658
				18,563,628	(545,454)	18,018,174	(3,603,629)	14,414,545

No options were granted and no options granted were exercised during the years ended 31 March 2014 and 2015.

The fair value of the options at the date of grant determined using the Binomial model is approximately HK\$18,001,000. During the year, the Group recognised a total expense of approximately HK\$896,000 (2014: HK\$1,599,000) in relation to the options granted.

The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

For the year ended 31 March 2015

46. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

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

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

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

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

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

Total retirement benefit expenses charged to profit or loss amounted to HK\$39,637,000 in the current year (2014: HK\$36,540,000).

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of principal subsidiaries at the end of the year are as follows:

Name of subsidiary	Place of incorporation/ establishment/ and operation	Issued and fully paid share capital/registered and paid up capital/ share capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2015	2014	
Direct subsidiaries					
Accord Rise Investments Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Ample Bonus Limited	BVI/HK	101 shares of US\$1	100	100	Investment holding
Ondella International Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Pacific Growing Limited	HK	1 share of HK\$1*	100	100	Investment holding
The FIFTH Apartments Pty Ltd	Australia	1 share of A\$1	100	100	Property development
Indirect subsidiaries					
124 York Street Pty Ltd	Australia	10,000 shares of A\$121.78	76.05	76.05	Car park operation
13 Roper Street Pty Ltd	Australia	10,000 shares of A\$121.78	76.05	76.05	Car park operation
13 Roper Street Trust	Australia	N/A	76.05	76.05	Car park operation
19 Bank Street Pty Ltd	Australia	10,000 shares of A\$121.78	76.05	76.05	Car park operation
19 Bank Street Trust	Australia	N/A	76.05	76.05	Car park operation
344 Queen Car Park Pty Ltd	Australia	10,000 shares of A\$121.78	76.05	76.05	Car park operation
344 Queen Car Park Trust	Australia	N/A	76.05	76.05	Car park operation
94 York Street Trust	Australia	N/A	76.05	76.05	Car park operation
Accessway Profits Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Action Fulfilled Assets Limited	BVI/HK	1 share of US\$1	100	100	Property investment
All Greatness Limited	BVI/HK	1 share of US\$1	100	100	Property development
Amphion Investment Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Annick Investment Limited	HK	2 shares of HK\$1*	100	100	Property investment
Apex Path Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Arvel Company Limited	HK	10,000 shares of HK\$1*	100	100	Property investment
Australian Property Management Pty Ltd	Australia	1 share of A\$1	76.05	76.05	Car park operation
Ballarat Central Car Park Pty Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Car park operation
Best Hoover Limited	HK	1 share of HK\$1*	100	100	Property investment
Best Impact Limited	BVI/HK	1 share of US\$1	100	100	Car park operation
Bournemouth Estates Limited	HK	2 shares of HK\$10*	100	100	Property development
Bravo Trade Holdings Limited	BVI/HK	1 share of US\$1	100	100	Property development
Bryce International Limited	BVI	100 shares of US\$1	100	100	Investment holding
Capital Fortune Investment Limited	HK	2 shares of HK\$1*	73.97	74.07	Investment holding
Caragis Limited	HK	1,000 shares of HK\$1*	73.97	74.07	Hotel operation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital/ share capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2015	2014	
Care Park (Albert Street) Pty Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Car park operation
Care Park Finance Pty Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Car park operation
Care Park Holdings Pty Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Investment holding
Care Park New Zealand Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Car park operation
Care Park Properties Pty Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Investment holding
Care Park Group Pty Ltd	Australia	1,000 shares of A\$121.78	76.05	76.05	Car park operation
Carterking Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Cathay Motion Picture Studios Limited	HK	10,000 shares of HK\$1*	100	100	Property investment
Charter Joy Limited	HK	2 shares of HK\$1*	73.97	74.07	Hotel operation
Charter National International Limited	HK	2 shares of HK\$1*	100	100	Property development
Cheong Sing Property Development Limited	HK	500 shares of HK\$100*	100	100	Property development
Ching Chu (Shanghai) Real Estate Development Company Limited (i)	PRC	Registered and paid up capital of US\$8,800,000	73.97	74.07	Hotel management
Chun Wah Holdings Limited	HK	200 shares of HK\$1*	100	100	Property development
Complete Delight Limited	BVI/HK	1 share of US\$1	73.97	74.07	Hotel operation
Cosmopolitan Hotel Limited	HK	10,000 shares of HK\$1*	73.97	74.07	Hotel operation
Dorsett Bukit Bintang Sdn. Bhd.	Malaysia	2 shares of RM\$1	100	100	Property development
Dorsett Hospitality International Limited (listed on the Stock Exchange since 11th October 2010, stock code: 2266)	Cayman	2,100,626,650 shares of HK\$0.1	73.97	74.07	Investment holding
Dorsett Hospitality International (M) Sdn Bhd	Malaysia	2 shares of RM\$2	73.97	74.07	Investment holding
Dorsett Hospitality International (Singapore) Pte. Limited	Singapore	1 share of S\$1	73.97	74.07	Hotel management and consultation service
Dorsett Hospitality International Services Limited	HK	2 shares of HK\$1*	73.97	74.07	Hotel management
Dorsett Regency Hotel (M) Sdn. Bhd.	Malaysia	5,000,000 shares of RM\$1	73.97	74.07	Hotel operation
Double Advance Group Limited	BVI/HK	1 share of US\$1	73.97	74.07	Hotel operation
Double Gaining Limited	HK	1 share of HK\$1*	100	100	Administrative services

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital/ share capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2015	2014	
Drakar Limited	Isle of Man/ United Kingdom	1 share of £1	100	100	Property development
Dunjoy Limited	HK	2 shares of HK\$1*	100	100	Investment holding
E-Cash Ventures Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Esmart Management Limited	HK	2 shares of HK\$1*	73.97	74.07	Hotel management
Everkent Development Limited	HK	2 shares of HK\$1*	73.97	74.07	Hotel operation
Expert Vision Trading Limited	BVI	1 share of US\$1	100	100	Investment holding
Far East Consortium (Australia) Pty Ltd.	Australia	2 shares of A\$1	100	100	Property development
Far East Consortium (B.V.I.) Limited	BVI/HK	50,000 shares of US\$1	100	100	Investment holding
Far East Consortium (Malaysia) Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Far East Consortium (Netherlands Antilles) N.V.	The Netherlands	6,000 shares of US\$1	100	100	Investment holding
Far East Consortium China Infrastructure Company Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Far East Consortium China Investments Limited	HK	6,000 shares of HK\$100*	100	100	Investment holding
Far East Consortium Holdings (Australia) Pty Limited	Australia	12 shares of A\$1 235 redeemable preference shares of A\$42.55	100 100	100 100	Investment holding
Far East Consortium Limited	HK	830,650,000 shares of HK\$1*	100	100	Investment holding and property investment
Far East Consortium Machinery Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Far East Consortium Properties Pty Limited	Australia	12 shares of A\$1 225 redeemable preference shares of A\$44.44	100 100	100 100	Investment holding and property investment
Far East Consortium Real Estate Agency Limited	HK	1 share of HK\$1*	100	100	Sales agency service
Far East Real Estate and Agency (H.K.) Limited	HK	60,000 shares of HK\$100*	100	100	Investment holding and loan financing
Far East Rockman Hotels (Australia) Pty Limited	Australia	12 shares of A\$1 375 redeemable preference shares of A\$10,000	100 100	100 100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital/ share capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2015	2014	
Far East Supermarket Limited	HK	500,000 shares of HK\$1*	100	100	Property investment
FEC Care Park Holdings (Australia) Pty Ltd	Australia	1 share of A\$1	100	100	Investment holding
FEC Care Park Pte Ltd	Singapore	1 share of S\$1	100	100	Investment holding
FEC Development (Malaysia) Sdn. Bhd.	Malaysia	2 shares of RM\$1	100	100	Investment holding
FEC Financing Solutions Pty Ltd	Australia	1 share of A\$1	100	100	Investment holding
FEC Strategic Investments (Netherlands) B.V.	The Netherlands	120,000 shares of DFL1	100	100	Investment holding
FECFW 1 Pty Ltd	Australia	1 share of A\$1	100	100	Investment holding
FECFW 2 Pty Ltd	Australia	1 share of A\$1	100	100	Investment holding
Ficon Roper Street Trust	Australia	N/A	76.05	76.05	Car park operation
Focus Venue Sdn. Bhd.	Malaysia	100 shares of RM\$1	90	90	Property development
Fortune Plus (M) Sdn. Bhd.	Malaysia	935,000 shares of RM\$1	100	100	Property investment
Garden Resort Development Limited	HK	100 shares of HK\$1*	100	100	Property development
Gold Prime Group Limited	BVI	1 share of US\$1	100	100	Investment holding
Grand Expert Limited	HK	10,000 shares of HK\$1*	73.97	73.25	Hotel operation
Guangzhou Pegasus Boiler Manufacture Company Limited (ii)	PRC	Registered and paid up capital of HK\$50,000,000	51	51	Operation of boiler factory
Hong Kong Hotel REIT Finance Company Limited	HK	1 share of HK\$1*	73.97	74.07	Loan financing
Jarton Limited	HK	1 share of HK\$1*	100	100	Property development
Kuala Lumpur Land Holdings Limited	Jersey/HK	100 shares of £1	100	100	Investment holding
Launceston York Car Park Trust	Australia	N/A	76.05	76.05	Car park operation
Madison Lighters and Watches Company Limited	HK	4 shares of HK\$1*	100	100	Investment holding
Marsh Wall Residences Limited	United Kingdom	1 share of £1	100	100	Property development
Mass Perfect Limited	HK	1 share of HK\$1*	73.97	74.07	Investment holding
May21 Pty Ltd.	Australia	1 share of A\$1	100	100	Property development
Merdeka Labuan Sdn. Bhd.	Malaysia	105,000,000 shares of RM\$1	73.97	74.07	Hotel operation
Midtown at Upper West Side Pty Ltd.	Australia	2 shares of A\$1	100	100	Investment holding
Multi Yield (HK) Limited	HK	1 share of HK\$1*	100	100	Property investment
N.T. Horizon Realty (Jordan) Limited	HK	2 shares of HK\$100*	100	100	Property investment
New Time Plaza Development Limited	HK	1,000 shares of HK\$1*	100	100	Investment holding

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital/ share capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2015	2014	
New Union Investments (China) Limited	HK	300 shares of HK\$1*	100	100	Investment holding
Pandix Limited	HK	1 share of HK\$1*	100	100	Property development
Panley Limited	HK	1 share of HK\$1*	73.97	74.07	Hotel operation
Peacock Management Services Limited	HK	2 shares of HK\$1*	100	100	Administration services
Polyland Development Limited	HK	2 shares of HK\$1*	100	100	Property development
Quadrant Plaza Pty Ltd	Australia	N/A	76.05	76.05	Car park operation
Quadrant Plaza Unit Trust	Australia	N/A	76.05	76.05	Car park operation
Regency Hotels Proprietary Limited	Australia	100 shares of A\$1	100	100	Investment holding
Rich Diamond Holdings Limited	BVI/HK	10 shares of US\$1	70	70	Investment holding
Richfull International Investment Limited	HK	1 share of HK\$1*	73.97	74.07	Bar operation
Ridon Investment Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Roper Debt Pty Ltd	Australia	N/A	76.05	76.05	Car park operation
Roper Street Car Park Pty Ltd	Australia	N/A	76.05	76.05	Car park operation
Roper Street Car Park Unit Trust	Australia	N/A	76.05	76.05	Car park operation
Royal Domain Plaza Pty. Ltd.	Australia	2 shares of A\$1	100	100	Property investment
Royal Domain Towers Pty. Ltd.	Australia	2 shares of A\$1	100	100	Property investment
Ruby Way Limited	HK	2 shares of HK\$1*	73.97	74.07	Hotel operation
Scarborough Development Limited	HK	2 shares of HK\$1*	100	100	Property investment
Shanghai Chingchu Property Development Company Limited (ii)	PRC	Registered and paid up capital of US\$35,000,000	98.2	98.2	Property development and investment
Shepparton Car Park Pty Ltd	Australia	10,050 shares of A\$0.17093	76.05	76.05	Car park operation
Shepparton Car Park Trust	Australia	N/A	76.05	76.05	Car park operation
Singford Holdings Limited	BVI/HK	1 share of US\$1	100	100	Treasury management
Spencer Green Pty Ltd	Australia	1 share of A\$1	100	100	Property development
Star Bridge Development Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Subang Jaya Hotel Development Sdn Bhd.	Malaysia	245,000,000 shares of RM\$1	73.97	74.07	Hotel operation
Success Range Sdn. Bhd.	Malaysia	250,000 shares of RM\$1	73.97	74.07	Hotel operation
Tang City Holdings Pte. Ltd.	Singapore	1,000,000 shares of S\$1	100	100	Property investment
Tang City Parkway Pte. Limited	Singapore	10 shares of S\$1	100	100	Property investment
Tang City Properties Pte. Limited	Singapore	2,600,000 shares of S\$1	100	100	Investment holding
Tang Development Pte. Limited	Singapore	2 shares of S\$1	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered and paid up capital/ share capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2015	2014	
Tang Hotel Investments Pte. Ltd.	Singapore	2 shares of S\$1	73.97	74.07	Investment holding and property development
Tang Strategic Investment Pte. Ltd.	Singapore	10 shares of S\$1	100	100	Property investment
Tang Suites Pte. Ltd.	Singapore	1 share of S\$1	73.97	74.07	Property development
Target Term Sdn. Bhd.	Malaysia	2 shares of RM\$1	100	100	Car park operation
Tantix Limited	HK	1 share of HK\$1*	100	100	Property development
The Hotel of Lan Kwai Fong Limited	HK	10,000 shares of HK\$1*	73.97	74.07	Hotel operation
Tomarta Sdn. Bhd.	Malaysia	1,000,000 shares of RM\$1	100	100	Property development
Venue Summit Sdn. Bhd.	Malaysia	250,000 shares of RM\$1	73.97	74.07	Hotel operation
Vicco Development Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Vicsley Limited	HK	1,000 shares of HK\$1*	73.97	74.07	Hotel operation
Victoria Land Pty Limited	Australia	12 shares of A\$1	100	100	Management services
Well Distinct Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Win Chance Engineering Limited	HK	2 shares of HK\$1*	100	100	Engineering services
Zhongshan Developments Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
武漢港澳中心物業管理有限公司(iii)	PRC	Registered and paid up capital of RMB500,000	73.97	74.07	Property management
武漢遠東帝豪酒店管理有限公司(i)	PRC	Registered and paid up capital of US\$29,800,000	73.97	74.07	Hotel operation
遠東豪酒店管理(成都)有限公司(i)	PRC	Registered and paid up capital of US\$38,000,000	73.97	74.07	Property development
上海帝盛酒店有限公司(i)	PRC	Registered and paid up capital of RMB500,000	73.97	74.07	Hotel operation

(i) Foreign investment enterprise registered in the PRC.

(ii) Sino-foreign equity joint venture registered in the PRC.

(iii) Domestic wholly owned enterprise registered in the PRC.

* There is no par value of these shares upon commencement of new Hong Kong Companies Ordinance on 3 March 2014.

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year except for Dorsett has issued 2018 Bonds with principal amount of RMB810,340,000 (equivalent to HK\$1,062,500,000), in which the Group has no interests.

DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Dorsett Hospitality International Limited	Cayman Islands/HK	26.03	25.93	(39,531)	117,352	1,003,066	1,081,694
Individually immaterial subsidiaries with non-controlling interests	N/A	N/A	N/A	166,608	(8,331)	114,213	119,233
				127,077	109,021	1,117,279	1,200,927

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued) DORSETT HOSPITALITY INTERNATIONAL LIMITED

	2015 HK\$'000	2014 HK\$'000
Current assets	1,869,308	2,171,615
Non-current assets	7,960,889	8,099,030
Current liabilities	2,154,406	2,516,697
Non-current liabilities	3,847,180	3,611,520
Equity attributable to:		
Owners of the Company	2,825,545	3,060,734
Non-controlling interests	1,003,066	1,081,694
	3,828,611	4,142,428
Revenue	1,454,027	1,785,850
Profit for the year	94,352	376,568
Other comprehensive (expense) income for the year	(265,937)	17,000
Total comprehensive (expense) income for the year	(171,585)	393,568
Equity attributable to:		
Owners of the Company	(132,054)	276,216
Non controlling interests	(39,531)	117,352
	(171,585)	393,568
Dividends paid to non-controlling interests	38,233	53,905
Net cash inflow from operating activities	278,255	61,589
Net cash outflow from investing activities	(438,274)	(1,100,440)
Net cash (outflow) inflow from financing activities	(387,528)	1,499,292
Net cash (outflow) inflow	(547,547)	460,441

For the year ended 31 March 2015

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2015	2014
Investment holding	Hong Kong	73	73
	Malaysia	12	12
	PRC	7	7
	Singapore	9	8
	Australia	41	40
	New Zealand	2	2
	UK	1	1
	Others	1	1
		146	144
Inactive	Hong Kong	66	63
	Malaysia	9	9
	PRC	20	20
	Singapore	3	3
	Australia	3	3
	UK	8	6
	Others	10	10
			119

48. EVENT AFTER THE REPORTING PERIOD

On 20 May 2015, the board of directors of the Company and Dorsett jointly announced the possible privatisation of Dorsett by the Group. Details of the above proposal were disclosed in the Company's announcement dated 27 May 2015.

LIST OF PRINCIPAL PROPERTIES

PROPERTY DEVELOPMENT/INVESTMENT PROPERTY

Codes of "Types of Property":

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

Name of property and location	Lot number	Group's interest	Site area (m ²)
Shanghai			
1. 133 units of shoplots in Qiu Xintiandi Lane 809 Jin Qiu Road, Baoshan District	Various	98.2%	—
2. Jinqiu School, Club House, Kindergarten and Ancillary portion of Area 171 California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	—
3. The unsold portion of California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	—
4. 306 car parking bays Caflifornia Golden, Jinqiu Road, Baoshan District	N/A	98.2%	—
5. Area 9B, 16, 17II, California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	107,760
6. Commercial Centre B, California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	11,667
7. Area 12 to 15 and 18 California Garden Jinqiu Road, Baoshan District	N/A	98.2%	255,647

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Types of property	Stage of completion	Expected completion date
23,446	S	Completed	Existing
21,942	F	Completed	Existing
3,381	R	Completed	Existing
12,563	CP	Completed	Existing
112,470	R	Under construction	2015 – 2017
Not yet determined	R	Ground clearance	N/A
Not yet determined	R	Planning stage	N/A

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest	Site area (m ²)
Guangzhou			
1. Room 2603, Block 3 Dong-Jun Plaza 836 Dong Feng Road East	N/A	100%	—
2. Room 2604, Block 3 Dong-Jun Plaza 836 Dong Feng Road East	N/A	100%	—
3. New Time Plaza Jian SheHeng MaLu Yue Xiu District	N/A	50%	2,963
4. Gan Tang Yuan Huadidadao East Li Wan District	N/A	100%	7,687
5. Yuandong Yujiang Haoting 10 Miaoqianjie North, Chajiao Li Wan District	N/A	100%	24,359
Hong Kong			
1. Ground and 1st Floors, No. 1–11A San Wai Street Hung Hom	Kowloon Inland Lot No. 7488–7494	100%	—
2. 90–100 Hill Road West Point	IL 1095	100%	535
3. 16th, 18th, 19th, 20th and 24th Floors, (including lavatories on 16th, 18th, 19th, 20th and 24th Floors Flat Roof on 24th Floor), Far East Consortium Building 121 Des Voeux Road Central	IL 2198, 2200, 2201 s.A and IL 2199 RP and s.A, s.B & s.C of ML 299	100%	—
4. Far East Consortium Building 204–206 Nathan Road Tsim Sha Tsui	KIL 10467 RP and KIL 10468 RP	100%	314
5. Fung Lok Wai, Yuen Long	Lot No. 1457RP in DD 123	25.33%	800,000
6. Various shops on LG/F and UG/F Tsuen Wan Gardens Phase 1 15–23 Castle Peak Road Tsuen Wan	241/4400 shares of and in TWTL 241	100%	—
7. Ground and 1st Floors, Bakerview, 66 Baker Street Hung Hom	RP of s.B, s.C, s.D, s.E, s.Iss1, s.Iss2 and s.Iss3 in HHIL 235	100%	—

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Types of property	Stage of completion	Expected completion date
91	O	Completed	Existing
91	O	Completed	Existing
21,343	R	Foundation	N/A
47,080	R	Planning stage	N/A
91,827	R	Under construction	2015
1,230	S	Completed	Existing
4,132	R	Under construction	2015
2,474	O	Completed	Existing
3,549	S & O	Completed	Existing
Not yet determined	R	Planning stage	N/A
3,822	S	Completed	Existing
578	S	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest	Site area (m ²)
8. (a) Sheung Yeung Sai Kung	Section A–H, J–L and Remaining Portion of Lot 746 in DD 225	100%	1,861
(b) Sheung Yeung Sai Kung	Ground Floor & First Floor of Section C of Lot 89 in DD 225	100%	N/A
9. Route TWISK, Chuen Lung Tsuen Wan	Tsuen Wan Town Lot 389 Lot 445 RP in DD 360	100%	13,500
10. Tan Kwai Tsuen, Yuen Long	Lot 4303 in DD 124	100%	4,495
11. Various lots, Pak Kong Sai Kung	Lots 1134 RP, 1137 RP, 1138 & 1139 RP in DD 222	100%	3,524
12. Yau Kam Tau, Tsuen Wan	Lot 232 RP in DD 354	100%	5,940
13. Car Parking Spaces Nos. 27, 30, 34, 44, 53, 54, 56, 62–65, 67, 70, 75, 77, 91, 94, 96 and 97 on the Basement 1 and Car Parking Spaces Nos. 98, 99, 114, 124, 125, 129, 139–140, 144–146, 149–152, 154–157, 159–162 and 164 on the Basement 2 Covent Garden, 88 Ma Tin Road Yuen Long	YLTL 419	100%	—
14. Basement to 5th Floor Nos. 135–143, Castle Peak Road Tsuen Wan	Lot 2158 in DD 449	100%	632
15. No. 68–86 Wan Fung Street Wong Tai Sin, Kowloon	Kowloon Inland Lot No. 5035	100%	989
16. Mei Tin Road, Tai Wai, Shatin New Territories	Sha Tin Town Lot No. 604	100%	687
17. Junction of Shun Lung Street and Shun Cheong Street Sha Tau Kok, New Territories	Lot No. 1003 in DD 40	100%	3,344
18. No. 229A–G Hai Tan Street, Sham Shui Po, Kowloon ⁽ⁱⁱ⁾	New Kowloon Inland Lot No. 6539	100%	431
19. Shop Nos. 1-4 on Ground Floor Shop Nos. 5-6 on Lower Ground Floor Grand View Mansion, 383, 383A, 385 and 385A Queen's Road East, Wanchai, Hong Kong	Lot No. 1578 section B	73.97%	—

Notes:

(i) *Subject to planning permit approval.*

(ii) *A development project of Urban Renewal Authority, the Company has the development right of this project.*

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Types of property	Stage of completion	Expected completion date
N/A	R	Planning stage	N/A
117	R	Completed	Existing
5,400	R	Phase 1 completed	N/A
4,481	R	Under development	2015 – 2016
Not yet determined	A	Planning stage	N/A
Not yet determined	A	Planning stage	N/A
—	CP	Completed	Existing
3,562	S & O	Completed	Existing
8,356	R	Planning stage	N/A
4,490 ⁽ⁱ⁾	R	Planning stage	N/A
11,937	R	Planning stage	N/A
3,637	S & R	Planning stage	2018 – 2019
659	O	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest	Site area (m ²)
Australia			
1. Upper West Side 313–349 Lonsdale Street Melbourne, Victoria	Vol 11404 Folio 406 Vol 11404 Folio 409	100%	9,195
2. The FIFTH Apartments 605 – 611 Lonsdale Street Melbourne, Victoria	Volume 1726 Folio 024	100%	1,100
3. West Side Place 244-276 Spencer Street Melbourne Victoria	Volume 8683 Folio 095 Volume 3543 Folio 465 Volume 3197 Folio 345 Volume 6659 Folio 775 & 776 Volume 8715 Folio 196 Volume 10705 Folio 970	100%	11,760
4. Royal Domain Corporate 370 St Kilda Road Melbourne, Victoria	Lots 501-508, 7C, 14C, 46C, 47C, 58C, 75C, 95C, 109C, 110C, and 111C	100%	496
5. Northbank Place — Rebecca Walk	Lease 2150, 2090 and 2147 OP 122674 Lot 8C PS 549363 Lot 6W PS 604245	100% 100% 100%	734 94.8 44.5
6. Upper West Side 313-349 Lonsdale Street Melbourne, Victoria	Various	100%	520
13 Studio Apartments Tower 1 Upper West Side.			
7. Upper West Side 313-349 Lonsdale Street Melbourne, Victoria			
15 car parking lots & 2 storage units Tower 1	Various	100%	225
55 Car Parking lots & 6 storage units Tower 2	Various	100%	825

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Types of property	Stage of completion	Expected completion date
54,969	R & S	Under construction — Stage 3 Under construction — Stage 4	2016 2015
27,081	R – S	Under Construction	September 2017
202,000	R – S – H	Planning	N/A
496	O	Completed	Existing
734	S	Completed	Existing
94.8	S	Completed	Existing
44.5	S	Completed	Existing
520	R	Completed	Existing
225	CP & F	Completed	Existing
825	CP & F	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest	Site area (m ²)
Malaysia			
1. Sri Jati Service Apartments Jalan Jati, Off Jalan Imbi Kuala Lumpur	Lot 1292 Section 67, Town and District of Kuala Lumpur, Wilayah Persekutuan	100%	886
2. Mukim of Kerling District of Hulu Selangor Selangor Darul Ehsan	Lots 600 and 619	90%	422,907
3. Lot 470, Jalan Imbi Kuala Lumpur	Geran 36268, Lot 470 Section 67 City of Kuala Lumpur Wilayah Persekutuan	100%	1,644
U. K.			
1. 63–69 Manilla Street & 50 Marsh Wall London E14	N/A	100%	1,977

Note:

(i) *Subject to planning approval.*

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Types of property	Stage of completion	Expected completion date
4,685	R	Under reconstruction	2015
—	A	Planning	N/A
19,740	R	Under construction	2017
22,957 – 27,548 ⁽ⁱ⁾	R	Planning stage	N/A

LIST OF PRINCIPAL PROPERTIES

HOTEL

Name of property and location	Lot number	Group's interest	Site area (m ²)
Hong Kong			
1. Cosmopolitan Hotel Hong Kong Nos. 387–397 Queen's Road East Wan Chai	IL 1578RP	73.97%	1,093
2. Silka West Kowloon, Hong Kong No. 48 Anchor Street Tai Kok Tsui	KIL 6374	73.97%	357
3. Cosmo Hotel Hong Kong Nos. 375–377 Queen's Road East Wan Chai	IL 1578 s.Ass1	73.97%	380
4. Lan Kwai Fong Hotel@Kau U Fong No. 3 Kau U Fong Central	IL 8852 RP	73.97%	377
5. Silka Far East, Hong Kong Nos. 135–143 Castle Peak Road Tsuen Wan	Lot No. 2158 in DD 449	73.97%	632
6. Silka Seaview, Hong Kong No. 268 Shanghai Street Yau Ma Tei	KIL 7429, 9701, 9705, 9727, 9769 & 9944	73.97%	502
7. Dorsett Mongkok, Hong Kong No. 88 Tai Kok Tsui Road Tai Kok Tsui	KIL 8050 RP	73.97%	514
8. Dorsett Kwun Tong, Hong Kong No. 84 Hung To Road Kwun Tong	KTIL 162	73.97%	929
9. Dorsett Tsuen Wan, Hong Kong No. 659 Castle Peak Road Kwai Chung	KCTL 193	73.97%	2,323
10. Silka Tsuen Wan, Hong Kong No. 119 Wo Yi Hop Road Kwai Chung	KCTL 167	73.97%	1,312

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Type	Stage of completion	Expected completion date
15,895	H	Completed	Existing
3,210	H	Completed	Existing
5,546	H	Completed	Existing
5,646	H	Completed	Existing
5,180	H	Completed	Existing
6,065	H	Completed	Existing
6,225	H	Completed	Existing
11,147	H	Completed	Existing
21,467	H	Completed	Existing
12,688	H	Under development	2016

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest	Site area (m ²)
China			
1. Dorsett Grand Chengdu No. 168 Xiyulong Street Qingyang District Chengdu Sichuan Province	N/A	73.97%	5,866
2. Dorsett Wuhan No. 118 Jiang Han Road Hong Kong & Macau Centre Hankou Wuhan Hubei Province	N/A	73.97%	5,339
3. Dorsett Shanghai No. 800 Hua Mu Road Pudong New Area Shanghai	N/A	73.97%	3,990
4. Dorsett Zhongshan No. 107 Zhongshan Yi Road West District Zhongshan Guangdong Province	N/A	73.97%	11,170
5. Dorsett Grand Zhuji Wuxie Town, Zhuji Zhejiang Province	N/A	18.49%	60,736
6. Lushan Resort Wenguan Zhen Xingzi Xian Jiujiang City Jingxi Province	N/A	73.97%	42,868
Overseas			
1. Dorsett Regency Kuala Lumpur 172, Jalan Imbi 55100 Kuala Lumpur Malaysia	Lot 1300 Seksyen 0067 held under Title No. GRN 49963 Town and District of Kuala Lumpur Wilayah Persekutuan KL	73.97%	1,270
2. Dorsett Grand Subang Jalan SS 12/1, 47500 Subang Jaya Selangor Darul Ehsan Malaysia	Lot Nos 4244 and 4245 held under title was GRN 38842 and 38843 Mukim of Damansara District of Petaling Selangor	73.97%	37,782

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Type	Stage of completion	Expected completion date
67,617	H	Completed	Existing
67,307	H	Completed	Existing
18,149	H	Completed	Existing
42,635	H	Under development	2018
36,905	H	Under development	2018
35,220	H	Completed	Existing
27,753	H	Completed	Existing
43,264	H & R	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest	Site area (m ²)
3. Dorsett Grand Labuan 462, Jalan Merdeka, 87029 Federal Territory of Labuan Malaysia	Lot TL No. 207531888, Town of Labuan Federal Territory of Labuan	73.97%	6,071
4. Silka Maytower Hotel & Serviced Residences No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur	Lot No. 301 Section 40 held under Title No. GRN 54118 Town and District of Kuala Lumpur Wilayah Persekutuan	73.97%	2,162
5. Silka Johor Bahru Lot 101375 Jalan Masai Lama Mukim Plentong Johor Bahru State of Johor	Lot No. 66270 held under Title No. GRN 358714 Mukim of Plentong District of Johor Bahru	73.97%	4,370
6. Dorsett Singapore 333 New Bridge Road Singapore	Lot Nos 777W & 782P Town Subdivision (TS)	73.97%	4,650
7. Dorsett Shepherds Bush, London 58 Shepherd's Bush Green London	N/A	73.97%	3,100
8. Dorsett City, London 9 Aldgate High Street London	N/A	73.97%	1,127
9. Dorsett Shepherds Bush 2, London 56 Shepherd's Bush Green London	N/A	73.97%	836

LIST OF PRINCIPAL PROPERTIES

Approximate gross floor area (m ²)	Type	Stage of completion	Expected completion date
21,565	H	Completed	Existing
5,623	H	Completed	Existing
8,804	H	Completed	Existing
16,226	H & R	Completed	Existing
14,651	H	Completed	Existing
9,720	H	Under development	2017
5,574	H	Under development	2018

LIST OF PRINCIPAL PROPERTIES

CAR PARK PROPERTY

Name of property and location	Lot number	Group's interest
Australia		
1. 12 Blyth Street/13–19 Bank Street Adelaide, South Australia Australia	Freehold Title — Volume 5234 Folio 147, Volume 5234 Folio 148 and Volume 5215 Folio 282	76.05%
2. 12 Blyth Street/13–19 Bank Street Adelaide, South Australia Australia	Freehold Title — Volume 5234 Folio 147, Volume 5234 Folio 148 and Volume 5215 Folio 282	76.05%
3. Central Square 25 Doveton Street South Ballarat, Victoria Australia	Pt Lot 1 LP 529677 Freehold Title — Volume 10951 Folio 752	76.05%
4. Fenton Street Devonport, Tasmania Australia	Freehold Title — Volume 129295 Folio 1	76.05%
5. Gasworks Willis Street Launceston, Tasmania Australia	Volume 156397 Folios 1–36, together with use of common area rights of access	76.05%
6. Hub Arcade 15–23 Langhorne Street Dandenong, Victoria Australia	Lot 67 SP 32395 Freehold Title — Volume 9902 Folio 822, Unit 67 on Strata Plan 032395Q	76.05%
7. 133–141 Melville Street Hobart, Tasmania Australia	Freehold Title — Volume 242159 Folio 1	76.05%
8. 2–6 Mundy Street Bendigo, Victoria Australia	Freehold Title — Volume 10488 Folio 371–374 inclusive/Volume 8294 Volume 508	76.05%
9. Northbank Place 507–581 Flinders Street Melbourne, Victoria Australia	Plan of Subdivision PS549363A Certificate of Title Volume 10996 Folio 727 Lot 11, Unit 11C	76.05%

LIST OF PRINCIPAL PROPERTIES

Site area/ no. of car parking bay	Types of property	Stage of completion	Expected completion date
1,888 m ² / 350 car parking bays	CP	Completed	Existing
1,679 m ²	S	Completed	Existing
2,898 m ² / 634 car parking bays	CP	Completed	Existing
615 m ² / 26 car parking bays	CP	Completed	Existing
750 m ² / 40 car parking bays	CP	Completed	Existing
4,596 m ² / 189 car parking bays	CP	Completed	Existing
890 m ² / 40 car parking bays	CP	Completed	Existing
1,359 m ² / 44 car parking bays	CP	Completed	Existing
6,143 m ² / 200 car parking bays	CP	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest
10. Quadrant Plaza (Dell Lane) 94 York Street Launceston, Tasmania Australia	Freehold Title — Volume 31824 Folio 1, Volume 34252 Folio 2	76.05%
11. Quadrant Plaza 94 York Street Launceston, Tasmania Australia	Freehold Title — Volume 31824 Folio 1, Volume 34252 Folio 2	76.05%
12. 344 Queen Street Brisbane, Queensland Australia	Freehold Title — Title Reference 18071152 — Lot 1BUP 10464	76.05%
13. 15 Roper Street Adelaide, South Australia Australia	Freehold Title — Volume 5335 Folio 342, Allotment 5, Deposited Plan 25203	76.05%
14. 14–14 Stewart Street Shepparton, Victoria Australia	Freehold Title — Volume 4963 Folio 501, Volume 5281 Folio 195, Volume 4437 Folio 356, Volume 8800 Folio 444, Volume 8632 Folio 508	76.05%
15. 360 St Kilda Road Melbourne, Victoria Australia	Freehold Title — Lots 1D — 86D on Plan of Subdivision PS419703E	76.05%
16. Toorak Place 521 Toorak Road South Yarra, Victoria Australia	Freehold Title — Volume 10896, Folios 196–230, 328–330 and 394–403 inclusive, being Lots 12–49 and 58–67 on Plan of Subdivision 527035	76.05%
17. 9–23 Watchorn Street Hobart, Tasmania Australia	Freehold Title — Volume 29586 Folio 1, Allotment 1, Deposited Plan 29586	76.05%
18. Watergate 767 Bourke Street Docklands, Victoria Australia	Freehold Title — Volume 10925 Folios 766–878 inclusive	76.05%
19. York Street Central 124 York Street Launceston, Tasmania Australia	Freehold Title — Volume 33521 Folio 1	76.05%
20. 109, 8-9 Yarra Street, South Yarra, Victoria Australia	Freehold Title — Volume 11141 Folio 449-557	76.05%

LIST OF PRINCIPAL PROPERTIES

Site area/ no. of car parking bay	Types of property	Stage of completion	Expected completion date
3,333.80 m ² / 369 car parking bays	CP	Completed	Existing
1,690 m ²	S	Completed	Existing
1,290 m ² / 51 car parking bays	CP	Completed	Existing
2,057 m ² / 715 car parking bays	CP	Completed	Existing
2,716 m ² / 335 car parking bays	CP	Completed	Existing
2,050 m ² / 180 car parking bays	CP	Completed	Existing
1,500 m ² / 48 car parking bays	CP	Completed	Existing
820 m ² / 35 car parking bays	CP	Completed	Existing
3,135 m ² / 111 car parking bays	CP	Completed	Existing
1,252 m ² / 50 car parking bays	CP	Completed	Existing
100 car parking bays	CP	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Lot number	Group's interest
Malaysia		
1. Plaza Damas, Sri Hartamas Kuala Lumpur Malaysia (Basement car park)	Geran 59225, Lot 56228 City of Kuala Lumpur Wilayah Persekutuan	100%
2. Windsor & Waldorf Tower Service Apartments, Sri Hartamas Kuala Lumpur, Malaysia	Part of Master Title no. Geran 59219, Lot 56229 City of Kuala Lumpur Wilayah Persekutuan	100%
New Zealand		
1. Knox Street, Hood Street, Hamilton	—	76.05%
2. Mowbray Street, Wellington	—	76.05%

LIST OF PRINCIPAL PROPERTIES

Site area/ no. of car parking bay	Types of property	Stage of completion	Expected completion date
58,125 m ² / 1,750 car parking bays	CP	Completed	Existing
5,040 m ² / 414 car parking bays	CP	Completed	Existing
437 car parking bays	CP	Completed	Existing
50 car parking bays	CP	Completed	Existing

GLOSSARY

“2015 AGM”	the forthcoming annual general meeting of the Company to be held on Thursday, 27 August 2015 at 11:30 a.m. at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387–397 Queen’s Road East, Wanchai, Hong Kong.
“Articles”	Articles of Association of the Company, as amended from time to time.
“Associate”	has the meaning ascribed to it under the Listing Rules.
“AUD” or “AU\$”	Australian dollars, the lawful currency of Australia.
“Australia BBSW”	Australia Bank Bill Swap Reference Rate.
“Board”	Board of Directors of the Company.
“BVI”	the British Virgin Islands.
“CAGR”	Compound annual growth rate.
“Care Park”	Care Park Group Pty. Ltd.
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules.
“CNY” or “RMB”	Chinese Yuan, Renminbi, the lawful currency of the PRC.
“Companies Law”	Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“Company” or “FEC” or “FECIL”	Far East Consortium International Limited, a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of the Hong Kong Stock Exchange (stock code: 35).
“Connected Person”	has the meaning ascribed to it under the Listing Rules.
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules.
“Director(s)”	director(s) of the Company.
“Dorsett”	Dorsett Hospitality International Limited, formerly known as Kosmopolito Hotels International Limited, a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2266).
“Dorsett Group”	Dorsett and its subsidiaries.

“Dorsett Share Option Scheme”	the share option scheme of Dorsett was adopted on 10 September 2010.
“FECIL Share Option Schemes”	the share option schemes of the Company were adopted pursuant to the resolutions passed by the Shareholders on 28 August 2002 and 31 August 2012.
“FVTPL”	Financial Assets at Fair Value through Profit or Loss.
“FY”	Financial Year.
“GBP” or “£”	pounds sterling, the lawful currency of the United Kingdom.
“Group”	the Company and its subsidiaries.
“HIBOR”	Hong Kong Interbank Offered Rates.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“HKAS”	Hong Kong Accounting Standards.
“HKFRS”	the Hong Kong Financial Reporting Standards.
“HKICPA”	the Hong Kong Institute of Certified Public Accountants.
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of PRC.
“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“LIBOR”	London Interbank Offered Rate.
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.
“m ² ”	square meter.
“Malaysia BLR”	Malaysia Base Lending Rates.
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules.

GLOSSARY

“MPF Scheme”	Mandatory Provident Fund Scheme.
“NAV”	net asset value.
“PBOC”	People’s Bank of China Prescribed Interest Rate.
“PRC” or “Mainland China” or “China”	other regions in the People’s Republic of China, and for the purpose of this annual report and unless otherwise stated, references in this annual report to the PRC do not include Taiwan, Hong Kong or Macau Special Administrative Region of the PRC.
“PRC EIT”	People’s Republic of China Enterprise Income Tax.
“PRC LAT”	People’s Republic of China Land Appreciation Tax.
“RevPAR”	revenue per available room.
“RM” or “MYR”	Malaysian Ringgit, the lawful currency of Malaysia.
“S\$ SOR”	Singapore Swap Offered Rate.
“Securities”	as the securities as defined in Schedule 1 to the SFO.
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
“SGD” or “S\$” or “SG\$”	Singapore dollars, the lawful currency of Singapore.
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company.
“Shareholder(s)”	holder(s) of Share(s).
“sq. ft.” or “Sq. Ft.”	square feet.
“Subsidiaries”	the subsidiaries as defined in Schedule 1 to the SFO.
“UK”	the United Kingdom.
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America.
“Year” or “FY2015”	the financial year of the Company from 1 April 2014 to 31 March 2015.
“%”	per cent.

THE YEAR AT A GLANCE

THE YEAR AT A GLANCE – AWARDS & RECOGNISATION

2015

Dorsett Tsuen Wan

- 'Best New Hotel in Hong Kong' by the 8th Annual TTG China Travel Awards



Dorsett Singapore

- 'Certificate of Excellence' by TripAdvisor



2014

Dorsett Hospitality International

- Winnie Chiu – Listed in Forbes Asia's 2014 'Asia's Power Businesswomen 12 to Watch List'
- 'Best Valued Hotels Group Award' by Mediazone Group

- 'Caring Company Logo' by The Hong Kong Council of Social Service



Cosmopolitan Hotel Hong Kong

- 'Outstanding Hotel Partner' by Booking.com
- 'Outstanding Partner of the Year' by Ctrip
- 'Best Selected Family Hotel in Hong Kong' by Lotour Hong Kong Hotel Award
- 'Outstanding Partner of the Year' by GTA
- 'Best Engagement Hong Kong' and 'The Best of Expedia +VIP Access Hotels' by Expedia
- 'Corporate Citizenship Logo' by the Hong Kong Productivity Council
- 'Caring Company Logo' by The Hong Kong Council of Social Service



Cosmo Hotel Hong Kong

- EarthCheck Bronze Benchmarked Logo
- 'The Best of Expedia +VIP Access Hotels' by Expedia
- 'Corporate Citizenship Logo' by the Hong Kong Productivity Council
- 'Caring Company Logo' by The Hong Kong Council of Social Service

Dorsett Kwun Tong, Hong Kong

- 'Travelers' Choice Award – Top 25 Bargain Hotels in China' by TripAdvisor
- 'Caring Company Logo' by Hong Kong Council of Social Service
- Barrier-free Companies/Organisations recognition by Hong Kong Council of Social Service
- 'Best Guest Review Awards' by Booking.com
- 'Service Excellence Hotel of the Year' and 'Unique Design Hotel of the Year' by the Guangdong Hong Kong Macau Hotel General Managers Society
- "Certificate of Excellence" by DaoDao.com (TripAdvisor)



Dorsett Mongkok, Hong Kong

- 'Travellers' Choice Award – Top 25 Budget Hotel in China' by TripAdvisor
- 'Certificate of Excellence' by TripAdvisor
- 'Outstanding Partner of the Year' by Ctrip
- EarthCheck Bronze Benchmarked Logo
- 'Outstanding Partner of the Year' by Gullivers Travel Associates
- 'Corporate Citizenship Logo' by the Hong Kong Productivity Council
- 'Caring Company Logo' by The Hong Kong Council of Social Service

Lan Kwai Fong Hotel@Kau U Fong

- 'Outstanding Enterprises in Boutique Hotel' by Hong Kong Business High Flyers Awards

THE YEAR AT A GLANCE

- 'The Best of +VIP Access Hotels' by Expedia



Silka Far East, Hong Kong

- 'Service Excellence Hotel of the Year' by the Guangdong Hong Kong Macau Hotel General Managers Society.



Silka Seaview, Hong Kong

- 'Top Rated Hotels' by AsiaRooms.com



Dorsett Shanghai

- 'The Best Of The Best Hotel' Award by Gafencu Men Magazine
- 'The Most Popular Hotel' by ly.com, Shanghai's Best Leading Leisure Travel Website.
- 'The Best Urban Ecological Hotel' by China's Tourism Industry Association
- 'China's Most Attractive Brand Hotel'

and 'China's Best Green Business Hotel' by The China Hotel Leader Summit Organizing Committee

- 'Top Performer Partner' by Booking.com

Dorsett Grand Chengdu

- 'Gold Circle Award' by Agoda
- 'Customer Satisfaction, Hotel Amenities, Price Guarantee, Service' by HRS Top Quality Hotel



Dorsett Grand Subang

- 'Human Resources Development Award', 'Certificate of Excellence' and '1st Recipient of the Pearl Award' by Human Resources Development Award

Dorsett Grand Labuan

- 'Global Luxury Business Hotel' by World Luxury Hotel Awards
- 'Best Business Hotel Brand Award Malaysia' by Global Brand Magazine

Dorsett Regency Kuala Lumpur

- 'Best 5 General Manager of the Year in Malaysia' by Hospitality Asia Platinum Awards accorded to Christina Toh, Area General Manager for Dorsett Regency Kuala Lumpur and Silka Hotels in Malaysia
- 'King of Kitchens – Ambassador of Cuisine Best 10 in Malaysia' by Hospitality Asia Platinum Awards accorded to Executive Chef K K Yau

- 'Best 3 in Malaysia for Human Resources Excellence Award' by Hospitality Asia Platinum Awards accorded to Elisha Lee, Human Resources Manager

- 'Outstanding Star Employee in Culinary' by Malaysia Association of Hotels, KL Chapter accorded to Sabri bin Norizan, Chef de Partie

- 'Top Hotel Partners' by Gulliver's Travel Associates

- 'Gold Circle Award' by Agoda



Silka Maytower, Kuala Lumpur

- 'Gold Award (3-star Hotel)' by Kuala Lumpur Mayor's Tourism Award



Dorsett Singapore

- 'Most Tech-savvy Hotel (Bronze Winner)' by HotelQuickly Awards
- 'Award of Excellence' by Booking.com



Dorsett Shepherds Bush, London

- 'Award of Excellence' by Booking.com

**THE YEAR AT A GLANCE
– CORPORATE SOCIAL RESPONSIBILITY REPORT**

1. "Walk for Sight 2015" organized by Orbis



2. Presentation of funds raised by Dorsett Grand Labuan, Malaysia for St. Theresa & De La Salle Hostel, Kota Marudu.



3. Associates in Dorsett Grand Subang serves the community by cleaning up the surrounding area of the hotel.



4. Dorsett Kwun Tong, Hong Kong Caring Team actively participated in community service projects ranging from meal box packing for the charity to community in need to organizing fund raising programmes.



5. Scholarships to students from Ju Ching Chu Secondary School in Tuen Mun, Yuen Long and Kwai Chung in Hong Kong



6. Participated in Institute of Vocational Education Career Expo



7. Monthly Birthday gatherings to foster closer camaraderie between co-workers and periodic staff outings.



8. Christmas outing to "Go Green Organic Farm"



9. Annual Earth Hour participation





遠東發展有限公司
Far East Consortium International Limited

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

香港德輔道中121號遠東發展大廈16樓

Website 網址：www.fecil.com.hk